

Stanton, Terry A. (Treasury)

From: Stanton, Terry A. (Treasury)
Sent: Friday, October 16, 2015 12:35 PM
To: Egan, Paul
Subject: RE: EM law
Attachments: GenCo DrComm release.pdf; Kurtz KWA.pdf; DWSD Termination Ltr.pdf

Apologies for that. See the attached.

This morning, you asked if there was anything we wanted to add, etc. I would only add...as I mentioned in my Thursday e-mail...that Flint's is not a situation where the Mayor and Council wanted to utilize one system with the EM completely reversing course. Everyone involved in the decision-making process agreed KWA was the best long-term option for the City of Flint.

From: Egan, Paul [mailto:pegan@freepress.com]
Sent: Friday, October 16, 2015 11:21 AM
To: Stanton, Terry A. (Treasury) <StantonT@michigan.gov>
Subject: RE: EM law

Thanks again for setting up the interview, Terry. I can't find the letters you said were attached (one from DWSD and one from Kurtz). Can you please send if you have?
Paul

From: Stanton, Terry A. (Treasury) [mailto:StantonT@michigan.gov]
Sent: Thursday, October 15, 2015 2:57 PM
To: Egan, Paul
Subject: RE: EM law

Paul—

I understand you recently chatted with Sara W on this issue and she asked me to reach out as well.

I can work toward setting up a phone conversation between you, Wayne Workman (Deputy Treasurer for Local Government), and me tomorrow morning, around 10 or 10:30...if that works for you.

I'm not sure how much background info you have on the issue, so wanted to get you the following, most of which I have previously shared with Nancy Kaffer or John Wisely. I apologize in advance, for the length of the information, but believe it all pertinent to your inquiry.

To your first question...the unfortunate situation in Flint is in no way an indictment (your term) of Public Act 436, The Local Financial Stability and Choice Act. It's my understanding that discussions about the possible development of a Flint-area/Genesee County water system had been on-going since the early 2000's and that the City of Flint had been in discussions about the possibility of joining KWA for much of that time, certainly prior to the appointment of an emergency manager in December 2011. The following M-Live articles show the city was looking at a possible move to KWA, which Genesee County strongly supported, well before a manager was appointed.

http://www.mlive.com/news/flint/index.ssf/2010/02/detroit_tells_genesee_county_w.html
http://www.mlive.com/news/flint/index.ssf/2011/01/water_pipeline_vs_flint_river.html

http://www.mlive.com/news/flint/index.ssf/2011/04/city_of_flint_still_mulling_wa.html
http://www.mlive.com/news/flint/index.ssf/2011/09/flint_officials_to_be_presente.html
http://www.mlive.com/news/flint/index.ssf/2011/12/so_far_so_good_genesee_county_1.html

Additionally, The Flint Journal supported the move to KWA in an editorial in Sept. 2011, again, prior to the appointment of a manager.

http://www.mlive.com/opinion/flint/index.ssf/2011/09/our_voice_its_decision_time_fo.html

Prior to the decision to move to KWA, which the Mayor and City Council fully supported (March 2013 Flint Journal story cites 7-1 City Council vote to join KWA); http://blog.mlive.com/newsnow_impact/print.html?entry=/2013/03/flint_city_council_approves_re.html the city's emergency manager (Mike Brown in June 2012; Ed Kurtz in Sept. 2012) twice requested permission from DWSD to blend river water with DWSD water to ensure high quality, safe drinking water for residents, while saving the city an estimated \$2-3 million annually (DWSD was proposing a 5x rate increase for the City of Flint).

It is also important to note that the Genesee County Drain Commissioner, who had been heading up the KWA project, **required** that Flint's elected leaders approve of and sign-off on the transition to KWA as he believed it was important to have the city's elected officials make the decision and not an emergency manager (see attached).

Under PA 436, an emergency manager's approval is required for transactions of \$50,000 or more, and thus Ed Kurtz did approve the eventual move to KWA, again with full support and urging from the Mayor and City Council. Kurtz's letter, detailing that decision after consideration of DWSD's "last, best offer" is attached.

I also believe it's important to note that this is **not** a situation where the Mayor and Council wanted to utilize one system with the EM reversing course. All involved in the decision-making process agreed KWA was the best long-term option for the City of Flint.

With Flint's decision to go with KWA, DWSD chose to terminate Flint's contract, effective April 17, 2014 (letter attached). Given that termination, Flint had two "options:"

- sign a long-term (30 year) agreement with DWSD, which was not economically feasible given the city's decision to go with KWA
- Use Flint River as an interim source (it had long been the city's backup) until KWA was on-line

http://www.mlive.com/news/flint/index.ssf/2014/03/flint_drinking_water_to_come_f.html

It is also important to note that the current situation in Flint has been exacerbated by years of neglect and a lack of maintenance to the decades-old system.

All that said, the most important issue now is moving things forward, through the collaborative State, City, and Foundation effort to ensure safe drinking water for the residents of Flint.

As for the "broader picture" of PA 436...as recently as August of 2013, six emergency managers were in place in municipalities experiencing a financial emergency. Today, only one remains; Brad Coulter in the City of Lincoln Park.

While Receivership Transition Advisory Boards (RTABS) are in place in Pontiac, Benton Harbor, Allen Park, Hamtramck, and Flint and the Financial Review Commission is in place in the City of Detroit, local control has been restored in each of those municipalities.

Going forward, elected leaders in those communities will likely face difficult decisions on how best to maintain the financial footing they have today, and to balance revenues with expenditures, but clearly the toolbox available under PA

436 has allowed several managers to remedy local government financial emergencies and restore local control as quickly and efficiently as possible...as was the goal when PA 436 was signed into law.

From: Egan, Paul [<mailto:pegan@freepress.com>]
Sent: Tuesday, October 13, 2015 10:29 AM
To: Stanton, Terry A. (Treasury) <StantonT@michigan.gov>
Cc: Wurfel, Sara (GOV) <Wurfels@michigan.gov>
Subject: EM law

Hi Terry/Sara: I am working on a story for the weekend that examines the question of whether the contaminated Flint water situation is an indictment of Michigan's emergency manager law.

Is there someone in state government you can arrange for me to interview who can address that question and also discuss what they see as the successes/shortfalls of the EM law in terms of the broader picture?

Thanks, Paul

Pleyte, Beth (Treasury)

Subject: FW: State Appropriation Payment Procedures
Location: Conference Call - Phone: [REDACTED] Access Code: [REDACTED]
Start: Fri 10/16/2015 2:00 PM
End: Fri 10/16/2015 3:00 PM
Recurrence: (none)
Meeting Status: Accepted
Organizer: Shaler, Karen (DEQ)

The call about the wire to Flint or DWSD from DEQ/Treasury is at 11:00 today. Mott Foundation will also be on the call and they are sending funds also. Call my cell 517-[REDACTED] if you have any questions. The call instructions are in the heading. Tom is correct. The wire is needed today or Tuesday for sure. Randy Byrne and I will be on the call. Thanks, Wayne

-----Original Appointment-----

From: Shaler, Karen (DEQ)
Sent: Friday, October 16, 2015 9:38 AM
To: Shaler, Karen (DEQ); Sygo, Jim (DEQ); Krisztian, George (DEQ); McDonald, Paul (DEQ); Premoe, Tara (DEQ); Workman, Wayne (TREASURY); Byrne, Randall (Treasury); mgailbreath@mott.org; kroberson@mott.org; jkochanek@bodmanlaw.com; dwalling@cityofflint.com; nhenderson@cityofflint.com
Cc: imaxwell@mott.org; skammer@cityofflint.com; Thelen, Mary Beth (DEQ); Wilcox, Candra (DEQ)
Subject: State Appropriation Payment Procedures
When: Friday, October 16, 2015 2:00 PM-3:00 PM (UTC-05:00) Eastern Time (US & Canada).
Where: Conference Call - Phone: [REDACTED]; Access Code: [REDACTED]

This is to confirm the subject conference call (see call-in information above). Following are the participants:

Jim Sygo, Chief Deputy Director, Department of Environmental Quality (DEQ)
George Krisztian, Flint Action Plan Coordinator & Laboratory Director, DEQ (possibly)
Paul McDonald, Assistant Chief, Administration Division, DEQ
Tara Premoe, Administration Division, DEQ
Wayne Workman, Deputy Treasurer, Department of Treasury
Randy Byrne, Department of Treasury
Mary Gailbreath, Vice President, C.S. Mott Foundation
Kimberly Roberson, C.S. Mott Foundation
Joe Kochanek, Bodman Law (C.S. Mott Foundation's attorney)
Mayor Dayne Walling, City of Flint
Natasha Henderson, City Administrator, City of Flint

Jim Sygo will be the host and has the Host Password. Thank you.

Karen Shaler, Management Assistant to

Chief Deputy Director Jim Sygo
Department of Environmental Quality
Constitution Hall, 6th Floor South
Phone: 517-284-6709
Fax: 517-241-7401
shalerk@michigan.gov

Workman, Wayne (TREASURY)

From: Anthony Chubb <achubb@cityofflint.com>
Sent: Friday, October 16, 2015 3:32 PM
To: Workman, Wayne (TREASURY)
Cc: Byrne, Randall (Treasury)
Subject: Re: DWSD/ Flint Agreement
Attachments: PARTIALLY EXECUTED DWSD CONTRACT.pdf

Follow Up Flag: Flag for follow up
Flag Status: Flagged

Gentlemen,

Attached please find the partially executed contract. This allows for monthly pricing of \$662,100 per month readiness to serve charge, and \$8.93/Mcf commodity rate. This is drastically lower, I believe, than any of their other 85 customers.

Anthony Chubb
Interim Director of Human Resources and Labor Relations
Deputy City Attorney
City of Flint
1101 S. Saginaw Street, 3rd Floor
Flint, MI 48502

(810) 237-2078

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On Fri, Oct 16, 2015 at 2:52 PM, Workman, Wayne (TREASURY) <WorkmanW@michigan.gov> wrote:

| Anthony, please send Randy Byre and me a copy of the Agreement. Thank you, Wayne

WATER SERVICE CONTRACT

BETWEEN

CITY OF DETROIT

AND

CITY OF FLINT

TABLE OF CONTENTS

Article 1: Definitions	3
Article 2: Contract Term	5
Article 3: Early Termination Costs	6
Article 4: Service Area	7
Article 5: Pressure; Maximum Flow Rate; Minimum Annual Volume	8
Article 6: Technical Advisory Committee	13
Article 7: Rates	14
Article 8: Meters and Meter Facilities	14
Article 9: Reserved	15
Article 10: Reserved	15
Article 11: Force Majeure and Other Events	16
Article 12: Timely Payment	16
Article 13: Assignment	17
Article 14: Reserved	17
Article 15: Amendment	17
Article 16: Notices	17
Article 17: Water Quality	18
Article 18: Rights-of-Way	18
Article 19: Access to Towers and Antennas	19
Article 20: Relationship to Wastewater Services	19
Article 21: Construction Standards	20
Article 22: Operation of Storage	20
Article 23: Miscellaneous	20
Signature Page	22
Exhibit A: Customer's Water Distribution Points	23
Exhibit B: Projected Annual Volume, Minimum Annual Volume, Pressure Range, Maximum Flow Rate, Flow Split Assumptions, and Addresses for Notice	24
Exhibit C: Metering Agreement	28

**WATER SERVICE CONTRACT
BETWEEN
CITY OF DETROIT
AND
CITY OF FLINT**

This Water Service Contract ("Contract") is made between the City of Detroit, a municipal corporation, by its Water and Sewerage Department and Board of Water Commissioners (the "Board"), and the City of Flint, a municipal corporation ("Customer"). The Board and Customer may be referred to individually as "Party" or collectively as the "Parties."

Whereas, the City of Detroit owns a public water supply system ("System") operated by the Board; and

Whereas, the Board supplies water service to numerous governmental entities in the Board's water service area; and

Whereas, Customer is experiencing a public health emergency and desires to obtain water service from the Board in order to abate this emergency; and

Whereas, the purpose of this Contract is to provide potable water to Customer on an emergency basis; and

Whereas, because Customer shall receive water through a Board-owned master meter that also meters water usage by the Genesee County Drain Commissioner ("GCDC"), Customer has entered into a metering agreement with GCDC whereby GCDC agrees to report to the Board the volume of water attributable to Customer; and

ACCORDINGLY, THE PARTIES AGREE AS FOLLOWS:

**Article 1.
Definitions**

1.01 The following words and expressions, or pronouns used in their stead, shall be construed as follows:

"Adjusted Prevailing Water Rate" shall have the meaning ascribed in Article 3 herein.

"Allocation Flow Rate" shall mean the value that is established as a result of a breach of Section 5.03 herein and which value shall replace the contractual Maximum Flow Rate in the rate calculation process in the event that Section 5.04(C) herein is applied by the Board.

"Annual Volume" shall mean the actual volume of water used by Customer for the period of July 1st to June 30th as measured on bills issued from August 1st through July 31st.

"Board" shall mean the City of Detroit Board of Water Commissioners.

“City” shall mean the City of Detroit, a municipal corporation, acting through its Board of Water Commissioners.

“Contract” shall mean each of the various provisions and parts of this document, including all attached Exhibits and any amendments thereto, as may be executed and approved by Customer’s governing body and the Board of Water Commissioners.

“Contract Term” shall have the meaning ascribed in Article 2 herein.

“Customer” shall mean the Party that enters into a contract with the City of Detroit by way of this Contract, whether an authority, city, township, village or other municipal corporation recognized by the State of Michigan.

“Customer Maximum Day Demand” shall mean the Customer’s recorded water usage on the DWSD Maximum Day. Customer Maximum Day Demand shall, in conjunction with Customer Peak Hour Demand, be a component of its Maximum Flow Rate.

“Customer Peak Hour Demand” shall mean the Customer’s recorded water usage during the DWSD Peak Hour. Customer Peak Hour Demand, in conjunction with Customer Maximum Day Demand, shall be a component of its Maximum Flow Rate.

“DWSD” shall mean the City of Detroit Water and Sewerage Department.

“DWSD Maximum Day” shall mean the maximum reported water production day for the System during any twenty-four hour period as measured from 12:00 a.m. Eastern Standard Time in any given calendar year, as determined by DWSD in reviewing water production and storage reports.

“DWSD Peak Hour” shall mean the hour during the DWSD Maximum Day in which the most water is delivered to the System, measured from top-of-the-hour to top-of-the-hour (e.g. 7:00 a.m. to 8:00 a.m.), and as determined by DWSD in reviewing water production and pumping reports. In calculating the DWSD Peak Hour, the time period from 11:00 PM to 5:00 AM Eastern Standard Time (EST) shall not be considered provided, however, that if Customer has an approved Filling Schedule, the time period specified in the Filling Schedule shall supersede the time period of 11:00 PM to 5:00 AM EST.

“Early Termination Costs” shall have the meaning ascribed in Article 3 herein.

“Filling Schedule” shall have the meaning ascribed in Article 22 herein.

“Maximum Flow Rate” shall mean the aggregate amount of water usage that Customer commits not to exceed, as determined by the Customer Maximum Day Demand and the Customer Peak Hour Demand, collectively.

“Meter Facilities” shall mean a location in which a water meter is housed including, without limitation, meter pits and meter vaults.

"Minimum Annual Volume" shall mean fifty percent of Customer's Projected Annual Volume.

"Notices" shall mean all notices, consents, approvals, requests and other communications required to be given under the terms of this Contract.

"Pressure Problem" shall have the meaning ascribed in Article 5 herein.

"Pressure Range" shall have the meaning ascribed in Article 5 herein.

"Projected Annual Volume" shall mean the projected annual water sales to Customer as set forth in Exhibit B.

"Service Area" shall mean the mutually agreed upon area where Customer is permitted to distribute water received from the Board under the terms of this Contract which (a) may be entirely within the corporate limits of Customer or may exceed the corporate limits of Customer and (b) which may or may not include the entire geographical area within the Customer's corporate limits.

"System" shall mean the public water works system owned and operated by the City of Detroit, acting through its Board of Water Commissioners and its Water and Sewerage Department.

"Technical Advisory Committee" shall mean the committee consisting of representatives of the Detroit Water and Sewerage Department, wholesale water customers of the Detroit Water and Sewerage Department and their respective representatives, and shall include its successor or replacement if altered or discontinued. The Technical Advisory Committee or its successor shall remain in existence for a minimum term of January 1, 2008 until December 31, 2038 unless the committee determines otherwise.

"Water Distribution Points" shall have the meaning ascribed in Article 4 herein.

Article 2. Contract Term

- 2.01 Term. The Board shall sell and supply water to Customer from the System in accordance with the terms of this Contract for a period of nine months from the effective date of this Contract (the "Contract Term"), subject to Article 3 herein. The effective date of this Contract shall be the date that this Contract is approved by the Customer's governing body or the Board whichever is later.
- 2.02 Extension of Term. Should the concern for public health continue beyond the initial Contract Term and a reasonable alternative to the temporary service provided by the Board does not readily exist, the Contract Term may be extended for any mutually agreeable period through a letter which sets forth the emergent circumstances signed by the Parties.
- 2.03 Reserved.

Article 3.
Early Termination Costs

- 3.01 Early Termination Costs. In addition to any other remedies provided for by law or by the terms of this Contract, Customer shall be liable to the Board for the payment of any costs incurred by the Board related to providing water to Customer in the event Customer terminates this Contract before the conclusion of a Contract Term ("Early Termination Costs"), unless Customer terminates this Contract for cause in accordance with Article 10; provided, however, that payment of such Early Termination Costs by Customer shall not entitle Customer to receive water service from the Board.
- 3.02 Calculation of Costs. Payment of Early Termination Costs will be calculated by applying the Adjusted Prevailing Water Rate to the Minimum Annual Volume requirements for the remainder of the Contract Term. The Adjusted Prevailing Water Rate shall be the rate charged by the Board to Customer as of Customer's effective termination date, adjusted annually to reflect projected inflationary increases utilizing a locally based wholesale price index. The Parties may agree upon another standardized price index. The Board may seek a recommendation from the Technical Advisory Committee on the amount of the Early Termination Costs.
- 3.03 Specifically Constructed Facilities. If the Board has constructed facilities specifically for the benefit of Customer, additional costs may be included in the calculation of the Early Termination Costs, provided that any such facilities shall be identified in a written agreement between the Board and Customer at or near the time of construction.
- 3.04 Formation of Water Authority. Customer may join with another authority, city, township, village or other municipal corporation recognized by the State of Michigan to form a water authority for the sole purpose of collectively contracting for water service from the Board. The exercise of this right shall not be construed as an early termination of this Contract and this Contract shall be voided upon the approval of a new water service contract by Customer's governing body and the Board.
- 3.05 Customer Annexation or Consolidation. In the event the territory of Customer is annexed or consolidated with another Michigan municipal corporation and if said municipal corporation is a current customer of the Board, then such an annexation or consolidation shall not be construed as an early termination of this Contract and this Contract shall be voided upon the approval of a new or amended water service contract with the annexing or consolidating municipal corporation.

Article 4.
Service Area

- 4.01 Delivery Location. Water shall be delivered by the Board to Customer at the location(s) identified in Exhibit A (collectively, the "Water Distribution Points"), and at other locations as may be mutually agreed upon in writing by the Board and Customer. The Board shall not require Customer to pay any fee to reconnect to the System. The Customer shall bear any and all actual costs, including without limitation capital and labor costs, associated with any work required to reconnect Customer to the System.

- 4.02 Limit of Responsibility. The Board shall have no responsibility for distributing, operating, repairing, replacing and maintaining any portions of the Customer's water supply system downstream of the Water Distribution Points shown in Exhibit A, provided, however, that this Section 4.02 does not prevent the application of the provisions of Section 11.02 herein.
- 4.03 Board Responsibility. The Board owns and is responsible for operating and maintaining all parts of its System upstream from Customer's Water Distribution Points. Should the Board fail to maintain its Meter Facilities and/or any Board owned and maintained equipment within the Meter Facilities, Customer shall provide written notice to the Board which describes the objectionable condition of the Meter Facility and/or the equipment within, and its intent to take reasonable steps to maintain the condition and charge the reasonable cost of doing so to the Board. Upon receipt of the notice and subject to Section 11.01, the Board shall have thirty calendar days to repair the condition specified in the notice, unless a force majeure event prevents the repair within the thirty-day period. If the Board has not repaired the condition at the conclusion of the thirty-day period and has not provided a written explanation to Customer explaining the reason for the delay (e.g. necessary parts are on order or occurrence of a force majeure event specified in Section 11.01), then Customer may take reasonable steps to maintain the specified condition and charge the reasonable cost of doing so to the Board.
- 4.04 Extension of Service Area. Customer's distribution of water supplied by the Board shall be limited to the Service Area stated in Exhibit A. The Parties agree that situations may arise in which Customer desires to extend its Service Area, either temporarily or permanently, beyond its corporate limits. Should such a situation arise, Customer shall provide written notice to the Board explaining the nature, duration and extent of the requested Service Area extension. The Board shall have the option, which it may exercise at any time, of requiring a written amendment to this Contract to accommodate the change in Service Area. Should the Board determine that an immediate amendment is required, the Parties shall, within thirty calendar days of Customer's request, meet to negotiate mutually agreeable terms for the extension of the Service Area. The Board shall not unreasonably deny a request to extend the Service Area.
- 4.05 Change or Addition of Water Distribution Points. Water Distribution Points may be added or changed only by the express written agreement of the Board and Customer and shall be embodied in a written amendment to this Contract.
- 4.06 Sole Supplier. Except as provided in Article 17 herein, the Board shall be the sole supplier of public potable water to Customer's Service Area.

Article 5.

Pressure; Maximum Flow Rate; Minimum Annual Volume

- 5.01 Pressure Range. The Board shall use its best efforts to deliver water at the Water Distribution Points at a pressure range ("Pressure Range") adequate to meet the reasonable requirements of Customer. For purposes of evaluating this effort, water pressure shall be determined by reviewing the average hourly pressure measured from top-of-the-hour to top-of-the-hour (e.g. 7:00 a.m. to 8:00 a.m.). The Pressure Range to be provided by the Board to Customer's Water Distribution Points is specified in Exhibit B. The location at

which the water pressure will be measured shall be specified in Exhibit A and identified as point "P". A Pressure Range will not be established for water meters that are not located on a DWSD transmission main, or which are located on a DWSD transmission main and are downstream of and subject to the flow demands of a water meter for another Board customer.

- 5.02 Remedy for Non-Compliance with Pressure Range. If the water pressure at Customer's Water Distribution Points is above or below the Pressure Range, at Customer's request the Parties shall meet within thirty calendar days to discuss the reasons for the non-compliance and, if agreed necessary, develop and implement a mutually agreeable written corrective action plan within sixty calendar days of the meeting, or as otherwise agreed. The corrective action plan shall include a timetable for resolution of the non-compliance issue(s).

- A. If it is determined that another customer's exceedance of the rates of flow established by that customer's Maximum Flow Rate caused or contributed to the Board's inability to meet its Pressure Range agreement with Customer, then the corrective action plan shall provide for the resolution of the issue.
- B. If Customer is exceeding the rates of flow established by its Maximum Flow Rate on a day other than the DWSD Maximum Day at the time Customer experiences a variation from the Pressure Range, then the Board shall be relieved from its obligation to provide water to Customer within the Pressure Range for that period of time during which Customer is exceeding the rates of flow established by its Maximum Flow Rate.

- 5.03 Maximum Flow Rate. Customer's Maximum Flow Rate is specified in Exhibit B. Customer shall not exceed the Maximum Flow Rate specified in Exhibit B, as measured in million gallons on the DWSD Maximum Day and during the DWSD Peak Hour.

- A. The Board shall notify all customers in writing on or before October 1 of each calendar year if Customer or any other wholesale customer is alleged to have exceeded its Maximum Flow Rate in a given calendar year. The notice shall state the day and/or hour that Customer or any other wholesale water customer is alleged to have exceeded its Maximum Flow Rate.
- B. If Customer is alleged to be in breach of its obligations under this Section 5.03, the Board and Customer shall endeavor to meet before November 1 of the current calendar year, or as soon as practicable, for the purposes of validating the breach, reviewing and analyzing the causes, and to negotiate a possible remedy pursuant to Sections 5.04 and 5.05 herein.
- C. The Technical Advisory Committee's Analytical Work Group, or its successor shall review any alleged breach of this Section 5.03.
 - i. The Analytical Work Group shall meet once, at a minimum, on or before November 1 of each calendar year to review the alleged breaches, if any,

and may thereafter schedule subsequent meetings as necessary to conclude its review.

- ii. The Board will seek a recommendation from the Analytical Work Group on (1) an Allocation Flow Rate, if any, and/or (2) concurrence with the remedy tentatively negotiated between Customer and the Board, if any. Customer and the Board shall have the right to present any information related to the alleged breach a Party deems necessary to the deliberations.
- iii. Any recommendation submitted by the Analytical Work Group shall be received by the Board on or before December 1 of each calendar year.

5.04 Remedy for Non-Compliance with Maximum Flow Rate. The Board has no obligation to supply to Customer more than the Maximum Flow Rate. If Customer exceeds its Maximum Flow Rate on the DWSD Maximum Day or during the DWSD Peak Hour, the Board and Customer may, as needed, take one or more of the following actions set forth in this Section 5.04. The applicability of any particular action shall be evaluated by the Board on a case-by-case basis.

- A. The Board may require that Customer take all reasonable steps to reduce its consumption to the Maximum Flow Rate. Such steps may include water conservation measures, outdoor water use restrictions, water loss studies and remediation, and an internal system operation evaluation.
- B. The Parties may meet to negotiate a new Maximum Flow Rate. If so negotiated, Customer shall pay the rate associated with the new Maximum Flow Rate in the subsequent rate year.
- C. For ratemaking and cost allocation purposes only, the Board may recalculate Customer's rate for the current and/or subsequent fiscal years utilizing a revised cost allocation formula as follows:
 - i. The Board shall, as set forth below, establish an Allocation Flow Rate to replace the contractual Maximum Flow Rate in the rate calculation process.
 - ii. The Allocation Flow Rate shall be applied from no earlier than the first exceedance date forward.
 - iii. The Allocation Flow Rate will be at least equal to the flow rate demonstrated by Customer on the DWSD Maximum Day, and may be higher than the actual flow rate demonstrated by Customer.
 - iv. Pursuant to Section 5.03(C), if the Board receives a recommendation on the Allocation Flow Rate to be applied from the Analytical Work Group and the recommendation is higher than twice the amount by which the demonstrated flow rate exceeded the original Maximum Flow Rate, then the Board shall be limited to establishing an Allocation Flow Rate that is at least equal to the flow rate demonstrated by Customer on the DWSD Maximum

Day and no higher than the recommendation provided by the Analytical Work Group.

- v. If no recommendation on the Allocation Flow Rate to be applied is received by the Board, or if the Board receives a recommendation and the recommendation is less than twice the amount by which the demonstrated flow rate exceeded the original Maximum Flow Rate, then the Board shall be limited to establishing an Allocation Flow Rate that is at least equal to the flow rate demonstrated by Customer on the DWSD Maximum Day and no higher than twice the amount by which the demonstrated flow rate exceeded the original Maximum Flow Rate.
- vi. The Allocation Flow Rate will continue to be applied to each subsequent year's rate calculation process until the Maximum Flow Rate is renegotiated.
- vii. If a rate has been approved for the subsequent fiscal year (July 1st to June 30th) but the rate has not yet been applied, the Board may modify Customer's rate for that subsequent fiscal year to account for an exceedance of its Maximum Flow Rate.
- viii. If the Board has built capital facilities based upon Customer's negotiated Maximum Flow Rate and Customer consistently exceeds its Maximum Flow Rate, then the Board may re-calculate the amount of Customer's percentage of the capital cost of such facilities

5.05 Procedure for Non-Compliance with Maximum Flow Rate. In addition to the remedies specified in Section 5.04, if Customer has failed in its obligations under Section 5.03, the Parties shall meet to discuss the reasons for the non-compliance and if agreed necessary, develop a mutually agreeable written corrective action plan by December 31 of the year in which the non-compliance occurred, or as otherwise agreed. Any corrective action plan required under this Section 5.05 shall include a timetable for resolution of the non-compliance issue(s).

- A. If the Parties determine that a corrective action plan is not required and an incident of non-compliance occurs in the subsequent calendar year, the Parties shall meet to develop a mutually agreeable written corrective action plan by December 31 of the year in which the non-compliance occurred, or as otherwise agreed.
- B. In the event the reason for Customer's non-compliance under Section 5.03 is due to a Customer water main break, fire or meter calibration performed by DWSD, these events will be taken into consideration in determining (1) whether a corrective action plan is warranted and (2) the extent to which, if any, the steps specified in Section 5.04 should apply.

5.06 Minimum Annual Volume. Customer shall purchase from the Board not less than the Minimum Annual Volume of water specified in Exhibit B. If Customer's Annual Volume is less than the Minimum Annual Volume, Customer shall pay to the Board an amount

computed by applying the current rate to the Minimum Annual Volume less any amounts already billed to the Customer by the Board.

- 5.07 Periodic Review. For Customer and System planning purposes and, with regard to the Minimum Annual Volume, enforcement of the provisions of Article 3, a Maximum Flow Rate, Pressure Range, Projected Annual Volume and Minimum Annual Volume shall be established by mutual agreement for the Contract Term. If the Contract Term exceeds two years, a contractually binding Maximum Flow Rate, Pressure Range, Projected Annual Volume and Minimum Annual Volume shall be established by mutual agreement for first two years of the Contract Term. If the Contract Term exceeds two years, not later than the second year of the Contract Term, the Board and Customer shall negotiate a contractually binding Maximum Flow Rate, Pressure Range, Projected Annual Volume and Minimum Annual Volume for the succeeding three years of the Contract Term. If the Contract Term exceeds five years, not later than the fifth year of the Contract Term, and every five years thereafter, the Board and Customer shall negotiate a contractually binding Maximum Flow Rate, Pressure Range, Projected Annual Volume and Minimum Annual Volume for the succeeding five years of the Contract Term. If the Parties do not negotiate new or revised Maximum Flow Rates, Pressure Ranges, Projected Annual Volumes and Minimum Annual Volumes according to the aforementioned schedule, then the figures established for planning purposes (as shown in italicized type in Exhibit B) shall become contractually binding for the then-current three or five year term.
- 5.08 Remedy for Excessive Rate(s) of Flow Causing Pressure Problem(s). Customer acknowledges that Customer's rates of flow may cause and/or contribute to the Board's inability to meet its Pressure Range agreements with Customer and/or the Board's other customers (hereinafter, "Pressure Problem"). The Board may review or monitor Customer's daily rates of flow if a Pressure Problem occurs and the Board's Pressure Range agreement with Customer and/or another customer of the Board is alleged to have been breached. The approximate rate of flow by individual meter location used to establish the Pressure Range and Maximum Flow Rate is specified in Exhibit B. If a Pressure Problem occurs, the Parties shall meet to discuss the reasons for the Pressure Problem and develop and implement a mutually agreeable written corrective action plan within sixty calendar days of the Pressure Problem, or as otherwise agreed. The corrective action plan may require one or both of the following steps:
- A. The Board may require that Customer take all reasonable steps to reduce its consumption to the rate of flow established by the Maximum Flow Rate. Such steps may include water conservation measures, outdoor water use restrictions, water loss studies and remediation, and an internal system operation evaluation. In addition, the Board may require that Customer adjust its rate of flow at individual meters, including the establishment of a not-to-exceed flow rate for individual meters.
 - B. The Parties may meet to negotiate a new Maximum Flow Rate. If so negotiated, Customer shall pay the rate associated with the new Maximum Flow Rate in the subsequent rate year.

If the Parties determine that a corrective action plan is not required and a subsequent Pressure Problem occurs, the Parties shall meet to develop and implement a mutually agreeable written corrective action plan within sixty calendar days of the subsequent Pressure Problem, or as otherwise agreed. Any corrective action plan required under this Section 5.08 shall include a timetable for resolution of the Pressure Problem. In the event the reason for the Pressure Problem is due to a Customer water main break, fire or meter calibration performed by DWSD, these events will be taken into consideration in determining (1) whether a corrective action plan is warranted and (2) the extent to which, if any, the steps specified above in this Section 5.08 should apply.

- 5.09 Board Costs for Corrective Action Plan. If at any time the Board is required under the terms of this Article 5 to develop and implement a corrective action plan and the plan involves incurring capital costs, the Board will determine whether the costs will be charged as a System cost or whether the cost will be borne by a specific customer or customers. If the Board determines that all or part of the costs should be borne by a specific customer or customers, the Board will seek a recommendation from the Technical Advisory Committee on the assessment of the costs.
- 5.10 Customer Costs for Corrective Action Plan. If at any time Customer is required under the terms of this Article 5 to develop and implement a corrective action plan, Customer shall be so informed in writing and Customer will pay all costs related to the corrective action plan.

Article 6. Technical Advisory Committee

- 6.01 Establishment. The Technical Advisory Committee is formed to facilitate a cooperative working partnership between the Board and its wholesale water customers by facilitating the development of recommendations regarding System planning and supply to DWSD management and the Board. The Technical Advisory Committee shall maintain bylaws that govern the way it conducts its business. In the event of a conflict between the terms of the bylaws adopted by the Technical Advisory Committee and the terms of this Contract, the terms of this Contract shall control.
- 6.02 General Responsibilities. The Technical Advisory Committee shall periodically review and evaluate the rates, rate methodology, and performance of the System. The Technical Advisory Committee shall review and evaluate flow rates, pressures and Annual Volumes for the System at a minimum of every five years to assist the Board in its System planning effort. The Technical Advisory Committee shall have the opportunity each year to review the Capital Improvement Program as prepared by DWSD, prior to its adoption by the Board. The Technical Advisory Committee may consider Customer proposals for improving the operation of Customer's water system and/or the System. The Board will supply the Technical Advisory Committee with information the Board deems reasonably necessary to accomplish the general responsibilities defined in this Section 6.02.
- 6.03 Annual Report by Board. The Board will present an annual report to the Technical Advisory Committee which shall consist of (1) all instances of non-compliance with the Parties' obligations contained in Article 5 herein, including Customer and Board responses

thereto; (2) a general report on System operation and maintenance; and (3) a report that lists those contracts, if any, that have been entered into by the Board and another customer(s) where the terms of the contract(s) invoke the application of Article 14 herein.

- 6.04 Notification of Rates. The Board shall provide Customer and the Technical Advisory Committee with notice of the proposed rates for each fiscal year as early as possible before the implementation of the rates.
- 6.05 Disclosure of Rate Information by Board. Each year, the Board will disclose to Customer and the Technical Advisory Committee information related to wholesale rates.
- 6.06 Disclosure of Rate Information by Customer. Each year, Customer will disclose to its customers information related to its retail rates and other charges, and information regarding what portion of those costs is related to charges from DWSD and/or other major service providers.
- 6.07 Work Groups. The Technical Advisory Committee may create work groups to address specific issues facing the System. The work groups in existence as of January 1, 2008 are the Analytical Work Group, the Best Practices Work Group, the Contract Work Group, the Customer Service Work Group, the Emergency Preparedness Work Group, and the Rates Work Group. Any reference to a particular work group in this Contract shall include its successor or replacement if altered or discontinued.

Article 7. Rates

- 7.01 Rates. Customer agrees to pay for all water supplied by the Board at such rates as the Board may establish. Rates shall be reasonable in relation to the costs incurred by the Board for the supply of water and shall conform to Public Act 34 of 1917, Michigan Compiled Laws, Sec. 123.141, et seq., as amended. The Board shall give written notice of any changes in the rates. Notice shall be made in accordance with Section 5e of Public Act 279 of 1909, Michigan Compiled Laws, Sec. 117.5e, as amended, ("Act 279").
- 7.02 Notification of Rates. As soon as possible in the ratemaking process, the Board shall provide information on proposed rates and the draft data and information used in the calculation of proposed rates in a format that will enable Customer to assist in the ratemaking process. Not less than thirty calendar days prior to the hearing required by Act 279, the Board shall provide Customer with written notice of a proposed rate and the underlying data used to calculate the rate. The Board shall meet with Customer to review the rate and the data.
- 7.03 Estimate of Usage. In the event that the Board-owned master meter known as GN-01 fails to correctly measure the quantity of water supplied to Customer for any period of time, the Board shall provide a reasonable estimate of the quantity of water supplied to Customer for such period provided that there is a reasonable basis for the estimate. Customer and the Board shall, either through their respective technical representatives and/or the Technical Advisory Committee, seek agreement upon a method to estimate such quantities. In the event the Parties are unable to agree upon a method to estimate such quantities, the

Board's determination of a method shall be conclusive and the Customer agrees to accept the estimate established by the Board.

- 7.04 Rate Methodology. The Board agrees to provide to Customer a description of the current methodology for rate making in the form of the "Rates 101" document produced by the Technical Advisory Committee, as may be periodically updated. The "Rates 101" document, entitled *DWSD Rates: Understanding DWSD Wholesale Water Rates*, and any updates thereto shall be provided to Customer via posting on the DWSD website.

Article 8. Meters and Meter Facilities

- 8.01 Metering Requirement. All water furnished by the Board to Customer shall be measured by water meters installed in Meter Facilities at Customer's Water Distribution Points unless, in the Board's determination, it is not feasible to install water meters due to the configuration of Customer's water system. Customer's water usage shall be measured by the Board-owned master meter known as GN-01. Because GN-01 also measures the water usage of GCDC, Customer has a separate metering agreement with GCDC (attached as Exhibit C) whereby GCDC will report to Customer and the Board on a monthly basis the volume of water attributable to Customer through the GN-01 master meter. Customer shall ensure that GCDC provides the monthly meter information, specifying the unit of measurement used, on or before the 5th day of each calendar month. Customer shall ensure that the Board has the right at any time to audit the metering information provided by GCDC.
- 8.02 Existing Distribution Points. As of the effective date of this Contract, the Board shall own, operate and maintain all water meters and Meter Facilities for all existing Water Distribution Points, unless specifically indicated otherwise in Exhibit A.
- 8.03 Customer Maintenance Responsibilities. Customer shall be responsible for maintaining at its Water Distribution Points any and all appurtenances as may be designated as Customer's responsibility in Exhibit A. Should Customer fail to maintain the appurtenances shown in Exhibit A, the Board may take reasonable steps to maintain the appurtenances and charge the reasonable cost of doing so to Customer. Prior to the Board taking action to maintain the appurtenances, the Board shall give Customer thirty days written notice to complete the required maintenance. Notice to the Customer shall not be required if, in the Board's determination, there exists an emergency condition affecting the operation of the System or if the health, safety and welfare of the general public may be jeopardized.
- 8.04 New Distribution Points. For any new Water Distribution Points that may be constructed or installed after the effective date of this Contract, Customer shall furnish at Customer's expense, a water meter and Meter Facility that meets the Board's specifications. Thereafter, the Board shall furnish any replacement water meters for new Water Distribution Points and the expense shall be recovered through the Board's rates as a System cost. The Board shall own, operate and maintain all water meters and Meter Facilities after construction, installation or replacement, unless specifically indicated otherwise in Exhibit A.

- 8.05 Meter Repair and Replacement. If the Board initiates a meter repair or meter replacement, the cost shall be recovered through the Board's rates as a System cost. If Customer requests a meter replacement for reasons other than malfunction or disrepair, Customer shall pay the cost of the replacement.
- 8.06 Pressure Regulating Facilities. After the effective date of this Contract, all newly installed Customer-owned pressure regulating facilities shall be installed in a facility that is separate from the Board's Meter Facility.

**Article 9.
Reserved**

**Article 10.
Reserved**

**Article 11.
Force Majeure, Hold Harmless and Other Events**

- 11.01 Force Majeure. No failure or delay in performance of this Contract, by either Party, shall be deemed to be a breach thereof when such failure or delay is caused by a force majeure event including, but not limited to, any Act of God, strikes, lockouts, wars, acts of terrorism, riots, epidemics, explosions, sabotage, breakage or accident to machinery or lines of pipe, the binding order of any court or governmental authority, or any other cause, whether of the kind herein enumerated or otherwise, not within the control of a Party, except that no cause or contingency shall relieve Customer of its obligation to make payment for water delivered by the Board.
- 11.02 Board Held Harmless. Customer is experiencing a public health emergency which has resulted in the necessity of entering into this Contract. The Parties do not know the extent of the claims and/or damages which may result from the emergency, nor if the provision of water services by the Board will abate, improve or otherwise alleviate this emergency. As such, the Board shall not be held liable or accountable for any alleged water source or supply issues, or bursting, leakage, breakage, damage or accident of any kind that may occur to Customer's water works system, or any alleged damages of any kind or nature, including, but not limited to, injury to persons or damage to property, resulting from or alleged to result from such water source or supply issues, or bursting, leakage, breakage, damage or accident that may occur to water mains or pipes located downstream of the Water Distribution Points specified herein, or located within Customer's distribution system. Furthermore, to the extent permitted by law, Customer shall indemnify, defend and hold harmless the City of Detroit and the Great Lakes Water Authority from and against any and all alleged liabilities, obligations, damages, penalties, claims, costs, charges, losses and expenses (including, without limitation, fees and expenses for attorneys, expert witnesses and other consultants) that may be imposed upon, incurred by or asserted against the City of Detroit or the Great Lakes Water Authority and their respective departments, officers, employees or agents by reason of any of the following alleged to be attributable to the provision of water services under the terms of this Contract:

- A. Any and all alleged injury to persons or damage to property; and
 - B. Any alleged failure by Customer or its agents to perform its obligations, either express or implied, under this Contract; and
 - C. Any alleged act, error or omission of Customer or its agents with regard to (i) Customer's distribution of water supplied by the Board downstream of the Water Distribution Point, and (ii) any alteration by Customer or its agents to the water supplied by the Board downstream of the Water Distribution Point, including without limitation any chemical additions to the water as set forth in Section 17.05.
- 11.03 Discontinuance of Service. In the event the public health, safety and welfare requires the Board to discontinue temporarily all or part of the supply of water to Customer, no claims for damages of any kind or nature for such discontinuance shall be made by Customer against the Board. The Board will provide notice to Customer of any temporary discontinuance of the water supply.

Article 12.
Timely Payment

- 12.01 Billing and Payment. Bills for water service shall be rendered to Customer on a monthly basis. Notwithstanding the provisions of this Article 12, all such bills shall be due and payable within forty-five calendar days from the date shown on the bill. Any portion of the charges that are not paid by the due date shall be subject to a finance charge at a rate of 1.5% per month for each month that they remain unpaid. Any portion of the total bill, plus any finance charges applied to the bill which are not paid by the next billing date, shall be shown on the next bill as arrears.
- 12.02 Dispute. The Board may disconnect water service in accordance with the terms of this Contract, including without limitation Sections 12.03 and 12.04. The Board shall not terminate water service if there is a good faith dispute concerning the accuracy of billings. If the accuracy of a bill is in dispute, Customer shall have ten (10) business days in which to provide written notice to the Board of its dispute with the bill and shall place the disputed amount in an escrow account pending resolution of the dispute. Accrued interest on the escrow account shall belong to the Party that prevails in the resolution of the dispute.
- 12.03 Estimated Prepayment for Services. Customer shall deposit with the Board as an estimated prepayment for services for the term of this Contract certain funds as follows: (a) on or before October 16, 2015, an amount equal to Two Million and 00/100 Dollars (\$2,000,000.00), and (b) on or before October 19, 2015, an amount equal to Eight Million and 00/100 Dollars (\$8,000,000.00). Collectively, the Ten Million and 00/100 Dollars (\$10,000,000.00) shall be referred to as the "Estimated Prepayment". The Estimated Prepayment will be credited to Customer's suburban billing account with the Board. Each month, the Board shall be entitled to draw down from the Estimated Prepayment a sum equal to the amount of the then-current billing. If at any time the Board determines in its sole and reasonable discretion that the remaining amount of the Estimated Prepayment will be insufficient to cover the next monthly billing and/or the remainder of the Contract Term,

Customer shall be required to replenish within thirty (30) days the estimated prepaid funds in the amount required by the Board provided, however, that the Parties shall endeavor to mutually agree upon the amount. Failure to so replenish the estimated prepaid funds shall permit the Board to terminate services to Customer. At the conclusion of the Contract Term, if Customer is in good standing with the Board and there are funds remaining from the Estimated Prepayment, Customer shall be entitled to the prompt return of all such funds. The Estimated Prepayment made by Customer shall not relieve Customer of its obligation to make payment in full for all water delivered by the Board to Customer.

- 12.04 **Account Stated.** Notwithstanding the provisions of this Article 12, if Customer fails to make timely payment on invoices due as set forth in this Contract, in addition to terminating services to Customer, the Board shall be entitled to have a judgment entered against Customer for the entire unpaid balance, together with late fees, finance charges, interest, and the costs and reasonable attorney fees required to obtain that judgment. The Board shall be entitled to file this Contract in a court of proper jurisdiction as evidence of Customer's agreement to the existence of the debt stated and Customer's agreement to its liability for that debt.

**Article 13.
Assignment**

- 13.01 The Board shall be permitted to assign this Contract to any successor in interest without the prior consent of Customer. Thereafter, and as soon as practicable, the Board shall provide written notice to Customer of the assignment.

**Article 14.
Reserved**

**Article 15.
Amendment**

- 15.01 The Parties may periodically consider it in their best interests to change, modify or extend a term, condition or covenant of this Contract for reasons which may include, but are not limited to, the creation, expansion or closing of industry or other business. Any change, addition, deletion, extension or modification that is mutually agreed upon by the Board and Customer shall be incorporated in a written amendment to this Contract. Such amendments shall not invalidate this Contract nor relieve or release either Party of any of its respective obligations under this Contract unless so stated in the amendment.
- 15.02 No amendment to this Contract shall be effective and binding upon the Parties unless it expressly makes reference to this Contract, is in writing, is signed and acknowledged by duly authorized representatives of both Parties.

Article 16.
Notices

- 16.01 Except as otherwise specified herein, all notices, consents, approvals, requests and other communications (collectively, "Notices") required or permitted under this Contract shall be given in writing and mailed by first class mail to the Parties and at the addresses identified in Exhibit B.
- 16.02 All Notices shall be deemed given on the day of post-marked mailing. Any Notice given by a Party hereunder must be signed by an authorized representative of such Party.
- 16.03 Notwithstanding the requirement above as to the use of first-class mail, change of address notices, termination notices, and other Notices of a legal nature, shall be sent by certified first-class mail, postage prepaid, return receipt requested.

Article 17.
Water Quality

- 17.01 Contamination. For the protection of the health of all consumers supplied with water from the System, Customer agrees to guard carefully against all forms of contamination. Should contamination occur, the area or areas affected shall immediately be shut off and isolated, and shall remain so until such conditions shall have been abated, and the water declared safe and fit for human consumption by the properly constituted governmental health agencies having jurisdiction of the area affected. Customer shall immediately notify the Board, and the Board shall immediately notify Customer, of any emergency or condition that may affect the quality of water in either Party's system.
- 17.02 Co-mingling of Water Sources. Except in cases of emergency other than the specific public health emergency addressed by this Contract, Customer will not permit water from any other source of supply to be mixed or mingled with water from the System without prior written approval from the Board. In cases of emergency, only such water from sources other than the Board shall be used as shall meet the requirements of the Michigan Department of Environmental Quality, and then only in such quantities as shall be necessary to relieve the emergency.
- 17.03 Emergency Connections. During emergencies other than the specific public health emergency addressed by this Contract, Customer's water facilities may be used and connected, at the discretion of the Board, to water facilities serving other communities for flow in either direction to provide an adequate water supply from the System to Customer and to other areas and other units of government. Customer shall be permitted to immediately make an emergency connection when the connection point to be used has been previously approved for emergency use by the Board in writing, provided that Customer shall, after making the connection, promptly notify the Board of such event. When the emergency has been abated, the emergency connection must be severed as soon as practicable. The Board, or its designee, must approve, in writing, the continuation of any emergency connection that is required for longer than seven calendar days. If an approved emergency connection continues for more than seven calendar days, Customer must

provide the Board with weekly updates on the emergency and a schedule for abatement of the emergency that must be approved by the Board in writing.

- 17.04 Water Quality. The Board shall endeavor to remain in compliance with all applicable Michigan and Federal laws, rules and regulations regarding drinking water quality.
- 17.05 Chemical Additions, Public Relations. Customer has advised the Board that in order to more effectively address its public health emergency, it may inject additional chemical treatments into the water it receives from the Board. Customer shall prevent the backflow of any water containing additional chemical treatments by Customer from entering into the System and any other water systems utilizing water provided by the System. Customer acknowledges that such additional chemical treatments may result in chemical, biological and/or physical changes to the water provided by the Board. In order that the public be kept fully informed as to the explanation for any chemical, biological and/or physical changes and to ensure that the Board's long established and award winning brand is not diminished in any way, Customer agrees to coordinate with and seek the approval of the Board regarding its public relations communications on these issues.

Article 18. Rights-of-Way

- 18.01 Use of Rights-of-Way. The Customer shall assist the Board to obtain permission to use streets, highways, alleys, and/or easements in the local governmental units within the Customer's jurisdiction for the purpose of constructing, maintaining, and operating water facilities to adequately service the Customer's jurisdiction and other areas. This assistance shall include obtaining the consent of the local governmental units, as provided in Article 7, Section 29, Michigan Constitution of 1963. In the event of such construction, the Board shall request the Customer and local governmental units within the Customer's jurisdiction to execute such separate instruments granting rights-of-way in its streets, highways, and alleys as may be reasonably required by the Board. The Board shall give the Customer notice of any construction work in the Customer's jurisdiction. The Board shall comply with any of Customer's ordinances that apply to the construction. Customer shall inform the Board of the applicable ordinances. The Board and Customer shall meet to review the construction and its impact on their respective operations. The Board shall restore all existing structures and/or improvements laying in the right-of-way of construction to as good a condition as before the construction took place. Any such facilities constructed, maintained and operated under this section shall remain the property of the Board and shall not be operated or maintained by any entity other than the Board or its authorized representatives.
- 18.02 Relocation of Facilities. Should future construction by any city, township, village, or county require relocation of a water transmission main, Meter Facility or other Board facility, the cost incurred by the Board for such relocation, if not reimbursed by the entity requiring the relocation, will be charged in future rates as a common-to-all cost to all System users.
- 18.03 Easements. Subject to the provisions of Section 18.01 herein and to the extent that Customer has jurisdiction, the Board shall be granted temporary and permanent easements,

and shall be permitted to use the streets, alleys and highways within Customer's legal jurisdiction for the purpose of constructing, operating and maintaining the System, including the relocation of water transmission mains, Meter Facilities or other Board facilities. This consent by Customer is given in compliance with Article 7, Sec. 29 of the Michigan Constitution of 1963, provided that the Board shall provide Customer with a written explanation of the type of easement required and the duration thereof.

Article 19.

Access to Towers and Antennas

- 19.01 Where possible, each Party shall give to the other Party access to towers and antennas under its respective jurisdiction for the purpose of transmitting information recorded in the Meter Facilities. Access shall not be unreasonably denied by either Party.

Article 20.

Relationship to Wastewater Services

- 20.01 Customer and the Board acknowledge that future growth in the System may place additional burdens on their respective wastewater systems. Customer, if it is also a wastewater disposal services customer of the Board, understands that any increase in the volume of water it receives from the System is not a guarantee of increased capacity in the Board's wastewater disposal system.

Article 21.

Construction Standards

- 21.01 The Board shall have the right to review and approve Customer's construction plans for Meter Facilities at new Water Distribution Points, water mains sized twenty-four inches and larger, pump stations, reservoirs, water towers, and any other construction that will cross, or be within close proximity to, or have influence upon the Board's infrastructure. The Board's approval of construction plans shall be timely and shall not be unreasonably withheld.

Article 22.

Operation of Storage

- 22.01 Prior to Customer's operation of any new or existing water storage facility, Customer shall seek the Board's written approval of the filling schedule ("Filling Schedule") of the storage facility. The Board may periodically require Customer to change or adjust a previously approved Filling Schedule. The Parties shall collaborate on devising a mutually beneficial Filling Schedule. If the Parties are unable to agree upon a Filling Schedule, the Board's determination of a Filling Schedule shall be final. All Filling Schedules shall be for a period of six consecutive hours. Customer shall at all times abide by the then-current Board approved Filling Schedule. The Board shall act promptly in approving Filling Schedule requests. Nothing in this Article 22 shall prevent Customer from operating its storage facility at any time, provided that any storage operation that falls outside of the approved Filling Schedule shall not be exempt from the terms of Article 5 herein.

Article 23.
Miscellaneous

- 23.01 If any provision of this Contract or its application to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Contract shall not be affected and shall remain valid and enforceable to the fullest extent permitted by law.
- 23.02 This Contract contains the entire agreement between the Parties and all prior negotiations and agreements are merged into this Contract. Neither Party has made any representations except those expressly set forth in this Contract, and no rights or remedies are, or shall be, acquired by either Party by implication or otherwise unless expressly set forth in this Contract.
- 23.03 Unless the context otherwise expressly requires, the words "herein," "hereof," and "hereunder," and other words of similar import, refer to this Contract as a whole and not to any particular section or subdivision.
- 23.04 The headings of the sections of this Contract are for convenience only and shall not be used to construe or interpret the scope or intent of this Contract or in any way affect the same.
- 23.05 The rights and remedies set forth in this Contract are not exclusive and are in addition to any of the rights or remedies provided by law or equity. This Contract and all actions arising under it shall be governed by, subject to, and construed according to the law of the State of Michigan.
- 23.06 The Great Lakes Water Authority is an acknowledged third party beneficiary to this Contract and this Contract shall not be construed to benefit any persons other than the Board, the Great Lakes Water Authority and Customer.
- 23.07 This Contract may be executed in any number of originals, any one of which shall be deemed an accurate representation of this Contract. Promptly after the execution of this Contract, the Board shall provide a copy to the Customer.
- 23.08 The rights and benefits under this Contract shall inure to the benefit of and be binding upon the respective Parties hereto, their agents, successors, and assigns.
- 23.09 Any and all documents, memoranda, reports, exhibits or other written material referred to in this Contract are and shall be incorporated by reference herein.
- 23.10 This Contract shall be deemed to be mutually drafted.

(Signatures appear on next page)

In Witness Whereof, the City and Customer, by and through their duly authorized officers and representatives, have executed this Contract.

City of Flint:

By: Dayne Walling
Dayne Walling
Its: Mayor
By: Natasha L. Henderson
Natasha L. Henderson
Its: City Administrator

APPROVED BY
FLINT CITY COUNCIL ON:
AUTHORITY GRANTED 10/12/2015
Date

APPROVED AS TO FORM BY
FLINT CITY ATTORNEY ON:
[Signature] 10/16/15
Signature Date

City of Detroit:

By: _____
Sue F. McCormick
Its: Director, Water and Sewerage Department

APPROVED BY DETROIT
BOARD OF WATER COMMISSIONERS ON:

Date

APPROVED AS TO FORM BY
DWSD GENERAL COUNSEL ON:

Signature Date

EXHIBIT A

Customer's Water Distribution Points

This Exhibit contains the following information:

- 1. The corporate limits of Customer;**
- 2. The agreed upon water Service Area of Customer which (a) may or may not be entirely within the corporate limits of Customer and (b) which may or may not include the entire area within the Customer's corporate limits;**
- 3. The specific location of the Water Distribution Points, including any Board approved emergency connections;**
- 4. The designation of appurtenances to be maintained by Customer and those to be maintained by the Board; and**
- 5. A list of any closed meter locations.**

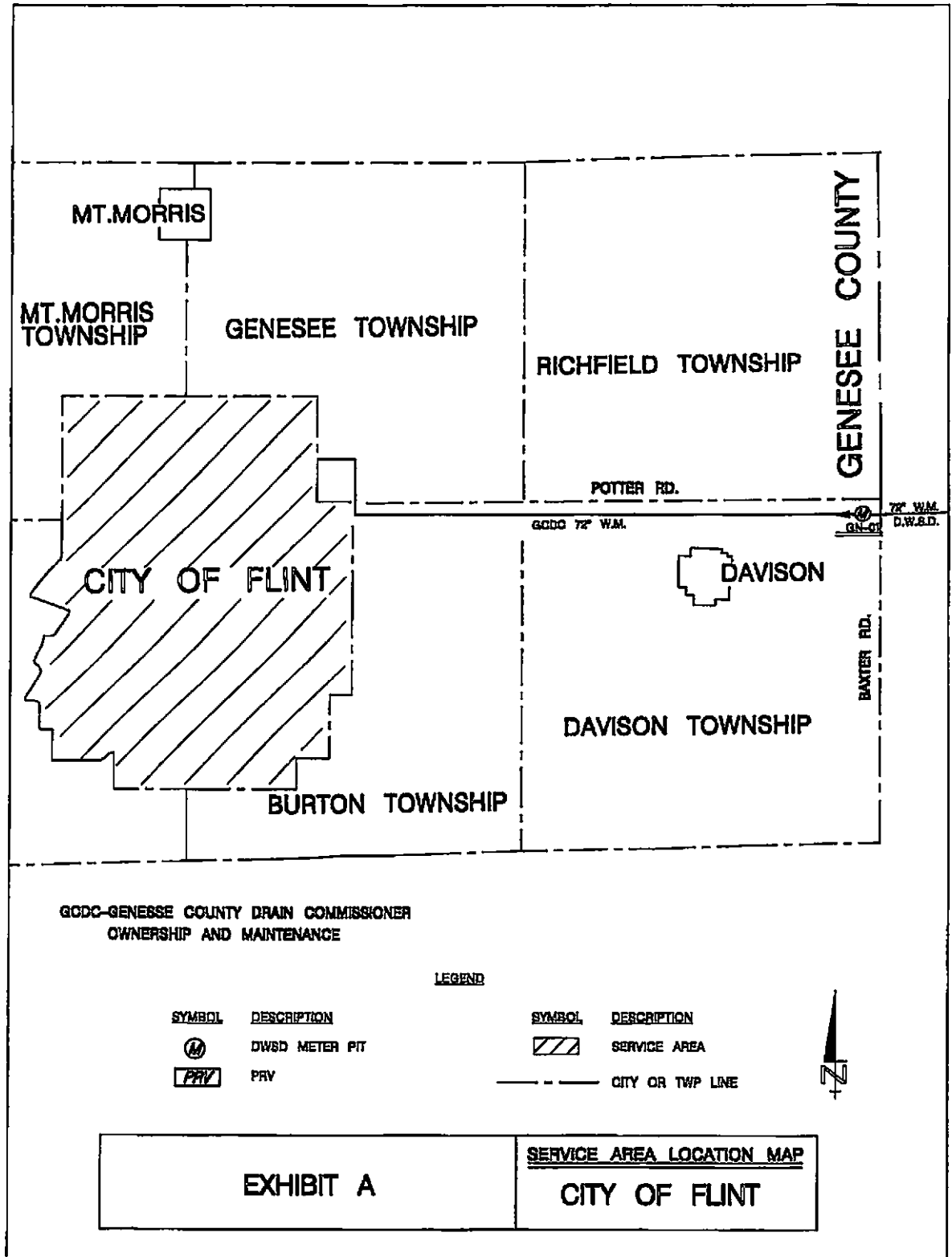


EXHIBIT A

City of Flint Emergency Connections:

City of Flint Water Customers Outside Municipal Limits:

3148	Augusta St	2509	Flushing Rd
3149	Augusta St	3037	Flushing Rd
1274	N Ballenger Hwy	3039	Flushing Rd
3180	Branch Rd	3047	Flushing Rd
3186	Branch Rd	3061	Flushing Rd
3376	Branch Rd	2122	E Hemphill Rd
3418	Branch Rd	2130	E Hemphill Rd
3450	Branch Rd	2278	E Hemphill Rd
3492	Branch Rd	2288	E Hemphill Rd
2296	W Carpenter Rd	2306	E Hemphill Rd
2340	W Carpenter Rd	2350	E Hemphill Rd
2432	W Carpenter Rd	2414	E Hemphill Rd
2474	W Carpenter Rd	1047	W Hemphill Rd
3014	N Center Rd	3141	Herrick St
3022	N Center Rd	3308	Hull Ave
3030	N Center Rd	3314	Hull Ave
3062	N Center Rd	3319	Hull Ave
3070	N Center Rd	3320	Hull Ave
3080	N Center Rd 1	3342	Hull Ave
3080	N Center Rd 2	3351	Hull Ave
3094	N Center Rd	3272	Menominee Ave
3098	N Center Rd	3276	Menominee Ave
3100	N Center Rd	3281	Menominee Ave
3102	N Center Rd	3289	Menominee Ave
3106	N Center Rd	3295	Menominee Ave
3112	N Center Rd	3299	Menominee Ave
3268	Cheyenne Ave	3300	Menominee Ave
3275	Cheyenne Ave	3303	Menominee Ave
3280	Cheyenne Ave	3304	Menominee Ave
3281	Cheyenne Ave	3309	Menominee Ave
3285	Cheyenne Ave	3312	Menominee Ave
3290	Cheyenne Ave	3313	Menominee Ave
3295	Cheyenne Ave	3316	Menominee Ave
3298	Cheyenne Ave	3317	Menominee Ave
3299	Cheyenne Ave	3326	Menominee Ave
3302	Cheyenne Ave	3330	Menominee Ave
3307	Cheyenne Ave	3335	Menominee Ave

3308	Cheyenne Ave	3343	Menominee Ave
3311	Cheyenne Ave	3344	Menominee Ave
3312	Cheyenne Ave	3348	Menominee Ave
3325	Cheyenne Ave	3349	Menominee Ave
3334	Cheyenne Ave	2036	Nedra
3338	Cheyenne Ave	2052	Nedra
3339	Cheyenne Ave	2058	Nedra
3340	Cheyenne Ave	2070	Nedra
3347	Cheyenne Ave	2100	Nedra
3272	Cheyenne Ave	2126	Nedra
4113	Clio Rd	3024	W Pierson Rd
4243	Clio Rd	2178	Red Arrow Rd
3176	W Court St	3157	Richfield Rd
3189	W Court St	3175	Richfield Rd
4028	W Court St	3217	Richfield Rd
1026	Decamp	1046	Ronlad St
3009	S Dort Hwy	1066	Ronlad St
3043	S Dort Hwy	1069	Ronlad St
3111	S Dort Hwy	3275	Van Slyke Rd
3281	S Dort Hwy	3339	Van Slyke Rd
3342	Fenton Rd	3150	Whitney Ave
		3155	Whitney Ave

City of Flint Master Meters Not In Service:

None.

EXHIBIT-A
GN-01
POTTER AND BAXTER
CITY OF FLINT

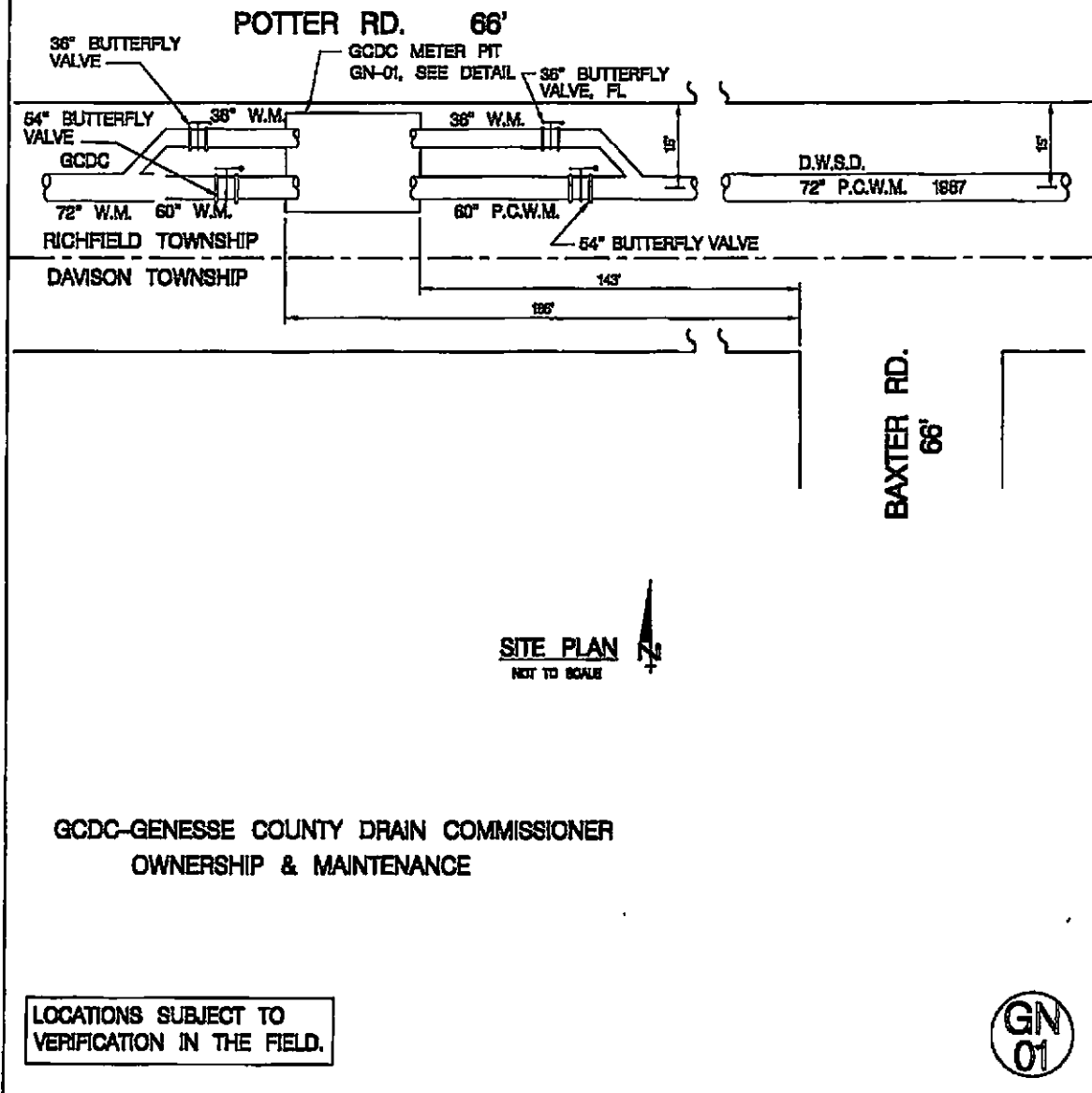
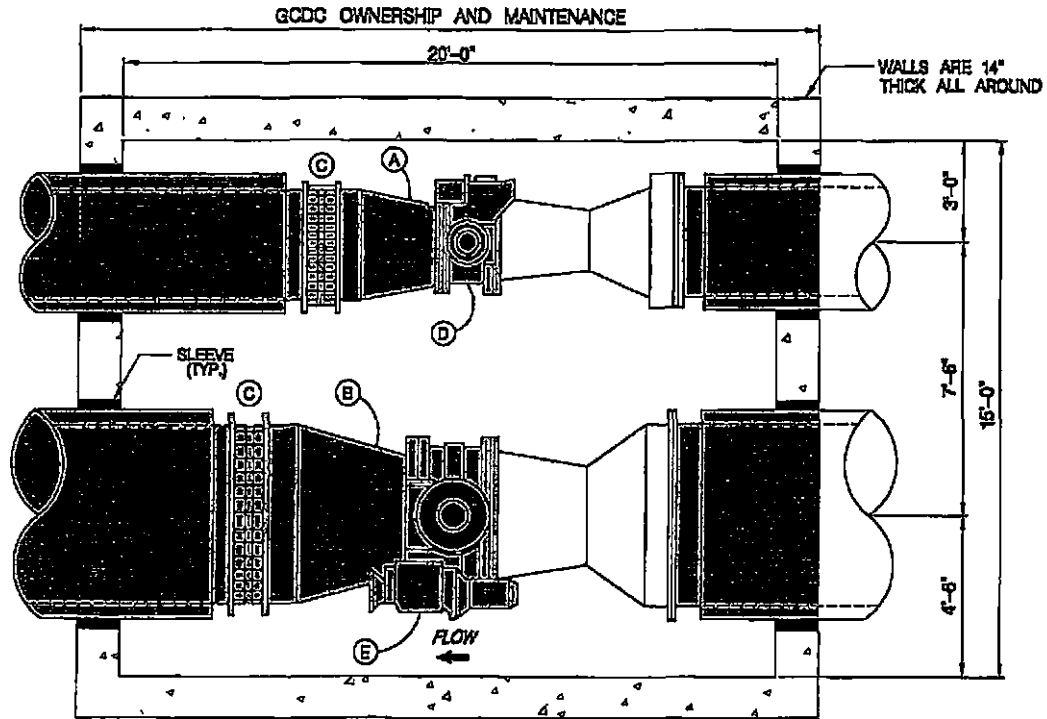


EXHIBIT-A GN-01 POTTER AND BAXTER CITY OF FLINT



METER PIT DETAIL
NOT TO SCALE

GENESEE COUNTY DRAIN COMMISSIONER (GCDC)
OWNERSHIP & MAINTENANCE

LEGEND			
TAG	QTY	DESCRIPTION	SIZE
A	1	PENN. FLOW TUBE	36" X 22" X 30"
B	1	PENN. FLOW TUBE	5" X 37.406" X 42"
C	2	COUPLING	-
D	1	MOTOR OPERATED BUTTERFLY VALVE	30"
E	1	MOTOR OPERATED BUTTERFLY VALVE	42"

TYPICAL PRESSURE LOSS THRU METER	
METER TYPE	P.S.I. LOSS
VENTURI	1 - 2
MAG	0
TURBINE	4 - 6

- (P) UPSTREAM PRESSURE TRANSMITTER, DWSD OWNERSHIP AND MAINTENANCE LOCATION OUTSIDE VAULT
- (Q) DOWNSTREAM PRESSURE TRANSMITTER, DWSD OWNERSHIP AND MAINTENANCE LOCATION OUTSIDE VAULT

ADDRESS _____ 12261 POTTER
 FEED TO _____ CITY OF FLINT AND GCDC
 FEED FROM _____ D.W.S.D. TRANS. MAIN
 TYPE OF METER _____ TWO - PENN FLOW TUBES
 SIZE OF METER _____ 80" X 37.406 "X 42" 36" X 22" X 30"
 TUBE NUMBER _____ 80"828141 36"828142
 DATE METER SET _____ DECEMBER 14, 1967
 METER PIT CONST. & SIZE _____ 20'-0" X 16'-0" I.D. REINF. CONC
 REMARKS _____ MANUAL SWITCHOVER

GN
01

EXHIBIT B

Projected Annual Volume and Minimum Annual Volume (Table 1)
Pressure Range and Maximum Flow Rate (Table 2)
Flow Split Assumptions (Table 3)
Addresses for Notice (Table 4)

Table 1 and Table 2 set forth the agreed upon Projected Annual Volumes, Minimum Annual Volumes, Pressure Ranges and Maximum Flow Rates for the term of this Contract provided that figures in bold type face are immediately enforceable pursuant to the terms of Section 5.07 and italicized figures are contained for planning purposes only but will become effective absent the negotiated replacements anticipated in Section 5.07.

The approximate rate of flow by individual meter set forth in Table 3 is the assumption upon which the Pressure Range commitments established in Table 2 have been devised. Should Customer deviate from these assumptions at any meter(s), the Board may be unable to meet the stated Pressure Range commitments in this Contract or in the contract of another customer of the Board and Section 5.08 of this Contract may be invoked.

EXHIBIT B

Table 1
Projected Annual Volume and Minimum Annual Volume

Fiscal Year Ending June 30	Projected Annual Volume (Mcf)	Minimum Annual Volume (Mcf)
2016	593,000	296,500
2017	593,000	296,500
2018	TBD	TBD
2019	TBD	TBD
2020	TBD	TBD
2021	TBD	TBD
2022	TBD	TBD
2023	TBD	TBD
2024	TBD	TBD
2025	TBD	TBD
2026	TBD	TBD
2027	TBD	TBD
2028	TBD	TBD
2029	TBD	TBD
2030	TBD	TBD
2031	TBD	TBD
2032	TBD	TBD
2033	TBD	TBD
2034	TBD	TBD
2035	TBD	TBD
2036	TBD	TBD
2037	TBD	TBD
2038	TBD	TBD
2039	TBD	TBD
2040	TBD	TBD
2041	TBD	TBD
2042	TBD	TBD
2043	TBD	TBD
2044	TBD	TBD
2045	TBD	TBD

EXHIBIT B

Table 2
Pressure Range and Maximum Flow Rate

Calendar Year	Pressure Range (psi)		Maximum Flow Rate (mgd)	
	Meter GN-01		<u>Max Day</u>	<u>Peak Hour</u>
	<u>Min</u>	<u>Max</u>		
2015	40	60	21.40	22.40
2016	40	60	21.40	22.40
2017	40	60	TBD	TBD
2018	40	60	TBD	TBD
2019	40	60	TBD	TBD
2020	40	60	TBD	TBD
2021	40	60	TBD	TBD
2022	40	60	TBD	TBD
2023	40	60	TBD	TBD
2024	40	60	TBD	TBD
2025	40	60	TBD	TBD
2026	40	60	TBD	TBD
2027	40	60	TBD	TBD
2028	40	60	TBD	TBD
2029	40	60	TBD	TBD
2030	40	60	TBD	TBD
2031	40	60	TBD	TBD
2032	40	60	TBD	TBD
2033	40	60	TBD	TBD
2034	40	60	TBD	TBD
2035	40	60	TBD	TBD
2036	40	60	TBD	TBD
2037	40	60	TBD	TBD
2038	40	60	TBD	TBD
2039	40	60	TBD	TBD
2040	40	60	TBD	TBD
2041	40	60	TBD	TBD
2042	40	60	TBD	TBD
2043	40	60	TBD	TBD
2044	40	60	TBD	TBD

EXHIBIT B

Table 3
Flow Split Assumptions

Meter	Assumed Flow Split (2015-2016)
GN-01	100%

Table 4
Addresses for Notice

If to the Board:	If to Customer:
Director Detroit Water and Sewerage Department 735 Randolph Street Detroit, Michigan 48226 Attention: General Counsel	Mayor City of Flint 1101 S. Saginaw Street Flint, Michigan, 48502 Attention: City Attorney

EXHIBIT C

Metering Agreement Between City of Flint and Genesee County Drain Commissioner

Pleyte, Beth (Treasury)

From: Saxton, Thomas (Treasury)
Sent: Friday, October 16, 2015 4:34 PM
To: Barton, John (Treasury)
Subject: FW: Use of SRF to replace lead service lines
Attachments: Eligibility of Lead Service Line Replacement MEMO 2012-2013.pdf

Do you know has DEQ done any more on this ? i.e., is someone looking at what is needed in terms of state legislation ?

From: Barton, John (Treasury)
Sent: Thursday, October 01, 2015 3:01 PM
To: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>
Subject: FW: Use of SRF to replace lead service lines

Below is the response from the EPA regarding the replacement of lead service lines using DWRF loans.

Please let me know if you need anything else.

From: Cossa, Laura [<mailto:cozza.laura@epa.gov>]
Sent: Thursday, October 01, 2015 12:48 PM
To: Butler, Sonya (DEQ) <BUTLERS2@michigan.gov>
Cc: Barton, John (Treasury) <BartonJ@michigan.gov>; Bielanski, Andrew <bielanski.andrew@epa.gov>; Baltazar, Debbie <baltazar.debbie@epa.gov>; Crooks, Jennifer <crooks.jennifer@epa.gov>; Marquardt, Steve <marquardt.steve@epa.gov>
Subject: RE: Use of SRF to replace lead service lines

Hi Sonya,

Because it is an eligibility question, there is probably no specific regulation to address it, but HQ issued a memo (attached). Although is not dated, it was still draft in 2012, so is probably 2012/2013. We may be able to find a more precise date from HQ. Just FYI, there is a reference on page 2 to a 2003 memo – the link to the 2003 memo is: http://water.epa.gov/grants_funding/dwsrf/upload/2008_04_10_dwsrf_memos_memo_dwsrf_policy_2003-07-25.pdf.

I hope this helps.

Please let me know if you have any questions.

Thanks.

Laura

From: Butler, Sonya (DEQ) [<mailto:BUTLERS2@michigan.gov>]
Sent: Wednesday, September 30, 2015 12:18 PM
To: Cossa, Laura; Marquardt, Steve
Cc: Barton, John (Treasury)
Subject: FW: Use of SRF to replace lead service lines

Laura

Could you tell me where to find the federal law that allows for work to be done on private property (see original note down below)? John Barton from Treasury wants this information and I know you can find it faster than I.

From: Wyant, Dan (DEQ)
Sent: Monday, September 28, 2015 4:49 PM
To: Pallone, Maggie (DEQ); Busch, Stephen (DEQ); Butler, Sonya (DEQ)
Cc: Wurfel, Brad (DEQ)
Subject: FW: Use of SRF to replace lead service lines

Let's discuss.

Dan Wyant, Director
Department of Environmental Quality
517-284-6700 (New Number)

From: Hedman, Susan [<mailto:hedman.susan@epa.gov>]
Sent: Monday, September 28, 2015 4:36 PM
To: Wyant, Dan (DEQ)
Subject: Use of SRF to replace lead service lines

Hi Dan –

Here's a quick answer to your question about using SRF to replace lead service lines. Under the federal SRF program, SRF funds can be used to replace lead service lines on both public and private property. (We don't know if Michigan rules allow for the use of SRF funding on private property, but presumably you know whether that's the case.) If you have additional questions, your staff can follow up with Steve Marquardt, Chief of the R5 Water Division State and Tribal Program Section. His number is 312-353-3214.

Please keep me posted on the time for the event later this week.

Thanks,

Susan

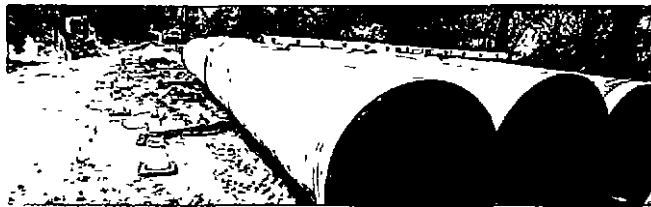
Susan Hedman
Region 5 Administrator/Great Lakes National Program Manager
U.S. Environmental Protection Agency
77 West Jackson Blvd - 19th Floor
Chicago, Illinois 60604-3590



Drinking Water State Revolving Fund (DWSRF)

The Drinking Water State Revolving Fund (DWSRF) program is a federal-state partnership to help ensure safe drinking water. Created by the 1996 Amendments to the Safe Drinking Water Act (SDWA) the program provides financial support to water systems and to state safe water programs.

Learn about the DWSRF



- How the DWSRF works
- DWSRF project eligibilities
- Types of DWSRF assistance
- How to apply for DWSRF assistance
- DWSRF set-asides

Drinking Water Infrastructure Needs Survey and Assessment

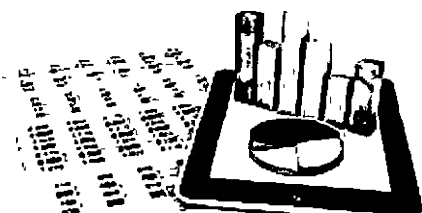


What is the Drinking Water Infrastructure Needs Survey and Assessment?

Report to Congress: 2011 Drinking Water Infrastructure Needs Survey and Assessment

Fact sheet: 2011 Drinking Water Infrastructure Needs Survey and Assessment

DWSRF Financial Reports



Drinking Water National Information Management System (DWNIMS) reports

Annual allotment of federal funds for states, territories, and tribes

DWSRF Resources



Laws and regulations

Policy and guidance

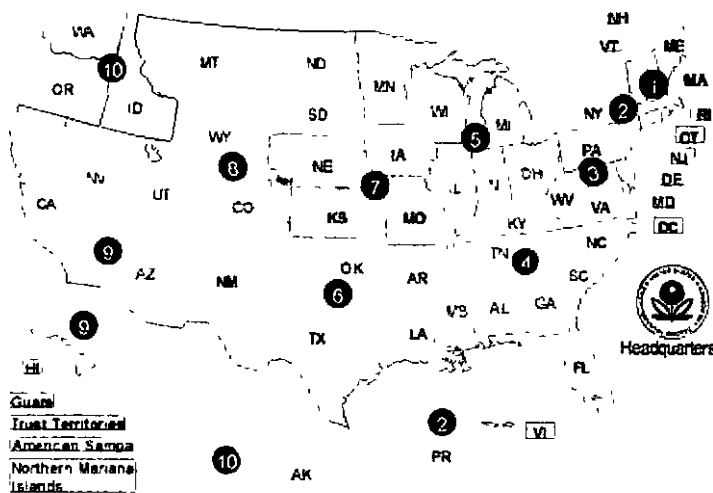
Reports and fact sheets

Funding assistance for territories

Funding assistance for tribes

EPA Regional and State DWSRF Contacts

EPA has ten regional offices, each of which is responsible for several states and territories. To get information to reach your EPA regional contact, select the number for your region on the map. If you want contacts for your state or territory, select your state or territory from the drop down list below.



View contacts by
state

Related Info

- Clean Water State Revolving Fund (CWSRF)

- Federal emergency disaster funding
- Water Infrastructure Finance and Innovation Act (WIFIA)
- American Iron and Steel (AIS) requirements

Last updated on December 1, 2015



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

MEMORANDUM

SUBJECT: Eligibility of Replacement of Lead Service Lines on Private Property Under the DWSRF.

FROM: Joanne Hogan
Attorney- Advisor *[Signature]*
Civil Rights and Financial Law Office
Office of General Counsel

THROUGH: Wendel Askew *[Signature]*
Assistant General Counsel
Civil Rights and Financial Law Office
Office of General Counsel

Ken Redden *[Signature]*
Deputy Associate General Counsel
Civil Rights and Financial Law Office
Office of General Counsel

TO: Peter Shanaghan
Team Leader
Drinking Water State Revolving Fund Team
Office of Ground Water and Drinking Water, Office of Water

Question Presented.

You have asked whether financial assistance from a State's Drinking Water State Revolving Loan Fund can be used by eligible entities to fund projects that involve replacing lead service lines that may be on private property and that connect to private dwellings.

Brief Answer

We believe that lead service line projects, regardless of the ownership of the property on which the pipe is placed, may be funded by a State's DWSRF so long as the loans are made to an eligible entity and all other requirements of the DWSRF are met.

Analysis

The statute and the regulatory provisions governing the use of State DWSRF funds, though defining which entities may receive funds, do not require the Public Water System to have control over all portions of a project that is funded by the DWSRF. Congress gave EPA's Administrator the clear authority to determine which projects would be eligible under §1452: "Financial assistance. . . may be used. . . only for expenditures of a type or category which the Administrator has determined, through guidance, will facilitate compliance with national primary drinking water regulations." PHSA §1452 (a)(2). The only broad statutory limitations on the types of projects that cannot be funded are projects which include monitoring, operation, or maintenance expenditures, or projects for the acquisition of real property unless the purchase is made from a willing seller and the acquisition is integral to the project.

40 CFR §35.3520 (b)(2) sets forth the categories of projects that can be funded by a DWSRF. This provision includes the transmission and distribution of water to be a category of eligible projects. Specifically, the regulation provides examples of such projects to include: "installation or replacement of transmission and distribution pipes to improve water pressure to safe levels or to prevent contamination caused by leaks or breaks in the pipes." See 40 CFR §35.3520 (2)(ii).

Lead pipes can contaminate water at any point, including on its way to a private home. Allowing a public water system to use its funds to replace such pipes is consistent with this allowable category of projects, and is similarly consistent with the overall health protections of the Safe Drinking Water Act. See PHSA 1452 (a)(1)(A). Note that if a Public Water System wishes to purchase and retain an easement so that it maintains control of such infrastructure, that purchase is authorized as well: "Funds shall not be used for real property or interests therein unless the acquisition is integral to the project authorized... and the purchase is from a willing seller. . ." PHSA 1452(a)(2).

This determination that replacement of lead pipes on privately owned property is an eligible project cost so long as it otherwise complies with the PHSA is consistent with prior approved eligible projects, such as water efficiency projects, that do not require all elements of a project to be under the control of a Public Water System. In a Memorandum dated July 25, 2003, then Assistant Administrator for Water G. Tracy Mehan III informed Water Division Directors in the regions that projects such as the installation or retrofit of plumbing fixtures and appliances, installation of water meters, and implementation of incentive programs to conserve water, such as rebates or conservation rate structures were all eligible projects under the DWSRF. Therefore, so long as the assistance is given to an eligible entity, and the project otherwise meets the requirements of the DWSRF, the project may be funded regardless of ownership or control of the resulting infrastructure.

Dayne Walling
Mayor



Natasha L. Henderson
City Administrator

Jason Lorenz
Public Information Officer
Office: (810) 237-2039
Cell: (810) 875-2576
jlorenz@cityofflint.com

For Immediate Release

City of Flint Reconnects to Detroit Water

Flint, Michigan – October 16, 2015 – Flint has reconnected to Detroit water. reached an agreement with the Detroit Water and Sewerage Department (DWSD) for the temporary provision of treated Lake Huron water to Flint. Work to establish the reconnection will begin immediately in a coordinated effort between the City of Flint, Genesee County and the DWSD.

A tremendous effort by all three partners, along with the efforts of the Governor and the State Legislature, ensured that this action occurred as quickly as possible. "The money from the state to begin fixing Flint water by reconnecting to Detroit is just a start – a down payment," said Mayor Dayne Walling. "I am not going to stop until every drop of drinking water in Flint is 100% safe."

Detroit water will be introduced into the Flint system throughout the evening. It is expected that the thorough replacement from Flint River water to Detroit water will happen after approximately three weeks. Residents in Flint may see discoloration as well as noticing some taste and odor issues during the transition.

Water provided by DWSD will contain corrosion control agents to hinder the leaching of lead from old pipes into the water; however, the City will also be adding additional corrosion control agents to further minimize the risk presented by lead pipes.

–CONTINUE–

Dayne Walling
Mayor



Natasha L. Henderson
City Administrator

The contract between the City and DWSD calls for the provision of 12.5 million gallons per day (mgd) of treated water from Lake Huron at a cost of \$1.1 million per month. DWSD Director Sue McCormick noted that the talks between Flint, DWSD and the GLWA Board were very cordial: "everyone acted in a spirit of cooperation in order to come to this agreement." Flint will purchase water from Detroit until the Karegnondi Water Authority (KWA) pipeline can be completed in 2016. At that time, the KWA will become the primary water source for the City and the Flint River will remain as a backup system.

Residents with questions or concerns about the hydrant flushing in their area can call the Water Service Center at 810-766-7202. Continuing information on water will be provided via the City of Flint's website, cityofflint.com.

—END—

Pleyte, Beth (Treasury)

From: Barton, John (Treasury)
Sent: Monday, October 19, 2015 7:42 AM
To: Saxton, Thomas (Treasury)
Subject: RE: Use of SRF to replace lead service lines

I have not seen anything in terms of a bill draft. I did respond to Sonya regarding the e-mail below and we also discussed on the phone and she said she would keep me in the loop. I will follow up today though.

Sonya,

With a change in State law, I believe we would be able to make loans to communities for the replacement of private sewer lines. I did want to note that any loan for this purpose would have to be done on a taxable basis along the same lines as the SWQIF and therefore loans for this purpose could not be leveraged in the future to provide additional program capacity.

Please let me know if I can be helpful in developing program policy regarding this issue.

Thank you
John

From: Butler, Sonya (DEQ)
Sent: Thursday, October 08, 2015 11:19 AM
To: Barton, John (Treasury) <BartonJ@michigan.gov>
Subject: FW: Statutory changes to Part 54
Importance: High

John

I'm not sure you saw this. Would we be able to make loans to communities to replace private service line? Let me know what you think

From: Pallone, Maggie (DEQ)
Sent: Wednesday, October 07, 2015 4:33 PM
To: Shekter Smith, Liane (DEQ); Butler, Sonya (DEQ)
Subject: Statutory changes to Part 54
Importance: High

If we are going to clarify that Part 54 can cover replacement of private service lines, is this the best way to do? I made changes to the definition of waterworks systems to include private service lines, and changes the requirement the water supplier had to maintain and operate the private service lines.

Please let me know ASAP what you think.

Thanks,
Maggie

324.5403 Definitions; P to W.

Sec. 5403.

As used in this part:

- (a) "Priority list" means the annual ranked listing of projects developed by the department in section 5406.
- (b) "Project" means a project related to the planning, design, and construction or alteration of a waterworks system.
- (c) "Project refinancing assistance" means buying or refinancing the debt obligations of water suppliers if construction activities commenced, and the debt obligation was incurred, after the effective date of this part.
- (d) "Public water supply" means a waterworks system that provides water for drinking or household purposes to persons other than the supplier of the water, except for those waterworks systems that supply water to only 1 house, apartment, or other domicile occupied or intended to be occupied on a day-to-day basis by an individual, family group, or equivalent.
- (e) "State drinking water standards" means rules promulgated under Act 399 that establish water quality standards necessary to protect public health or that establish treatment techniques to meet these water quality standards.
- (f) "Water supplier" or "supplier" means a municipality or its designated representative accepted by the director, a legal business entity, or any other person who owns a public water supply. However, water supplier does not include a water hauler.
- (g) "Waterworks system" or "system" means a system of pipes and structures through which water is obtained or distributed and includes any of the following that are actually used or intended to be used for the purpose of furnishing water for drinking or household purposes:
 - (i) Wells and well structures.
 - (ii) Intakes and cribs.
 - (iii) Pumping stations.
 - (iv) Treatment plants.
 - (v) Storage tanks.
 - (vi) Pipelines and appurtenances.
 - (vii) Private residential service lines.
 - ~~(vii)~~ (viii) A combination of any of the items specified in this subdivision.

324.5409 Application for fund assistance; contents; availability of revenue sources; acceptance of applications by department; liability for incurred costs.

Sec. 5409.

(1) A water supplier whose project plan is approved or under review by the department under section 5407 may apply for assistance from the fund by submitting an application to the department. A complete application shall include all of the following, if applicable, as determined by the department:

(a) If assistance is in the form of a loan, financial documentation that a dedicated source of revenue is established, consistent with obligations of debt instruments existing at the time assistance is requested, and pledged to both of the following purposes:

(i) The timely repayment of principal and interest.

(ii) Adequate revenues to fund the operation and maintenance of the project.

(b) Evidence of an approved project plan.

(c) A certified resolution from a water supplier that is a municipality, or a letter of appointment from a water supplier that is not a municipality, designating an authorized representative for the project.

(d) A certification by an authorized representative of the water supplier affirming that the supplier has the legal, institutional, technical, financial, and managerial capability to build, operate, and maintain the project. The water supply does not need certify it will operate and maintain any portion of the project that funds the replacement residential private service lines.

Maggie Pallone
Deputy Director
Policy and Legislative Affairs
Department of Environmental Quality
517-599-6190 (cell)
PalloneM@michigan.gov

From: Saxton, Thomas (Treasury)
Sent: Friday, October 16, 2015 4:34 PM
To: Barton, John (Treasury) <BartonJ@michigan.gov>
Subject: FW: Use of SRF to replace lead service lines

Do you know has DEQ done any more on this ? i.e., is someone looking at what is needed in terms of state legislation ?

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To: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>
Subject: FW: Use of SRF to replace lead service lines

Below is the response from the EPA regarding the replacement of lead service lines using DWRF loans.

Please let me know if you need anything else.

From: Cossa, Laura [<mailto:cosso.laura@epa.gov>]
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To: Butler, Sonya (DEQ) <BUTLERS2@michigan.gov>
Cc: Barton, John (Treasury) <BartonJ@michigan.gov>; Bielanski, Andrew <bielanski.andrew@epa.gov>; Baltazar, Debbie <baltazar.debbie@epa.gov>; Crooks, Jennifer <crooks.jennifer@epa.gov>; Marquardt, Steve <marquardt.steve@epa.gov>
Subject: RE: Use of SRF to replace lead service lines

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I hope this helps.

Please let me know if you have any questions.

Thanks.

Laura

From: Butler, Sonya (DEQ) [<mailto:BUTLERS2@michigan.gov>]
Sent: Wednesday, September 30, 2015 12:18 PM
To: Cossa, Laura; Marquardt, Steve
Cc: Barton, John (Treasury)
Subject: FW: Use of SRF to replace lead service lines

Laura

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From: Wyant, Dan (DEQ)
Sent: Monday, September 28, 2015 4:49 PM
To: Pallone, Maggie (DEQ); Busch, Stephen (DEQ); Butler, Sonya (DEQ)
Cc: Wurfel, Brad (DEQ)
Subject: FW: Use of SRF to replace lead service lines

Let's discuss.

Dan Wyant, Director
Department of Environmental Quality
517-284-6700 (New Number)

From: Hedman, Susan [<mailto:hedman.susan@epa.gov>]

Sent: Monday, September 28, 2015 4:36 PM

To: Wyant, Dan (DEQ)

Subject: Use of SRF to replace lead service lines

Hi Dan –

Here's a quick answer to your question about using SRF to replace lead service lines. Under the federal SRF program, SRF funds can be used to replace lead service lines on both public and private property. (We don't know if Michigan rules allow for the use of SRF funding on private property, but presumably you know whether that's the case.) If you have additional questions, your staff can follow up with Steve Marquardt, Chief of the R5 Water Division State and Tribal Program Section. His number is 312-353-3214.

Please keep me posted on the time for the event later this week.

Thanks,

Susan

Susan Hedman
Region 5 Administrator/Great Lakes National Program Manager
U.S. Environmental Protection Agency
77 West Jackson Blvd - 19th Floor
Chicago, Illinois 60604-3590

Hudson, Deanna (TREASURY)

From: Dostine, Patrick (TREASURY)
Sent: Monday, October 19, 2015 8:20 AM
To: Byrne, Randall (Treasury); Cline, Richard (Treasury); Widigan, Robert (TREASURY); Vandegrift, Drew (TREASURY); Heimann, Alexandr (TREASURY); Hudson, Deanna (TREASURY)
Subject: Wkl Conf Notes Oct. 19, 2015
Attachments: Wkl Conf Call Notes 101915.docx

Patrick Dostine

State of Michigan
Department of Treasury
Local Government Financial Services Division,
Office of Fiscal Responsibility
Cadillac Place
3044 W Grand Blvd
Detroit, MI 48202
(office) 313.456.1772
dostinep@michigan.gov

Weekly Conference Call Notes – Oct. 19, 2015

Allen Park –Oct. 16 –Mayor Matakas, M. Kibby, R. Byrne, E. Cline, P Dostine

Priorities

- White Hall auditors will be starting approximately Nov. 6. Audit should wrap up by end of December.

Bond tender update

- An institution which holds approximately 20% of the bonds that were tendered recently wants to sell. Tentatively a special council meeting and RTAB meeting is scheduled for Oct. 27 & 28 respectively to address the proposed acceptance of the offer.

Park Street construction

- Finished paving today. Walk through tomorrow with city engineers. If all goes well, road will be open next week. City said there are a few issues that have to be addressed by contractor.

FDCVT Grant

- The City submitted its grant Oct. 14.

Retiree Health Changeover

- B Cady said there have been some minor issues. Otherwise, 99% of the people are satisfied. Overall, actives saw an increase in their healthcare cost of 3.2%. Police realized an increase of 5.5%.

Retiree healthcare lawsuit

- Retirees filed an appeal. Allen Park is working with its attorneys. A hearing date has been set for Nov. 5.

Miscellaneous

- Allen Park was informed that the Governor may be appointing a new member to the RTAB.

Benton Harbor –Oct. 8 – D. Watson, R. Byrne, R. Widigan

- **Weekly Priorities:**
 - Negotiations ongoing with ASFME and FOP – should be wrapped up shortly.
 - FOP is asking for everything EM Saunders took away.

- **Election:** Two for mayor, and there is a write-in candidate challenging every commission seat that is up for re-election.
 - **Audit:** Auditors will be on site next week, should be out by mid-November.
 - **Budget amendments:** Two amendments will go to the commission on the 19th, reallocation of dollars, no change in bottom line.
- **Lange, O'Brien/Unruh Lawsuits:** Plunkett & Cooney will hold a closed session on October 19 to update the Commission.
 - Lange still is asking for \$595K
 - Timeframe: Noting will be done before the election is over – Treasury will set up a date for Darwin and the Mayor to come to Lansing to discuss the lawsuits.
- **Update on Vacant Positions:** Personal committee approved the MML search proposal and moved it along to the full Commission.
 - **Water Department Superintendent:** Fleis & Vandenbrink Engineering, Inc. is asking for \$2,500/week to provide the City with 4 individuals to run the plant.
 - **Assessor:** The City has identified an individual to hire, meetings are scheduled to discuss details.
- **FDCVT Grant Applications:** The City will be submitting 4 grant applications shortly.
- **City Manager Evaluation Discussion:** One commissioner was hoping to “bridge the peace” between Darwin and the Commission.
 - The Commissioner wanted an update from the evaluation that took place six months ago.

Ecorse – Oct. 06 – W. O'Neal, L. D'Onofrio R. Byrne, D. Van de Grift, P. Dostine

Priorities

- Budget and 5-year budget. New controller has finished revising the budget and the 5-year budget. O'Neal said Ecorse council has approved the revised '15/'16 budget. Going to the Nov. RTAB. The revised 5-year budget has a projected fund balance of \$1.5MM in 2021. Capital projects were revised in the '15/'16 budget as well as in the 5-year.

Fire consolidation

- O'Neal said today that Ecorse is counting on the \$2MM FDCVT request to make the transition to an all part time fire department work. He asserts that the 5-year is balanced with this deal.

OPEB benefit audit

- O'Neal said that the OPEB benefit audit, which Ecorse did in-house, will be done in a few days.

Miscellaneous

- Water rates. O'Neal said the city will be raising water rates. Plans on hiring an engineering firm to audit all the customers.
- O'Neal promised to get Drew Van de Grift contract disclosure forms for: auditor, insurance, purchase of car, and Miller / Canfield legal services.
- O'Neal said Ecorse is working on the list from the Wayne Workman memo dated Aug 10. Items include: developing a business plan for DPW; OPEB audit; Savings in fire department; budget for fill ARC payments.
- O'Neal has a meeting with US Steel to discuss the company selling a piece of property to the city to use for parking.
- Treasury will meet with O'Neal in the coming weeks.

Flint – Oct. 14 – N. Henderson, Mayor Walling, J. Freeman, F Headen, Wendy, R. Byrne, E. Cline, P. Dostine

- **Priorities**
 - Henderson bringing two amendments to Oct 14 RTAB: \$2M budget adjustment (money from the Water Fund fund balance) and Agreements needing execution between Flint and DWSD, and Flint and Genesee County.
 - The city anticipates connecting to DWSD in the next few days.
- **Lawsuit**
 - Miller Canfield still representing Flint in both the Kincaid and Shears lawsuits. Henderson repeated again that Flint will need assistance in maintaining Miller Canfield as counsel.
- **Public Safety**
 - Fires are down in Flint. Because of that, Flint no longer qualifies for some grant dollars.
 - Tier1 crimes (homicide, rape, armed robbery) are down in Flint.
 - Chief of Police (and Flint) is participating in Violence Reduction Network (VRN), a Dept. of Justice initiative that provides technical assistance and other in-kind crime prevention assistance to cities with higher than average violent crime.

Hamtramck – Oct. 8 – K. Powell, R. Byrne, R. Cline, P. Dostine, D. Van de Grift

Priorities

- Hamtramck has commenced work on the park in front of City Hall, Pope Park, and Veteran's Park.

- Katrina and the City Council successfully attended the MML training in Traverse City, in compliance with EM Square's final order and the directive of the RTAB.
- At last month's RTAB meeting, the Board denied the city's current contract with their auditor of choice; the City must find another auditor.
- Following the death of Councilman Walters, the Council disagrees about how the vacancy will be filled.

Police Study

- Katrina has only one potential study proposal; Treasury has requested additional proposals for comparison.
- Ann Moise likely will be appointed to full-time chief after the election.

Pension Study

- Phase II will be skipped; Phase III is expected to begin soon.

City Treasurer

- Has been busy on some projects.

Highland Park– Oct. 14 – C. Square, R. Byrne

- The collection firm has approximately \$7M in past due accounts to collect. However, many of these accounts are no longer active.
- Meadowbrook will be providing an updated report on OPEB costs which show a substantial reduction of the annual costs. The new estimated annual costs will be between \$200K and \$300K.
- New water bills with the new water and sewer rates have been sent out to the customers.
- Wade-Trim has opened its customer service center on Woodward Avenue.
- BSA software installation has been completed.
- The City will be submitting several FDCVT grant applications including master water meters, LED streetlights, and building improvements.
- Wade-Trim has received several shipments of residential water meters that will be installed soon.

Inkster – Sept 16 – M. Stuhldreher, R. Byrne, P. Dostine

Priorities

- Redevelopment Ready Community program. Inkster is interested in following through with MEDC to achieve RRC certification. Treasury to forward brief report on the program's requirements.

Police chief

- New chief is fully engaged. He's attended several community events. He's been in the neighborhoods. Chief is in the process of hiring an officer to work narcotics. Inkster Police administration has lots of training dollars. Mark said Inkster has \$47K remaining from the FDCVT grant earmarked for training as well.

Pastors

- Mark had a meeting with Rev. George Williams, an outspoken critic of the upcoming Parks & Recreation millage. Mark stressed the importance of millage passing and that Rev Williams should at most remain neutral on the matter.

'16 FDCVT grant

- Inkster has not started its application process yet, but does plan to apply. Last year the city received \$900K in grant monies from Treasury.

Lincoln Park – Oct. 7 – B Coulter, R Byrne, E Cline, D. Van de Grift, P Dostine

Priorities

- PA 345. Another councilman has endorsed the millage. Three councilmen have now officially endorsed the millage, and one other councilman quietly supports it. Unions are behind the millage. The fire union has been doing mailings, meeting with residents. More neighborhood town hall meetings are planned.

City Manager Matt Coppler

- Brad stated that the new city manager is a "good fit" in the city. Transition is very smooth. Coppler will be sitting on the Downriver Sewage committee, taking over for Brad.

Lincoln Park Retiree Lawsuit

- A status conference will take place Oct. 20.

FDCVT grant

- LP is applying for grant to help with DTE street lighting change over. DTE said city would save \$100K. LP contemplating using grant funds in police department.

RTAB recruitment membership

- Coulter has one name thus far. It has not been easy for Brad to find willing participants.

Final Order

- Treasury told Brad it should have a draft FO soon. With the new city manager on board, Brad said a lot more time will be freed up for him to focus on other projects.

Gabriel Roeder Smith lawsuit

- Not a priority until after the election results and PA 345 is decided. City is conserving money for other legal matters at the moment. Attorneys for Lincoln Park will be drafting a demand letter for a cost of \$7K to \$10K.

MEDC / MSHDA

- LP meeting MSHDA Oct. 12 in Lansing. Treasury is invited to the meeting.

Miscellaneous

- City pursuing \$1.5MM SRF funding for sanitary sewer line projects.
- MML declined coverage in the retiree lawsuit because the issue at hand deals with modification of healthcare benefits.
-

Pontiac – Oct. 16 - J. Sobota, N. Nazarko, R. Byrne, R. Widigan, P. Dostine

- **Weekly Priorities:**
 - **District Court Decision:** On Oct 7 the City received an Adverse Arbitration Ruling. Can Treasury ask AG to get Letter from Treasury to the City and Court instructing them not to pay the amount decided by the arbitrator. Email sent 10/07 @ 11:25, it has been forwarded to Randy and Eric for review.
 - **Next week's call:** CA and the Mayor will be at a homeland security conference. Should cancel next week's.
 - **Comprehensive Compensation Study:** Sobota is looking for bids from Mark Notley, and the MML and Fox for the projects. Are there any other companies to get bids from?
 - **City Demolitions:** Information is handed off to At-Well. Have demolished 427 of 944 identified. 53 Have been repaired by owners, 56 were dismissed. 303 condemned to be demolished, 50 of the 303 are with hardest hit. That leaves 250 within the City, of that 40 are occupied.
 - Once completed, the blight issues will be mostly resolved.
 - **Cemetery Endowment Funds:** City is still responsible for cemetery still, would like to re-establish it and deposit \$1M. The fund was drained by EFM Stampfler. Possibly do \$500K each year over two years.
 - Note for future EMs, may wish to tell them not to touch endowment funds.
- **\$6M with Gray Financial Group:** No updates. Nevrus has talked with the director of the pension board and raised concerns.
 - The Director is going to speak with the GERS Board attorney.
 - The City Council being kept up-to-date on the issue.

- **Two-year Rolling Budget/Audit:**
 - **Two-year:** Not been addressed due to the Council not acting on the budget amendment and no agreement on the Sheriff's contract.
 - President Waterman said that Council will vote on the budget amendment this Thursday.
 - **Audit:** Last few details are being inputted, bulk is done.
 - **Fund balance will be \$10.8M**
- **Community Development Positions:** HR director had identified 12 candidates total. Sent resumes and questions to the Mayor. The Mayor has asked Joe and HR Director to conduct the interviews. Joe would rather the Mayor be involved.

Royal Oak Township – Oct 5 – R. Burgess, R. Byrne, P. Dostine

- **Priorities for the Week/Miscellaneous Items**
 - Hired an accountant – Nicholas Fedewa -- approximately \$55 to \$60 /hr. Fedewa was recommended by Pontiac Finance Director. He initially will work full time to catch the township up in the books. Produce a cash flow analysis from Aug till Dec. Work up till the end of the year. Treasury recommended the new accountant stay on pass the end of the fiscal and perhaps even longer. The work is needed.
 - Montgomery has reduced its price from \$17K to \$10K. Still no deal, no close out of this invoice. Robert requested an Order so he can void the contract. Treasury noted that Montgomery could still take the township to court over the matter.
 - There is an office employee that the township must provide rights and benefits under the union contract. Robert did not budget for these costs. The township attorney has counseled against eliminating her position or denying her benefits because she will grieve the case.
- **FY '16 budget**
 - Robert said a draft of the budget is completed. He's met with all the directors and elected officials regarding their budgets. He's ready to show it to the Board at the next meeting (Oct. 15) or maybe earlier for review. In the budget are CIPs which have \$50,000 place holders.
 - Robert has distributed project applications for FY 16 CIPs to all the dept directors. That process is underway.
 - Robert said tax revenues will be slightly higher in FY '16 budget.
 - Oakland Co told Robert that chargebacks for 2016 will be small.
 - In 2017, the Fire, Street and Disposal funds should all break even.
 - The projected fund balance for Year End FY 16 is approximately \$200K, which is less than the 15 percent recommended of the total budget amount (\$2MM).
 - No money budgeted for township offices. Robert said he would have to do an amended budget should the issue arise in '16.
 - Treasury requested a copy of the draft budget.
- **Police Update**

- Robert met with Oak Park regarding police services. Last week Robert gave Oak Park a written proposal. Oak Park has promised a response in two to three weeks.

Grant School

- Robert said this is not a priority until ROT gets a police contract first.

Township-owned house

- Update: This property has not been sold yet for \$975. At its last meeting, the Board approved the selling of the property, not the sale of it. At the same meeting, the Board did not approve of the rehabbing of the house for \$3K. Municipal Risk (sp) sent a crew in to dry the basement out (the basement experienced water damaged due to clogged drains from area restaurants using them as grease bins) remove damaged drywall etc. It has been estimated that \$3K of rehab on the house would elevate the house in price on the market from \$10K to \$30K.

McKenna

- In 2014 the township paid approximately \$100K for McKenna's services. This year, the figure is approximately \$64K. Robert has talked to the DDA and Parks about what their share in the cost will be going forward. He hopes to get a reduced price from McKenna for FY '16.

Workman, Wayne (TREASURY)

From: Saxton, Thomas (Treasury)
Sent: Monday, October 19, 2015 9:18 AM
To: Martin, Mary G. (Treasury); Nichols, Susan R. (Treasury)
Cc: Workman, Wayne (TREASURY)
Subject: DEQ

Importance: High

Just a 'heads up'... Wayne is participating on a call this morning with City of Flint & Mott re the \$s (cash) to reconnect to DWSD. One of you or your staff may want to participate to make sure nothing goes astray. (he can send you the #) We want to send a portion of the money that was just appropriated. My sense is we will need to wire funds out possibly today or tomorrow.

Schafer, Suzanne K. (Treasury)

From: Byrne, Randall (Treasury)
Sent: Monday, October 19, 2015 1:02 PM
To: Workman, Wayne (TREASURY)
Cc: Schafer, Suzanne K. (Treasury)
Subject: Flint DWSD wire transfer

Wayne:

I spoke to Jim Sygo's Management Assistant, Karen Shaler and Sara Gross, from Treasury. Sara will be sending to Karen the wire transfer form to initiate the wire transfer. Karen mentioned to me that Paul McDonald is following up remotely on the wire. I asked that Karen cc you on any emails.

Thanks,
Randy



Randall Byrne | State Administrative Manager
Local Government Services - Office of Fiscal Responsibility
State of Michigan | 430 W. Allegan Street, 3rd Floor | Lansing, MI 48922
(517) 335-2521 | (517) 373-0633 (fax) | ByrneR1@michigan.gov

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+++Weekly Critical Issues —October 22, 2015

- **Allen Park**— I have been advised that two new RTAB members are in the process of being appointed. They are Mark Wollenweber and Scott Lites. Wayne wants a special RTAB meeting on Monday to approve the tender. City Council approved it last night.
- **Benton Harbor**-The City Council tabled several items during the last City Council meeting. I may send someone to attend the November 2nd meeting.
- **Ecorse** – Their five year financial plan has been sent to us for review. They want the RTAB to approve on November 10th. The City Council has approved. One additional RTAB member is needed (Joan Brophy). Wayne O'Neal will call at 2:30 today to discuss his concerns for the staff regarding the election. A retiree health care audit was performed internally.
- **Flint** – Lawsuit on water rates and the lead issues have Flint in a crisis mode. The City stated the State owes them a lot of money. They want the remainder of the \$6M ASAP. We will be scheduling a meeting at Treasury with city officials to discuss the City's water-sewer fund, probably in early November. Brian has asked me to prepare a FY15 Performance Report of the \$1.1M public safety grant, Natasha will provide information. They are concerned that we have not agreed to provide legal assistance.
- **Hamtramck**-the City ended the year with \$1M in GF operating surplus. Phase 3 of the pension study will begin soon. The City Council is at odds about filling the vacancy on Council. The Circuit Court is now involved. Katrina released a Confidentiality Agreement with the former Police Chief due to a FOIA request. Two RTAB members are needed.
- **Highland Park**- Cathy has indicated that the City has over 500 aged payables including a DTE bill of \$200K for the water pumping station. She said that the information in the 2014 Audit indicated that there is approximately \$1.2M of accounts payable. The OPEB report from Meadowbrook indicates that the City reduced OPEB costs by \$1.25M for the upcoming 12 month period.
- **Lincoln Park**-His exit will be in December. We will be discussing the final order with Brad next week. We are hoping to find several RTAB candidates soon. E-Loan may be necessary? Five RTAB members are needed. Brad feels that the 345 ballot request has a good chance of success. The MERS pension funding issue.
- **Inkster**- the City has reached an agreement with Wayne County on its \$4.9M sewer debt. A judgement levy for several years will be likely be placed on the July 2016 tax roll. The City will end its fiscal year with a \$1.5M fund balance. The Parks and Rec. millage may be successful.
- **Pontiac**-Jane Di Sessa will start on October 26. The Mayor and I will be meeting with two council members to discuss the hiring of an executive secretary and other issues. The Pontiac RTAB exit plan is nearing completion. The Mayor would like to do a study of the Phoenix Center. Problem with the GERS Board financial advisor and Board Members. One RTAB member is needed. Annual RTAB evaluation soon.
- **River Rouge**- the City was chosen by the Governor to be a part of the Rising Tide Initiative. An exit memo is being drafted
- **Royal Oak Township**- I will be contacting MSHDA regarding housing opportunities in the Township. Additional police discussions with Ferndale and Hazel Park are needed. Patrick and I

met with Robert on Tuesday. Montgomery and Co. the accounting firm has submitted an invoice for \$17,000 and has sent me two emails. Robert has begun discussion on the new budget and will send us a draft for review. He has hired Mr. Fedewa for accounting.

- **Miscellaneous Items**—the draft of the November Governor's Memo has been sent to Angela. If any updates are necessary, please give to Eric. Discussion regarding community eligibility for FDCVT funding. The draft exit plan for several communities is nearing completion. FOIA request from Mr. Washington. Ed is attempting to get Giarmarco on a SAAG contract.



Dayne Walling
Mayor

CITY OF FLINT, MICHIGAN
Department of Finance

Natasha L. Henderson
City Administrator

Jody N. Lundquist
Finance Director

Dawn Steele
Deputy Finance Director

DATE: October 20, 2015

TO: Natasha Henderson, City Administrator

FROM: Jody Lundquist, Finance Director

RE: Budget to Actual Revenue and Expenditure Report

Please find attached the Budget to Actual Revenue and Expenditure Report and Cash and Investment Summary for the period ending September 30, 2015 for your review and submission to the RTAB per Emergency Manager Order 20. 2015-2016 Amended Budget Amounts reflect all amendments adopted by City Council and approved by the RTAB as of September 30, 2015.

The activity shown for the prior fiscal year is unaudited and subject to change as the City continues to record annual year-end items. The City's annual audit is being conducted by Yeo & Yeo. The on-site audit work began on October 12, 2015. As required by Public Act 2: Uniform Budget and Accounting Act and City Ordinance #3855, audited financial statements for the fiscal year ending June 30, 2015 will be available no later than December 31, 2015.

Please let me know if any additional information is necessary or if you have any questions.

CITY OF FLINT
BUDGET TO ACTUAL REVENUE AND EXPENDITURE REPORT
FOR THE PERIOD ENDING SEPTEMBER 30, 2015

ACCOUNT DESCRIPTION	2014-15 AMENDED BUDGET	YTD BALANCE 06/30/2015	2015-16 AMENDED BUDGET	YTD BALANCE 42,277	AVAILABLE BALANCE	% BDGT USED
Fund 101 - General Fund						
Property Taxes	4,970,000	4,699,113	4,900,000	4,497,531	402,469	91.79
Special assessment taxes	16,656	20,973	17,000	8,383	8,617	49.31
Income taxes	13,000,000	14,012,171	13,541,000	2,303,053	11,237,947	17.01
Interest and dividend income	366,100	568,822	470,000	91,121	378,879	19.39
State revenues	17,891,910	17,918,463	18,253,013	849,218	17,403,796	4.65
Charges for service rendered	7,636,721	7,846,452	8,023,942	2,237,247	5,786,694	27.88
Other revenues	534,603	867,092	385,864	218,209	167,654	56.55
Drawings from fund balance	(1,000,000)	-	(1,000,000)	-	(1,000,000)	0.00
Fines and forfeitures	1,633,539	1,583,496	1,805,731	191,584	1,614,147	10.61
License and Permits	1,200,300	1,144,949	1,225,000	53,626	1,171,374	4.38
Proceeds from sale of capital assets	4,577,998	4,577,998	3,777,998	944,500	2,833,498	0.00
Transfers in	500	500	-	-	-	0.00
Proceeds from loan	7,000,000	7,000,000	-	-	-	100.00
TOTAL REVENUES	57,828,326	60,240,028	51,399,547	11,394,472	40,005,076	22.17
General government	20,292,595	20,530,023	22,015,842	4,977,634	17,038,208	22.61
Legislative	429,775	414,085	618,802	107,447	511,355	17.36
Judicial	3,964,721	3,929,782	4,031,207	1,003,525	3,027,682	24.89
Police	13,132,959	12,961,412	15,897,752	3,142,706	12,755,046	19.77
Emergency dispatch	2,424,447	2,413,532	202,919	160,529	42,390	79.11
Fire	5,707,529	5,558,910	6,434,419	1,267,587	5,166,833	19.70
Community development	868,761	742,861	736,153	127,068	609,085	17.26
Facilities and Maintenance	1,453,322	1,332,445	1,462,452	245,585	1,216,867	16.79
Transfers out	99,140	149,206	-	-	-	0.00
TOTAL EXPENDITURES	48,373,249	48,032,276	51,399,547	11,032,082	40,367,464	21.46
NET OF REVENUES/EXPENDITURES	9,455,078	12,207,752	1	362,389	(362,389)	
BEG. FUND BALANCE	(8,961,424)	(8,961,424)	3,246,328	3,246,328		
END FUND BALANCE	493,654	3,246,328	3,246,329	3,608,718		
FUND BALANCE AS % OF EXPENDITURES - ACTUAL	1%	7%	6%			
FUND BALANCE AS % OF EXPENDITURES - POLICY	15%	15%	15%			
DESIGNATED RESERVE PER POLICY (15%)	7,255,987	7,255,987	7,709,932			
VARIANCE ACTUAL TO POLICY	(6,762,333)	(4,009,659)	(4,463,603)			

CITY OF FLINT
BUDGET TO ACTUAL REVENUE AND EXPENDITURE REPORT
FOR THE PERIOD ENDING SEPTEMBER 30, 2015

ACCOUNT DESCRIPTION	2014-15 AMENDED BUDGET	YTD BALANCE 06/30/2015	2015-16 AMENDED BUDGET	YTD BALANCE 42,277	AVAILABLE BALANCE	% BDGT USED
Fund 202 - Major Street Fund						
State revenues	7,381,806	7,624,369	6,930,520	852,712	6,077,808	12 30
Charges for service rendered	23,506	13,081	31,506	29,403	2,103	93.32
Other revenues	209,610	290,700	184,354	41,948	142,406	22 75
Drawings from fund balance	1,181,572	-	1,476,334	-	1,476,334	0 00
Interest and Dividend Income	-	29,010	-	-	-	0 00
Federal revenues	87,680	87,680	-	-	-	0.00
TOTAL REVENUES	8,884,174	8,044,841	8,622,714	924,063	7,698,651	10.72
General government	1,442,892	1,444,564	1,638,378	273,063	1,365,315	16.67
Transportation	6,478,147	4,958,253	6,297,010	526,161	5,770,849	8 36
Debt services - interest	8,551	8,550	8,000	-	8,000	0 00
Debt services - principal	110,072	110,070	110,622	-	110,622	0.00
Transfers out	-	-	568,703	94,784	473,919	16.67
TOTAL EXPENDITURES	8,039,662	6,521,438	8,622,713	894,008	7,728,705	10.37
NET OF REVENUES/EXPENDITURES	844,512	1,523,403	1	30,056	(30,055)	
BEG FUND BALANCE	4,926,787	4,926,787	6,450,190	6,450,190		
END FUND BALANCE	4,589,727	6,450,190	4,973,857	6,480,246		
FUND BALANCE AS % OF REVENUES - ACTUAL	60%	84%	70%			
FUND BALANCE AS % OF REVENUES - POLICY	15%	15%	15%			
DESIGNATED RESERVE PER POLICY (15%)	1,155,390	1,155,390	1,071,957			
VARIANCE ACTUAL TO POLICY	3,434,337	5,294,800	3,901,900			

CITY OF FLINT

BUDGET TO ACTUAL REVENUE AND EXPENDITURE REPORT

FOR THE PERIOD ENDING SEPTEMBER 30, 2015

ACCOUNT DESCRIPTION	2014-15 AMENDED BUDGET	YTD BALANCE 06/30/2015	2015-16 AMENDED BUDGET	YTD BALANCE 42,277	AVAILABLE BALANCE	% BDGT USED
Fund 203 - Local Street Fund						
State revenues	1,941,703	1,942,017	2,016,514	199,693	1,816,821	9.90
Other revenues	618,343	117,135	630,677	338,465	292,212	53.67
Interest and dividend income	-	5,993	-	-	-	0.00
Transfers in	-	-	568,703	142,176	-	25.00
Drawings from fund balance	288,513	-	421,863	-	421,863	0.00
TOTAL REVENUES	2,848,559	2,065,146	3,637,757	680,334	2,530,896	18.70
Fund 203 - Local Street Fund						
General government	314,770	314,770	402,087	100,522	301,565	25.00
Transportation	2,476,948	1,993,800	3,235,670	550,604	2,685,066	17.02
TOTAL EXPENDITURES	2,791,717	2,308,570	3,637,757	651,126	2,986,631	17.90
NET OF REVENUES/EXPENDITURES	56,842	(243,424)	(0)	29,208	(455,736)	
BEG. FUND BALANCE	1,610,712	1,610,712	1,367,288	1,367,288		
END FUND BALANCE	1,379,041	1,367,288	945,425	1,396,496		
FUND BALANCE AS % OF REVENUES - ACTUAL	54%	53%	29%			
FUND BALANCE AS % OF REVENUES - POLICY	15%	15%	15%			
DESIGNATED RESERVE PER POLICY (15%)	384,007	384,007	482,384			
VARIANCE ACTUAL TO POLICY	995,034	983,281	463,041			

CITY OF FLINT
BUDGET TO ACTUAL REVENUE AND EXPENDITURE REPORT
FOR THE PERIOD ENDING SEPTEMBER 30, 2015

ACCOUNT DESCRIPTION	2014-15 AMENDED BUDGET	YTD BALANCE 06/30/2015	2015-16 AMENDED BUDGET	YTD BALANCE 42,277	AVAILABLE BALANCE	% BDGT USED
Fund 205 - Public Safety						
Property Taxes	3,688,275	3,842,853	3,700,000	3,776,292	(76,292)	102.06
Interest and dividend income	-	30,798	-	-	-	0.00
Other revenues	-	5,462	-	-	-	0.00
Drawings from fund balance	4,690,318	-	2,481,948	-	2,481,948	0.00
TOTAL REVENUES	8,378,593	3,879,113	6,181,948	3,776,292	2,405,656	61.09
Police	2,705,773	2,684,119	1,902,722	445,935	1,456,787	23.44
Fire	3,675,510	3,633,122	4,279,226	958,556	3,320,670	22.40
TOTAL EXPENDITURES	6,381,283	6,317,241	6,181,948	1,404,491	4,777,457	22.72
NET OF REVENUES/EXPENDITURES	1,997,310	(2,438,128)	-	2,371,800	(2,371,800)	
BEG. FUND BALANCE	8,457,278	8,457,278	6,019,150	6,019,150		
END FUND BALANCE	5,764,270	6,019,150	3,537,202	8,390,950		
FUND BALANCE AS % OF REVENUES - ACTUAL	156%	163%	96%			
FUND BALANCE AS % OF REVENUES - POLICY	10%	10%	10%			
DESIGNATED RESERVE PER POLICY (10%)	368,827	368,827	370,000			
VARIANCE ACTUAL TO POLICY	5,395,442	5,650,322	3,167,202			

CITY OF FLINT
BUDGET TO ACTUAL REVENUE AND EXPENDITURE REPORT
FOR THE PERIOD ENDING SEPTEMBER 30, 2015

ACCOUNT DESCRIPTION	2014-15 AMENDED BUDGET	YTD BALANCE 06/30/2015	2015-16 AMENDED BUDGET	YTD BALANCE 42,277	AVAILABLE BALANCE	% BDGT USED
Fund 207 - Police Fund						
Property Taxes	1,250,306	1,293,783	1,255,000	1,260,588	(5,588)	100.45
Interest and dividend income	-	445	-	-	-	0.00
Other revenues	93,180	1,740	-	-	-	0.00
Drawings from fund balance	42,502	-	68,944	-	68,944	0.00
TOTAL REVENUES	1,385,988	1,295,968	1,323,944	1,260,588	63,356	95.21
Fund 207 - Police Fund						
Police	1,358,912	1,311,361	1,323,944	258,321	1,065,623	19.51
TOTAL EXPENDITURES	1,358,912	1,311,361	1,323,944	258,321	1,065,623	19.51
NET OF REVENUES/EXPENDITURES	27,076	(15,392)	-	1,002,267	(1,002,267)	
BEG. FUND BALANCE	19,656	19,656	4,264	4,264		
END FUND BALANCE	4,230	4,264	(64,680)	1,006,530		
FUND BALANCE AS % OF REVENUES - ACTUAL	0%	0%	-5%			
FUND BALANCE AS % OF REVENUES - POLICY	10%	10%	10%			
DESIGNATED RESERVE PER POLICY (10%)	134,349	134,349	125,500			
VARIANCE ACTUAL TO POLICY	(130,118)	(130,085)	(190,180)			

CITY OF FLINT
BUDGET TO ACTUAL REVENUE AND EXPENDITURE REPORT
FOR THE PERIOD ENDING SEPTEMBER 30, 2015

ACCOUNT DESCRIPTION	2014-15 AMENDED BUDGET	YTD BALANCE 06/30/2015	2015-16 AMENDED BUDGET	YTD BALANCE 42,277	AVAILABLE BALANCE	% BDGT USED
Fund 208 - Park/Recreation Fund						
Property Taxes	312,546	323,951	315,000	315,054	(54)	100.02
Interest and dividend income	-	718	-	-	-	0.00
Other revenues	4,930	16,954	4,825	1,060	3,765	21.97
Drawings from fund balance	97,000	-	87,146	-	87,146	0.00
Transfers in	99,413	99,140	-	-	-	0.00
TOTAL REVENUES	513,889	440,762	406,971	316,114	90,856	77.67
Fund 208 - Park/Recreation Fund						
Community development	513,889	459,475	406,971	55,346	351,625	13.60
TOTAL EXPENDITURES	513,889	459,475	406,971	55,346	351,625	13.60
NET OF REVENUES/EXPENDITURES	-	(18,712)	-	260,769	(260,769)	
BEG FUND BALANCE	99,941	99,941	81,229	81,229		
END FUND BALANCE	2,941	81,229	(5,917)	341,997		
FUND BALANCE AS % OF REVENUES - ACTUAL	1%	19%	-2%			
FUND BALANCE AS % OF REVENUES - POLICY	10%	10%	10%			
DESIGNATED RESERVE PER POLICY (10%)	41,689	41,689	31,983			
VARIANCE ACTUAL TO POLICY	(38,748)	39,540	(37,899)			

CITY OF FLINT
BUDGET TO ACTUAL REVENUE AND EXPENDITURE REPORT
FOR THE PERIOD ENDING SEPTEMBER 30, 2015

ACCOUNT DESCRIPTION	2014-15 AMENDED BUDGET	YTD BALANCE 06/30/2015	2015-16 AMENDED BUDGET	YTD BALANCE 42,277	AVAILABLE BALANCE	% BDGT USED
Fund 219 - Street Light						
Special assessment taxes	2,738,986	2,415,368	2,718,986	2,616,226	102,760	96.22
Interest and dividend income	-	5,272	-	-	-	0.00
Drawings from fund balance	-	-	105,218	-	-	0.00
TOTAL REVENUES	2,738,986	2,420,640	2,824,204	2,616,226	102,760	92.64
Fund 219 - Street Light						
General government	91,210	91,210	128,895	32,224	96,671	25.00
Transportation	2,463,195	2,381,159	2,695,308	399,480	2,295,828	14.82
TOTAL EXPENDITURES	2,554,405	2,472,369	2,824,203	431,704	2,392,499	15.29
NET OF REVENUES/EXPENDITURES	184,581	(51,729)	1	2,184,522	(2,289,739)	

BEG FUND BALANCE

END FUND BALANCE

FUND BALANCE AS % OF REVENUES - ACTUAL

FUND BALANCE AS % OF REVENUES - POLICY

DESIGNATED RESERVE PER POLICY (15%)

VARIANCE ACTUAL TO POLICY

657,475

2,841,997

20%

15%

407,848

144,410

CITY OF FLINT
BUDGET TO ACTUAL REVENUE AND EXPENDITURE REPORT
FOR THE PERIOD ENDING SEPTEMBER 30, 2015

ACCOUNT DESCRIPTION	2014-15	2015-16	YTD BALANCE	YTD BALANCE	AVAILABLE	% BDGT
	AMENDED BUDGET	AMENDED BUDGET	06/30/2015	42,277	BALANCE	USED
Fund 226 - Rubbish Collection Fund						
Property Taxes	5,517,813	4,829,002	4,909,128	4,624,305	204,697	95.76
Charges for service rendered	11,093	-	10,877	-	-	0.00
Other revenues	-	-	6,958	-	-	0.00
Drawings from fund balance	-	1	-	-	1	0.00
License and Permits	1,660	500	1,840	740	(240)	148.00
TOTAL REVENUES	5,530,566	4,829,503	4,928,803	4,625,045	204,458	95.77
General government	173,143	250,958	182,710	62,740	188,218	25.00
Transportation	49,755	100,000	52,546	-	100,000	0.00
Public works	4,551,320	4,478,544	4,380,260	1,092,443	3,386,101	24.39
TOTAL EXPENDITURES	4,774,218	4,829,502	4,615,516	1,155,182	3,674,320	23.92
NET OF REVENUES/EXPENDITURES	756,348	1	313,287	3,469,862	(3,469,861)	

BEG. FUND BALANCE

590,336

END FUND BALANCE

4,060,198

FUND BALANCE AS % OF REVENUES - ACTUAL

12%

FUND BALANCE AS % OF REVENUES - POLICY

15%

DESIGNATED RESERVE PER POLICY (15%)

724,425

VARIANCE ACTUAL TO POLICY

(134,088)

CITY OF FLINT
BUDGET TO ACTUAL REVENUE AND EXPENDITURE REPORT
FOR THE PERIOD ENDING SEPTEMBER 30, 2015

ACCOUNT DESCRIPTION	2014-15 AMENDED BUDGET	YTD BALANCE 06/30/2015	2015-16 AMENDED BUDGET	YTD BALANCE 42,277	AVAILABLE BALANCE	% BDGT USED
Fund 265 - Drug Law Enforcement Fund						
Other revenues	16,500	3,818	-	2,528	(2,528)	0.00
Interest and dividend income	-	5,170	-	-	-	0.00
Drawings from fund balance	374,063	-	169,674	-	169,674	0.00
Fines and forfeitures	101,000	50,299	2,500	28,007	(25,507)	1,120.29
TOTAL REVENUES	491,563	59,287	172,174	30,536	141,638	17.74
Police	477,563	298,452	172,174	7,450	164,724	4.33
TOTAL EXPENDITURES	477,563	298,452	172,174	7,450	164,724	4.33
NET OF REVENUES/EXPENDITURES	14,000	(239,165)	-	23,085	(23,085)	

BEG FUND BALANCE
END FUND BALANCE

529,807
552,893

FUND BALANCE AS % OF EXPENDITURES - ACTUAL
FUND BALANCE AS % OF EXPENDITURES - POLICY

768,972
408,909

768,972
529,807

529,807
360,133

209%
100%

DESIGNATED RESERVE PER POLICY (100%)
VARIANCE ACTUAL TO POLICY

477,563
(68,654)

172,174
187,959

CITY OF FLINT
BUDGET TO ACTUAL REVENUE AND EXPENDITURE REPORT
FOR THE PERIOD ENDING SEPTEMBER 30, 2015

ACCOUNT DESCRIPTION	2014-15 AMENDED BUDGET	YTD BALANCE 06/30/2015	2015-16 AMENDED BUDGET	YTD BALANCE 42,277	AVAILABLE BALANCE	% BDGT USED
Fund 274 - HUD CDBG, ESG, & HOME GRANTS						
Transfer in from 296 fund	-	250,540	-	-	-	0.00
Drawings from Fund Balance	-	-	-	-	-	0.00
Federal revenues	11,834,239	4,148,623	8,532,130	389,207	8,142,924	4.56
TOTAL REVENUES	11,834,239	4,399,163	8,532,130	389,207	8,142,924	4.56
General government	215,350	165,972	58,681	29,424	29,257	50.14
Fire	14,766	11,847	2,918	-	2,918	0.00
Community development	10,551,674	3,814,611	7,158,841	212,624	6,946,217	2.97
Transportation	204,964	-	204,952	-	204,952	0.00
Facilities and Maintenance	35,000	-	35,000	-	35,000	0.00
Building inspections	812,485	204,349	631,255	124,864	506,392	19.78
TOTAL EXPENDITURES	11,834,239	4,196,779	8,091,648	366,912	7,724,736	4.53
NET OF REVENUES/EXPENDITURES	-	202,385	440,483	22,295	418,187	

Fund 296 - Other Grants Fund

Federal revenues	2,227,809	784,366	1,467,199	-	1,467,199	0.00
State revenues	4,350,528	1,108,595	3,671,050	1,570,883	2,100,167	0.00
Other revenues	354	483	-	-	-	0.00
Local grants	1,082,063	663,225	110,996	544,610	(433,614)	490.66
Fines and forfeitures	4,214	4,214	-	-	-	0.00
Drawings from fund balance	-	-	-	-	-	0.00
Interest and dividend income	-	-	-	-	-	0.00
TOTAL REVENUES	7,664,968	2,560,883	5,249,245	2,115,493	3,133,752	40.30
Fund 296 - Other Grants Fund						
General government	19,662	7,506	12,192		12,192	0.00
Police	3,249,069	2,172,819	1,114,902	34,785	1,080,117	3.12
Community development	1,880,784	456,370	1,682,484	55,286	1,627,198	3.29
Transportation	1,642,144	73,603	1,568,541	1,235	1,567,306	0.08
Facilities and Maintenance	773,310	165,748	710,973	25,326	685,647	3.56
Public works	50,000	49,730	270	-	270	0.00
Transfer out to 274 fund	50,000	-	50,000	-	50,000	0.00
Utilities	-	332,919	2,000,000	109,507	1,890,493	0.00
TOTAL EXPENDITURES	7,664,968	3,258,696	7,139,361	226,139	6,913,223	3.17
NET OF REVENUES/EXPENDITURES	-	(697,813)	(1,890,116)	1,889,355	(3,779,471)	

CITY OF FLINT
BUDGET TO ACTUAL REVENUE AND EXPENDITURE REPORT
FOR THE PERIOD ENDING SEPTEMBER 30, 2015

ACCOUNT DESCRIPTION	2014-15		2015-16		YTD BALANCE 42,277	AVAILABLE BALANCE	% BDGT USED
	AMENDED BUDGET	YTD BALANCE 06/30/2015	AMENDED BUDGET				
Fund 402 - Public Improvement Fund							
Property Taxes	1,703,000	1,609,072	1,703,000		1,575,778	127,222	92.53
Other revenues	380,000	38,358	350,000		-	350,000	0.00
Interest and dividend income	-	7,613	-		-	-	0.00
Drawings from fund balance	767,957	-	775,967		-	775,967	0.00
TOTAL REVENUES	2,850,957	1,655,042	2,828,967		1,575,778	1,253,189	55.70
Facilities and Maintenance							
Transfers out	721,900	688,774	700,000		-	700,000	0.00
Debt services - interest	1,526,953	1,526,953	1,526,213		181,738	1,344,475	11.91
Debt services - principal	407,104	400,191	392,754		-	392,754	0.00
	195,000	200,000	210,000		-	210,000	0.00
TOTAL EXPENDITURES	2,850,957	2,815,918	2,828,967		181,738	2,647,229	11.91
NET OF REVENUES/EXPENDITURES	-	(1,160,875)	-		1,394,040	(1,394,040)	

BEG. FUND BALANCE
END FUND BALANCE

FUND BALANCE AS % OF EXPENDITURES - ACTUAL
FUND BALANCE AS % OF EXPENDITURES - POLICY

DESIGNATED RESERVE PER POLICY
VARIANCE ACTUAL TO POLICY

9,335,339
9,335,339

8,174,464
8,174,464

N/A
N/A

8,174,464
9,568,504

N/A
N/A

2,928,267
5,246,197

CITY OF FLINT
BUDGET TO ACTUAL REVENUE AND EXPENDITURE REPORT
FOR THE PERIOD ENDING SEPTEMBER 30, 2015

ACCOUNT DESCRIPTION	2014-15 AMENDED BUDGET	YTD BALANCE 06/30/2015	2015-16 AMENDED BUDGET	YTD BALANCE 42,277	AVAILABLE BALANCE	% BDGT USED
Fund 542 - Building Inspection Fund						
Charges for service rendered	50,579	45,592	-	11,388	(11,388)	0.00
Drawings from fund balance	236,763	-	341,717	-	341,717	0.00
Interest and dividend income	-	9,114	-	-	-	0.00
License and Permits	2,563,164	2,609,751	1,625,000	495,806	1,129,194	30.51
TOTAL REVENUES	2,850,506	2,664,457	1,966,717	507,194	1,459,523	25.79
General government	504,425	504,209	619,180	154,741	464,439	24.99
Building inspections	1,361,108	1,069,570	1,347,536	243,528	1,104,008	18.07
TOTAL EXPENDITURES	1,865,533	1,573,779	1,966,716	398,268	1,568,448	20.25

NET OF REVENUES/EXPENDITURES	984,973	1,090,678	1	108,925	(108,925)

BEG FUND BALANCE	643,476	643,476	1,734,154	1,734,154
END FUND BALANCE	1,391,686	1,734,154	1,392,438	1,843,079

FUND BALANCE AS % OF REVENUES - ACTUAL
FUND BALANCE AS % OF REVENUES - POLICY

86%
15%

DESIGNATED RESERVE PER POLICY (15%)
VARIANCE ACTUAL TO POLICY

392,061
1,342,093
243,750
1,148,688

CITY OF FLINT
BUDGET TO ACTUAL REVENUE AND EXPENDITURE REPORT
FOR THE PERIOD ENDING SEPTEMBER 30, 2015

ACCOUNT DESCRIPTION	2014-15	2015-16	YTD BALANCE	YTD BALANCE	AVAILABLE	% BDDT
	AMENDED BUDGET	AMENDED BUDGET				
			06/30/2015	42,277	BALANCE	USED
Fund 590 - Sewer Fund						
Interest and dividend income	-	-	147,488	-	-	0.00
Charges for service rendered	30,410,163	30,434,895	30,435,699	5,184,142	25,250,753	17.03
Other revenues	91,646	11,000	92,073	2,371	8,629	21.55
Drawings from fund balance	5,189,855	1,091,873	-	-	1,091,873	0.00
Transfers in	800,000	800,000	800,000	-	800,000	0.00
TOTAL REVENUES	36,491,663	32,337,768	31,475,259	5,186,513	27,151,255	16.04
General government						
Debt services - interest	3,765,455	4,786,371	3,747,098	1,196,593	3,589,778	25.00
Debt services - principal	695	695	90	481	214	69.27
Transfers out	6,571	6,016	6,571	629	5,387	10.45
Public works	2,660,000	1,860,000	2,660,000	465,000	1,395,000	25.00
Utilities	1,990,000	1,999,898	744,175	424,119	1,575,779	21.21
	22,971,502	23,694,788	20,139,989	3,738,279	19,956,509	15.78
TOTAL EXPENDITURES	31,394,224	32,347,768	27,297,923	5,825,102	26,522,666	18.01
NET OF REVENUES/EXPENDITURES	5,097,439	(10,000)	4,177,336	(638,589)	628,589	
BEG. FUND BALANCE	12,790,945	16,968,281	12,790,945	16,968,281		
END FUND BALANCE	12,698,530	15,866,408	16,968,281	16,329,692		
FUND BALANCE AS % OF EXPENDITURES - ACTUAL	40%	49%	54%			
FUND BALANCE AS % OF EXPENDITURES - POLICY	25%	25%	25%			
DESIGNATED RESERVE PER POLICY (25%)	7,848,556	8,086,942	7,848,556			
VARIANCE ACTUAL TO POLICY	4,849,974	7,779,466	9,119,725			

CITY OF FLINT
BUDGET TO ACTUAL REVENUE AND EXPENDITURE REPORT
FOR THE PERIOD ENDING SEPTEMBER 30, 2015

ACCOUNT DESCRIPTION	2014-15 AMENDED BUDGET	YTD BALANCE 06/30/2015	2015-16 AMENDED BUDGET	YTD BALANCE 42,277	AVAILABLE BALANCE	% BDGT USED
Fund 591 - Water Fund						
Charges for service rendered	33,136,041	33,777,659	36,943,802	5,475,780	31,468,022	14.82
Other revenues	35,000	31,151	12,000	13,374	(1,374)	111.45
Interest and dividend income	-	100,232	-	-	-	0.00
Drawings from fund balance	4,865,245	-	-	-	-	0.00
Fines and forfeitures	-	-	-	416	-	100.00
Gain on sale of fixed assets	252,337	225,465	100,000	58,400	41,600	58.40
TOTAL REVENUES	38,288,623	34,134,507	37,055,802	5,547,970	31,508,248	14.97
General government	4,255,508	4,293,842	5,319,386	1,329,847	3,989,539	25.00
Transfers out	1,660,571	5,960,469	3,224,259	806,065	2,418,194	25.00
Public works	2,760,000	341,630	2,690,000	955,953	1,734,047	35.54
Utilities	26,810,605	19,585,578	24,746,442	4,410,193	20,336,249	17.82
TOTAL EXPENDITURES	35,486,684	30,181,519	35,980,087	7,502,057	28,478,030	20.85
NET OF REVENUES/EXPENDITURES	2,801,940	3,952,988	1,075,715	(1,954,086)	3,030,217	
BEG FUND BALANCE	760,745	760,745	4,713,733	4,713,733		
END FUND BALANCE	(1,302,560)	4,713,733	5,789,448	2,759,647		
FUND BALANCE AS % OF EXPENDITURES - ACTUAL	-4%	13%	16%			
FUND BALANCE AS % OF EXPENDITURES - POLICY	25%	25%	25%			
DESIGNATED RESERVE PER POLICY (25%)	8,871,671	8,871,671	8,995,022			
VARIANCE ACTUAL TO POLICY	(10,174,231)	(4,157,938)	(3,205,574)			

**CITY OF FLINT
CASH AND INVESTMENT ACCOUNT SUMMARY
FOR THE PERIOD ENDING AUGUST 31, 2015**

Fund Account	Description	Beginning Balance 08/01/2015	Ending Balance 08/31/2015
Fund 101 General Fund			
001.000	Commercial Pooled Cash Account	5,250,127	6,938,288
001.450	Citizens - P/R Direct Deposit - 906-9766	-46,929	-47,229
004.000	Imprest Cash	9,300	9,300
004.100	Imprest Cash - Register	0	0
	General Fund	<u>5,212,498</u>	<u>6,900,359</u>
Fund 202 Major Street Fund			
001.000	Commercial Pooled Cash Account	5,498,072	5,583,148
004.000	Imprest Cash	60	60
	Major Street Fund	<u>5,498,132</u>	<u>5,583,208</u>
Fund 203 Local Street Fund			
001.000	Commercial Pooled Cash Account	1,083,158	1,425,121
Fund 205 Public Safety			
001.000	Commercial Pooled Cash Account	7,549,925	7,581,517
Fund 207 Police Fund			
001.000	Commercial Pooled Cash Account	589,483	685,894
Fund 208 Park/Recreation Fund			
001.000	Commercial Pooled Cash Account	254,769	267,688
Fund 219 Street Light			
001.000	Commercial Pooled Cash Account	1,821,155	1,793,159
Fund 226 Rubbish Collection Fund			
001.000	Commercial Pooled Cash Account	2,648,342	2,532,435
Fund 265 Drug Law Enforcement Fund			

CITY OF FLINT
CASH AND INVESTMENT ACCOUNT SUMMARY
FOR THE PERIOD ENDING AUGUST 31, 2015

Fund Account	Description	Beginning Balance 08/01/2015	Ending Balance 08/31/2015
001.000	Commercial Pooled Cash Account	1,132,078	1,130,682
Fund 274 HUD CDBG, ESG, & HOME GRANTS			
001.000	Commercial Pooled Cash Account	-667,009	-1,107,571
001.100	Bank - Urban Renewal - 230006018089	3,881	154,768
	HUD CDBG, ESG, & HOME GRANTS	-663,128	-952,803
Fund 296 Other Grants Fund			
001.000	Commercial Pooled Cash Account	1,323,571	1,539,157
Fund 402 Public Improvement Fund			
001.000	Commercial Pooled Cash Account	2,048,920	2,196,818
Fund 542 Building Inspection Fund			
001.000	Commercial Pooled Cash Account	1,843,388	1,900,201
004.000	Imprest Cash	50	50
	Building Inspection Fund	1,843,438	1,900,251
Fund 590 Sewer Fund			
001.000	Commercial Pooled Cash Account	30,226,784	30,655,763
Fund 591 Water Fund			
001.000	Commercial Pooled Cash Account	18,597,850	19,476,110
001.001	Cash Reserve	5,848,116	5,848,116
	Water Fund	24,445,966	25,324,226
	TOTAL - ALL FUNDS	85,015,091	88,563,475

Stanton, Terry A. (Treasury)

From: Stanton, Terry A. (Treasury)
Sent: Tuesday, October 20, 2015 10:50 AM
To: Lindsey Smith
Subject: RE: Former Flint EMs
Attachments: GenCo DrComm release.pdf; Kurtz KWA.pdf; DWSD Termination Ltr.pdf

Hey Lindsey...

I can provide you with a list of the managers who worked in Flint, though I cannot promise I will be able to put you in contact with anyone directly.

I do think it is important for you to have the following background...and to reiterate that **the decision to move to KWA, and thus the decision to use the Flint River as a temporary source (until KWA came on line) was a decision made collectively by local officials...they mayor, city council, and others**

Please see the information below and attached for additional background on timing, decision-making, etc.

Discussions about the possible development of a Flint-area/Genesee County water system had been on-going since the early 2000's and the City of Flint had been in discussions about the possibility of joining KWA for much of that time, certainly prior to the appointment of an emergency manager (Mike Brown) in December 2011. The following M-Live articles show the city was looking at a possible move to KWA, which Genesee County strongly supported, well before a manager was appointed.

http://www.mlive.com/news/flint/index.ssf/2010/02/detroit_tells_genesee_county_w.html
http://www.mlive.com/news/flint/index.ssf/2011/01/water_pipeline_vs_flint_river.html
http://www.mlive.com/news/flint/index.ssf/2011/04/city_of_flint_still_mulling_wa.html
http://www.mlive.com/news/flint/index.ssf/2011/09/flint_officials_to_be_presente.html
http://www.mlive.com/news/flint/index.ssf/2011/12/so_far_so_good_genesee_county_1.html

Additionally, The Flint Journal supported the move to KWA in an editorial in Sept. 2011, again, prior to the appointment of a manager.

http://www.mlive.com/opinion/flint/index.ssf/2011/09/our_voice_its_decision_time_fo.html

Prior to the decision to move to KWA, which the Mayor and City Council fully supported (March 2013 Flint Journal story cites 7-1 City Council vote to join KWA); http://blog.mlive.com/newsnow_impact/print.html?entry=/2013/03/flint_city_council_approves_re.html the city's emergency manager (Mike Brown in June 2012; Ed Kurtz in Sept. 2012) twice requested permission from DWSD to blend river water with DWSD water to ensure high quality, safe drinking water for residents, while saving the city an estimated \$2-3 million annually (DWSD was proposing a 5x rate increase for the City of Flint).

*It is also important to note that the Genesee County Drain Commissioner, who had been heading up the KWA project, **required** that Flint's elected leaders approve of and sign-off on the transition to KWA as he believed it was important to have the city's elected officials make the decision and not an emergency manager (see attached).*

Under PA 436, an emergency manager's approval is required for transactions of \$50,000 or more, and thus Ed Kurtz did approve the eventual move to KWA, again with full support and urging from the Mayor and City Council. Kurtz's letter, detailing that decision after consideration of DWSD's "last, best offer" is attached.

This is not a situation where the Mayor and Council wanted to utilize one system with the EM reversing course. All involved in the decision-making process agreed KWA was the best long-term option for the City of Flint. With Flint's decision to go with KWA, DWSD terminated Flint's contract, effective April 17, 2014 (letter attached). Given that termination, Flint had two "options:"

-sign a long-term (30 year) agreement with DWSD, which was not economically feasible given the city's decision to go with KWA

-Use Flint River as an interim source (it had long been the city's backup) until KWA was on-line

http://www.mlive.com/news/flint/index.ssf/2014/03/flint_drinking_water_to_come_f.html

It is also important to note that the current situation in Flint has been exacerbated by years of neglect and a lack of maintenance to the decades-old system. All this said, the most important issue now is moving things forward, through the collaborative State, City, and Foundation effort to ensure safe drinking water for the residents of Flint.

From: Lindsey Smith [mailto:lsmsmi@umich.edu]

Sent: Tuesday, October 20, 2015 9:43 AM

To: Stanton, Terry A. (Treasury) <StantonT@michigan.gov>

Subject: Former Flint EMs

Hi Terry, Hope you're well.

We're producing a one hour documentary/podcast on Flint's water issues. Would really love to hear from the former EMs on this. Correct me if I'm wrong, but it seems there wasn't just one guy who decided to switch water sources, but maybe a few different people. Is there any way you can help me get interviews with the former EMs of Flint to talk about the decision and the issues that lead to it? Big ask, I know. But I need help if I'm going to do this right. I'm traveling now, so if you want to chat a bit, call my cell 810.923.5839.

All the best,

--

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

Cline, Richard (Treasury) SAM, RTAB II, Analyst II, Wendy, CA, Vic Pils, Mayer,

From: Cline, Richard (Treasury)
Sent: Tuesday, October 20, 2015 5:03 PM
To: Byrne, Randall (Treasury); Dostine, Patrick (TREASURY); Hudson, Deanna (TREASURY); Heimann, Alexandr (TREASURY)
Subject: Flint Weekly Call

Tracking:	Recipient	Delivery
	Byrne, Randall (Treasury)	Delivered 10/20/2015 5 03 PM
	Dostine, Patrick (TREASURY)	Delivered 10/20/2015 5 03 PM
	Hudson, Deanna (TREASURY)	Delivered 10/20/2015 5 03 PM
	Heimann, Alexandr (TREASURY)	Delivered 10/20/2015 5 03 PM

All:

Here are some talking points for the Weekly Call with Flint.

- Weekly Priorities -
- Status of Water Transition to DWSD - 1) Done 2) 3 weeks to total system
- Utilities Update
- Charter Commission Status - Weekly Meetings, Mott Funding - ?
- Miscellaneous - Flint Det - Priorities 30 MC / A-M R-Y Flint Mill Complex
- Water Lawsuit - 1) No changes → Now Likely
- FBCUT - 2 1) Dupont 2) Assessment

Eric Cline | Department Manager | State of Michigan
Michigan Department of Treasury | Local Government Financial Services Division | Fiscal Responsibility Section
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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PSF

Vic Red Net - PR campaign, DOJ Project

CRD Director

Interviews
Mayoral Review
Not part of Frazee

GI update done

Online
To RTAB

WATER CATCH FLOW

org Meeting
Need other \$M
Mott?
City up fronted
Drain
\$M to \$M
Not expected
Collection - ? Mo
35 days
Shut-offs can
resume in A
but uncomm
at this time
examining

Flint

Wendy, Dani, Natasha, Josh
Randy, Eric

10/21/15

Public Safety

Violence reduction network (making public)
federally funded program
the network has the funding

Planning Director actively seeking to fill position
currently holding interview (18 applicants)

1st quarter update available will report @ RTHB

litigation nothing new
update in November

Charter Commission work

Still meeting multiple times a week
unsure regarding funding

Water

2½ - 3 weeks to get through the system

Remaining balance of \$6 million

unsure if cash flow issues in water/sewer fund
bills drawn on the \$8 million paid up front by
Flint

Shut off 60 days from due date.

November a month they don't shut off

Byrne, Randall (Treasury)

From: Dostine, Patrick (TREASURY)
Sent: Wednesday, October 21, 2015 10:29 AM
To: Byrne, Randall (Treasury); Cline, Richard (Treasury); Heimann, Alexandr (TREASURY); Hudson, Deanna (TREASURY)
Subject: Flint notes

Follow Up Flag: Follow up
Flag Status: Flagged

Flint – Oct. 21 – N. Henderson, Mayor Walling, J. Freeman, F Headen, Wendy, R. Byrne, E. Cline, P. Dostine

- **Priorities**

- Flint is publicizing today its participation in the Violence Reduction Network (VRN).
- Flint is close to filling the planning director position. Approximately 18 applicants sought the position. A significant portion of the position will be paid by CDBG dollars.
- 1st Quarter update Budget to Actual is completed. Henderson will be bringing it to the RTAB for review.
- Flint submitted its FDCVT grant on time. The city is requesting grant monies for Dupont and an assessment.
- Mayor Walling reported that the city is looking good, especially along the corridors where mowing and other general blight efforts are paying off.

- **Water**

- Henderson reported that the transition to DWSC water was “smooth.” The connection was made last Friday, Oct. 16.
- It will take 2 to 3 weeks for DWSD water to make its way through the entire Flint water infrastructure.
- The city of Flint will be going to Lansing next week to discuss its Water and Sewer Fund and the resources committed by the State Legislature for the DWSD re-connection.

- **Lawsuit**

- No new developments. Henderson believes a decision will be made in November.

- **Charter Commission**

- Still meeting regularly. The Commission will meet on a regular basis for the next 9 months or so. Mayor Walling said there is an opportunity for outside entities to provide technical assistance and other in-kind assistance to the commission as it focuses on the Charter.

- **Economic Development**

- Mayor Walling reported that there are between 30 to 40 (smaller) economic development prospects for the city of Flint. Flint meets weekly with the MEDC and the local Chamber regarding economic development. The U of M-Flint is purchasing a building, located downtown, from First Merit Bank. Henderson said she is pursuing with the U of M-Flint a payment in lieu of

taxes because the deal would remove the building from the tax roll. The justification is although the university has its own police force, the City of Flint would still be providing fire service to the building and area.

Patrick Dostine

State of Michigan
Department of Treasury
Local Government Financial Services Division,
Office of Fiscal Responsibility
Cadillac Place
3044 W Grand Blvd
Detroit, MI 48202
(office) 313.456.1772
dostinep@michigan.gov

Byrne, Randall (Treasury)

From: Byrne, Randall (Treasury)
Sent: Thursday, October 22, 2015 8:20 AM
To: Schafer, Suzanne K. (Treasury) (SchaferS7@michigan.gov)
Subject: Meeting this morning
Attachments: Meeting with Suzanne October 22.docx

Suzanne:

I have attached a listing of issues to discuss with you at 9:00 a.m. See you then.

Randy,



Randall Byrne | State Administrative Manager
Local Government Services - Office of Fiscal Responsibility
State of Michigan | 430 W. Allegan Street, 3rd Floor | Lansing, MI 48922
(517) 335-2521 | (517) 373-0633 (fax) | ByrneR1@michigan.gov

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

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++++Weekly Critical Issues —October 22, 2015

- **Allen Park**— I have been advised that two new RTAB members are in the process of being appointed. They are Mark Wollenweber and Scott Lites. Wayne wants a special RTAB meeting on Monday to approve the tender. City Council approved it last night.
- **Benton Harbor**-The City Council tabled several items during the last City Council meeting. I may send someone to attend the November 2nd meeting.
- **Ecorse** – Their five year financial plan has been sent to us for review. They want the RTAB to approve on November 10th. The City Council has approved. One additional RTAB member is needed (Joan Brophy). Wayne O'Neal will call at 2:30 today to discuss his concerns for the staff regarding the election. A retiree health care audit was performed internally.
- **Flint** – Lawsuit on water rates and the lead issues have Flint in a crisis mode. The City stated the State owes them a lot of money. They want the remainder of the \$6M ASAP. We will be scheduling a meeting at Treasury with city officials to discuss the City's water-sewer fund, probably in early November. Brian has asked me to prepare a FY15 Performance Report of the \$1.1M public safety grant, Natasha will provide information. They are concerned that we have not agreed to provide legal assistance.
- **Hamtramck**-the City ended the year with \$1M in GF operating surplus. Phase 3 of the pension study will begin soon. The City Council is at odds about filling the vacancy on Council. The Circuit Court is now involved. Katrina released a Confidentiality Agreement with the former Police Chief due to a FOIA request. Two RTAB members are needed.
- **Highland Park**- Cathy has indicated that the City has over 500 aged payables including a DTE bill of \$200K for the water pumping station. She said that the information in the 2014 Audit indicated that there is approximately \$1.2M of accounts payable. The OPEB report from Meadowbrook indicates that the City reduced OPEB costs by \$1.25M for the upcoming 12 month period.
- **Lincoln Park**-His exit will be in December. We will be discussing the final order with Brad next week. We are hoping to find several RTAB candidates soon. E-Loan may be necessary? Five RTAB members are needed. Brad feels that the 345 ballot request has a good chance of success. The MERS pension funding issue.
- **Inkster**- the City has reached an agreement with Wayne County on its \$4.9M sewer debt. A judgement levy for several years will be likely be placed on the July 2016 tax roll. The City will end its fiscal year with a \$1.5M fund balance. The Parks and Rec. millage may be successful.
- **Pontiac**-Jane Di Sessa will start on October 26. The Mayor and I will be meeting with two council members to discuss the hiring of an executive secretary and other issues. The Pontiac RTAB exit plan is nearing completion. The Mayor would like to do a study of the Phoenix Center. Problem with the GERS Board financial advisor and Board Members. One RTAB member is needed. Annual RTAB evaluation soon.
- **River Rouge**- the City was chosen by the Governor to be a part of the Rising Tide Initiative. An exit memo is being drafted
- **Royal Oak Township**- I will be contacting MSHDA regarding housing opportunities in the Township. Additional police discussions with Ferndale and Hazel Park are needed. Patrick and I

met with Robert on Tuesday. Montgomery and Co. the accounting firm has submitted an invoice for \$17,000 and has sent me two emails. Robert has begun discussion on the new budget and will send us a draft for review. He has hired Mr. Fedewa for accounting.

- **Miscellaneous Items**—the draft of the November Governor's Memo has been sent to Angela. If any updates are necessary, please give to Eric. Discussion regarding community eligibility for FDCVT funding. The draft exit plan for several communities is nearing completion. FOIA request from Mr. Washington. Ed is attempting to get Giarmarco on a SAAG contract.

Byrne, Randall (Treasury)

From: Natasha Henderson <nhenderson@cityofflint.com>
Sent: Thursday, October 22, 2015 8:40 PM
To: Sygo, Jim (DEQ)
Cc: Workman, Wayne (TREASURY); Saxton, Thomas (Treasury); Byrne, Randall (Treasury)
Subject: RE: RTAB Financial Reports

Thank You. I appreciate you all working with the City on this.

Thanks,

Natasha L. Henderson, City Administrator
City of Flint, Michigan
@Samsung Galaxy Note 4

On Oct 22, 2015 5:27 PM, "Sygo, Jim (DEQ)" <SygoJ@michigan.gov> wrote:

Natasha,

Your proofs were received by Treasury and we have been directed to wire the remaining \$4 million tomorrow. I have left a message for Kimberly at the Mott Foundation advising her of the

wire transfer that the state will be making tomorrow. AS we do not control disbursement from Mott, you will need to work directly with them.

From: Natasha Henderson [mailto:nhenderson@cityofflint.com]
Sent: Thursday, October 22, 2015 2:24 PM
To: Saxton, Thomas (Treasury)
Cc: Workman, Wayne (TREASURY); Sygo, Jim (DEQ); Byrne, Randall (Treasury)
Subject: RE: RTAB Financial Reports

Hello Mr. Saxton,

Ms. Lundquist is working on it as we speak, so it should be momentarily.

Thanks,

Natasha L. Henderson, City Administrator
City of Flint, Michigan
@Samsung Galaxy Note 4

On Oct 22, 2015 2:21 PM, "Saxton, Thomas (Treasury)" <SaxtonT@michigan.gov> wrote:

Natasha – when do think you will have the documentation/support for the payt made to DWSD for the reconnect ? I believe you indicated that would be today yet.

From: Natasha Henderson [mailto:nhenderson@cityofflint.com]

Sent: Thursday, October 22, 2015 2:03 PM

To: Byrne, Randall (Treasury) <ByrneR1@michigan.gov>; Sygo, Jim (DEQ) <SygoJ@michigan.gov>; Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>

Subject: Fwd: RTAB Financial Reports

Hello All:

Per our conversation, I have attached the financials submitted to the RTAB on October 20, 2015. Also, I will follow-up with a detailed financial spreadsheet of our water/sewer cash flow to date.

Thanks,

Natasha L. Henderson, City Administrator

City of Flint, Michigan

1101 S. Saginaw St.

Flint, MI 48502

Email: nhenderson@cityofflint.com

Phone: (810) 237-2057

www.cityofflint.com

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

From: Jody Lundquist <jlundquist@cityofflint.com>

Date: Tue, Oct 20, 2015 at 6:06 PM

Subject: RTAB Financial Reports

To: Natasha Henderson <nhenderson@cityofflint.com>
Cc: Dawn Steele <dsteale@cityofflint.com>

Ms. Henderson,

Please find attached the City of Flint RTAB reports for the period ended September 30, 2015. Budget amounts reflect amendments that had been adopted by Council and approved by the RTAB prior to September 30. Per our conversation with Mayor Walling last month, I have added rows illustrating Fund Balance for each fund as required by ordinance.

In your review of the attached report, please let me know if you have any questions or if any additional information is required.

Best regards,

Jody N. Lundquist

Chief Financial Officer

City of Flint

1101 S. Saginaw Street, 2nd Floor

Flint, MI 48502

jlundquist@cityofflint.com

(810) 766-7268 ext. 2301

Schafer, Suzanne K. (Treasury)

From: Jody Lundquist <jlundquist@cityofflint.com>
Sent: Wednesday, October 14, 2015 1:52 PM
To: Widigan, Robert (TREASURY)
Cc: Cline, Richard (Treasury); Natasha Henderson
Subject: Water/Sewer Cash Position

Follow Up Flag: Follow up
Flag Status: Flagged

Rob,

I received the following from the City's Treasurer. His calculation based on a reduced collections by 22.84% estimate that cash will end \$13.7M lower than my estimate in the prior transmission of \$12M. As stated on the phone, the results of our collection efforts will be known in approximately 30 days as we begin shut-off notices and enforcement.

Please let me know if you have any questions.

Per Doug Bingaman:

Over the past 3 years, we have an average collection rate for water/sewer revenue of 94%. Last year, we collected 99% of our revenue. Which I contribute to our water thief program and aggressively interrupting service for non-pay.

Since 8/1/15, our collections are off 22.84%. If this continues through out FY16, our water/sewer cash will be reduced by \$13,731,790, if all else stays the same.

\$35,500,000 Water Revenue
30,084,895 Sewer Revenue

\$65,584,895
x 91.67% 11 months
\$60,121,673
x 22.84%
\$13,731,790

Jody N. Lundquist
Chief Financial Officer
City of Flint
1101 S. Saginaw Street, 2nd Floor
Flint, MI 48502
jlundquist@cityofflint.com
(810) 766-7268 ext. 2301

Hudson, Deanna (TREASURY)

From: Hudson, Deanna (TREASURY)
Sent: Thursday, October 22, 2015 9:08 AM
To: Widigan, Robert (TREASURY)
Subject: FW: Signed Resolutions
Attachments: ResolutionsRTABOctober14.pdf

Importance: High

From: Cline, Richard (Treasury)
Sent: Wednesday, October 14, 2015 10:33 AM
To: Hudson, Deanna (TREASURY) <HudsonD4@michigan.gov>; Widigan, Robert (TREASURY) <WidiganR@michigan.gov>
Subject: FW: Signed Resolutions
Importance: High

Here is an updated resolution from Flint.

Please use this in the final submission of the budget amendment.

Also, please save a copy of this resolution to the folder all of the documentation is in.

Thanks.

Eric Cline | Department Manager | State of Michigan
Michigan Department of Treasury | Local Government Financial Services Division | Fiscal Responsibility Section
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: Natasha Henderson [<mailto:nhenderson@cityofflint.com>]
Sent: Wednesday, October 14, 2015 10:15 AM
To: Cline, Richard (Treasury) <cliner1@michigan.gov>; Byrne, Randall (Treasury) <ByrneR1@michigan.gov>; Headen, Frederick (Treasury) <HeadenF@michigan.gov>; Dempkowski, Angela (Treasury) <DempkowskiA@michigan.gov>
Subject: Signed Resolutions

Hello All:

I have attached the signed copies. I will bring the signed copies for distribution in the meeting today.

Thanks,

Natasha L. Henderson, City Administrator
City of Flint, Michigan

RESOLUTION NO.:

150872

PRESENTED:

10-12-15

ADOPTED:

RESOLUTION AUTHORIZING A BUDGET AMENDMENT TO INCREASE THE WATER AND SEWER BUDGET BY \$12,000,000.00 AND TO ALLOW FOR EXPENDITURES FROM THOSE FUNDS TO FACILITATE THE SWITCH BACK TO THE DWSD WATER SUPPLY

BY THE CITY ADMINISTRATOR:

Due to the serious health threat facing the residents of the City of Flint, the Administration has been diligently working toward a feasible and speedy resolution to the City's water crisis; and

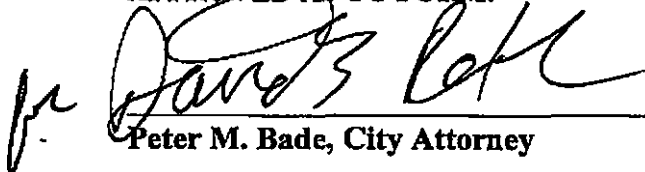
Through the commitment of \$6 million from the State of Michigan and \$4 million from the C.S. Mott Foundation, a total of \$10 million in contributions have been pledged to assist the City with the cost of purchasing water from the Detroit Water and Sewerage Department and its successor, the Great Lakes Water Authority, until the City is able to receive water from the Karegnondi Water Authority (KWA).

The City Administrator and the Mayor have agreed to the acceptance of these funds. At this time, the KWA reports that construction is on schedule to be completed by June 30, 2016. The City estimates that the total cost to purchase water through DWSD will be \$12 million for 9 months. The balance of \$2 million not covered by the generous pledges of State and Local resources is the responsibility of the City.

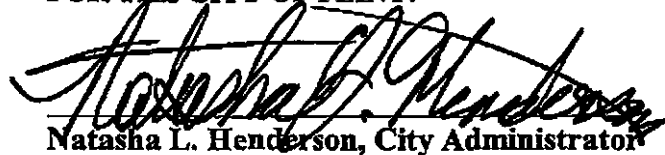
A budget amendment is necessary to reflect both an increase in revenues for the receipt of \$10 million in assistance and \$2 million of budgeted Use of Fund Balance and an increase in expenditures of \$12 million for the purchase of DWSD water supply.

IT IS RESOLVED that the Finance Department is authorized to process a budget amendment to the appropriate Water and Sewer funds to facilitate the switch back to the Detroit water system as soon as practicable. Specific revenue and expenditure line items will be provided by the Chief Financial Officer.

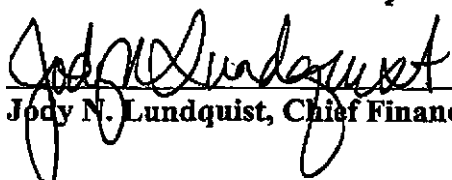
APPROVED AS TO FORM:


Peter M. Bade, City Attorney

FOR THE CITY OF FLINT:


Natasha L. Henderson, City Administrator

APPROVED AS TO FINANCE:


Jody N. Lundquist, Chief Financial Officer

APPROVED BY THE FLINT CITY COUNCIL:



PRESENTED TO CITY COUNCIL: 10/12/2015

ADOPTED BY CITY COUNCIL: 10/12/2015

RESOLUTION NO.: _____

PRESENTED: 10-12-15

ADOPTED: _____

**RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO TAKE
NECESSARY ACTION TO CONVERT TO THE DETROIT WATER SYSTEM**

BY THE CITY ADMINISTRATOR:

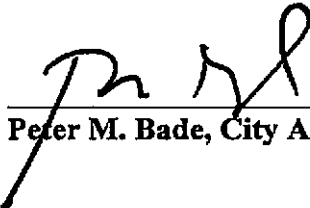
In order to promote the health, safety and welfare of this community, it is in the best interests of the City of Flint for the Detroit Water and Sewer Department (DWSD) to supply the City with treated water pending completion of the Karegnondi Water Authority; and

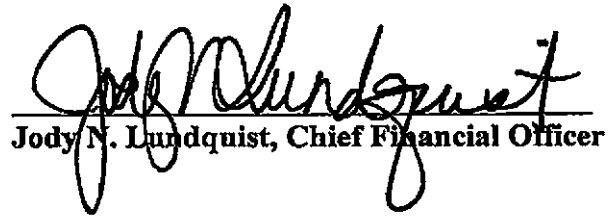
In order for DWSD to supply the City with water, it will be necessary to utilize pipe owned by the Genesee County Drain Commission (GCDC); and

The City, DWSD and GCDC are actively negotiating the terms of the necessary agreements to ensure this transition occurs as soon as possible; and

IT IS RESOLVED that the City Administrator is hereby authorized to enter into agreements with DWSD and GCDC for conversion to the Detroit Water System.

APPROVED AS TO FORM:


Peter M. Bade, City Attorney


Jody N. Lundquist, Chief Financial Officer

FOR THE CITY OF FLINT:


Natasha L. Henderson, City Administrator

APPROVED BY CITY COUNCIL:


PRESENTED TO CITY COUNCIL: 10/12/2015
ADOPTED BY CITY COUNCIL: 10/12/2015

Dempkowski, Angela (Treasury)

From: Workman, Wayne (TREASURY)
Sent: Thursday, October 22, 2015 9:52 AM
To: Muchmore, Dennis (GOV); Saxton, Thomas (Treasury)
Subject: RE: state money for detroit water

Yes, do you want an update? Jim Sygo should be in the loop also

Wayne L. Workman
Deputy State Treasurer
Michigan Department of Treasury

From: Muchmore, Dennis (GOV)
Sent: Thursday, October 22, 2015 9:48 AM
To: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>
Subject: FW: state money for detroit water
Importance: High

Natasha Henderson is becoming a liability.

From: Wurfel, Sara (GOV)
Sent: Thursday, October 22, 2015 9:35 AM
To: Muchmore, Dennis (GOV) <muchmored@michigan.gov>; Clement, Elizabeth (GOV) <clemente@michigan.gov>; Agen, Jarrod (GOV) <AgenJ@michigan.gov>; Baird, Richard (GOV) <bairdr@michigan.gov>; Hollins, Harvey (GOV) <hollinsh@michigan.gov>
Cc: Murray, David (GOV) <MurrayD1@michigan.gov>
Subject: FW: state money for detroit water
Importance: High

Please see below.

No good deed goes unpunished. This looks like may be next big issue.

I thought GLWA-DWSD was NOT going to require the entire sum all up front?

From: Ronald Fonger [mailto:RFONGER1@mlive.com]
Sent: Thursday, October 22, 2015 9:28 AM
To: Wurfel, Sara (GOV) <Wurfels@michigan.gov>
Subject: state money for detroit water

Sara:

I was at a City Council meeting last night when Flint City Administrator Natasha Henderson said the state has only wired Flint \$2 million of the \$6 million approved by the state Legislature.
She said the city has been told it will receive an additional \$2 million in January and another \$2 million in April.

Henderson said she's asked that the money be sent immediately because the city was required to pay Detroit the entire \$12 million upfront, before the water was reconnected, and its water and sewer fund balance has dropped significantly as a result.

Several council members also spoke about this, and Council President Josh Freeman called the payment plant "beyond ridiculous" given the city's financial position.

Is there someone who can talk to us about this?

Thanks,

Ron Fonger

MLive Media Group

Reporter

mobile 810.347.9963

email rfonger1@mlive.com

address 540 S. Saginaw St. #101, Flint MI 48502

Dempkowski, Angela (Treasury)

From: Workman, Wayne (TREASURY)
Sent: Thursday, October 22, 2015 9:56 AM
To: Sygo, Jim (DEQ)
Subject: FW: state money for detroit water

Importance: High

Wanted to make sure you are in the loop on this. Rep Neeley's office just left me a voice mail. I will give you a call

Wayne L. Workman
Deputy State Treasurer
Michigan Department of Treasury

From: Muchmore, Dennis (GOV)
Sent: Thursday, October 22, 2015 9:48 AM
To: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>
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Cc: Murray, David (GOV) <MurrayD1@michigan.gov>
Subject: FW: state money for detroit water
Importance: High

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I was at a City Council meeting last night when Flint City Administrator Natasha Henderson said the state has only wired Flint \$2 million of the \$6 million approved by the state Legislature.
She said the city has been told it will receive an additional \$2 million in January and another \$2 million in April.

Henderson said she's asked that the money be sent immediately because the city was required to pay Detroit the entire \$12 million upfront, before the water was reconnected, and its water and sewer fund balance has dropped significantly as a result.

Several council members also spoke about this, and Council President Josh Freeman called the payment plan "beyond ridiculous" given the city's financial position.

Is there someone who can talk to us about this?

Thanks,

Ron Fonger

MLive Media Group

Reporter

mobile 810.347.9963

email rfonger1@mlive.com

address 540 S. Saginaw St. #101, Flint MI 48502

Dempkowski, Angela (Treasury)

From: Muchmore, Dennis (GOV)
Sent: Thursday, October 22, 2015 10:27 AM
To: Workman, Wayne (TREASURY); Saxton, Thomas (Treasury)
Subject: RE: state money for detroit water

I don't know why she would say this after all the work we've done to get it to this point. We set up the new deal with GLWA, got the money, along with the leadership of Ananich and that of the Republican leadership and Approps. folks, and Treasury is administering. We gave the city the \$2M earlier so what's she talking about?

From: Workman, Wayne (TREASURY)
Sent: Thursday, October 22, 2015 9:55 AM
To: Muchmore, Dennis (GOV) <muchmored@michigan.gov>; Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>
Subject: RE: state money for detroit water

I also have a voice mail from Rep Neeley's office to call ASAP. Sure it is the same topic

Wayne L. Workman
Deputy State Treasurer
Michigan Department of Treasury

From: Muchmore, Dennis (GOV)
Sent: Thursday, October 22, 2015 9:48 AM
To: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>
Subject: FW: state money for detroit water
Importance: High

Natasha Henderson is becoming a liability.

From: Wurfel, Sara (GOV)
Sent: Thursday, October 22, 2015 9:35 AM
To: Muchmore, Dennis (GOV) <muchmored@michigan.gov>; Clement, Elizabeth (GOV) <clemente@michigan.gov>; Agen, Jarrod (GOV) <AgenJ@michigan.gov>; Baird, Richard (GOV) <bairdr@michigan.gov>; Hollins, Harvey (GOV) <hollinsh@michigan.gov>
Cc: Murray, David (GOV) <MurrayD1@michigan.gov>
Subject: FW: state money for detroit water
Importance: High

Please see below.

No good deed goes unpunished. This looks like may be next big issue.

I thought GLWA-DWSD was NOT going to require the entire sum all up front?

From: Ronald Fonger [mailto:RFONGER1@mlive.com]
Sent: Thursday, October 22, 2015 9:28 AM

To: Wurfel, Sara (GOV) <Wurfels@michigan.gov>

Subject: state money for detroit water

Sara:

I was at a City Council meeting last night when Flint City Administrator Natasha Henderson said the state has only wired Flint \$2 million of the \$6 million approved by the state Legislature.

She said the city has been told it will receive an additional \$2 million in January and another \$2 million in April.

Henderson said she's asked that the money be sent immediately because the city was required to pay Detroit the entire \$12 million upfront, before the water was reconnected, and its water and sewer fund balance has dropped significantly as a result.

Several council members also spoke about this, and Council President Josh Freeman called the payment plan "beyond ridiculous" given the city's financial position.

Is there someone who can talk to us about this?

Thanks,

Ron Fonger

MLive Media Group

Reporter

mobile 810.347.9963

email rfonger1@mlive.com

address 540 S. Saginaw St. #101, Flint MI 48502

Stanton, Terry A. (Treasury)

From: Stanton, Terry A. (Treasury)
Sent: Thursday, October 22, 2015 12:17 PM
To: Wurfel, Sara (GOV)
Cc: Weiss, Kurt (DTMB); Wurfel, Brad (DEQ)
Subject: Issue

Just spoke with Wayne. He has calls in to Flint and we are awaiting written confirmation that the city made the up-front payment to DWSD.

If you need to respond before we receive that (from the city admin. or the mayor) he suggests something along the lines of the following:

Our understanding of the original plan to re-connect with DWSD called for monthly payments from the city. Without consulting the State or the Mott Foundation, the city agreed to an up-front payment to DWSD (of the full amount).

Upon receiving written confirmation that the full payment was made to DWSD, the State will wire to the city, the remainder of the \$6m appropriation for the reconnection to DWSD.

Byrne, Randall (Treasury)

From: Cline, Richard (Treasury)
Sent: Thursday, October 22, 2015 1:34 PM
To: Byrne, Randall (Treasury)
Subject: Flint Financial Reports
Attachments: Transmittal Memo 091715 .pdf; City of Flint Budget to Actual Report 8-31-2015.pdf; City of Flint Cash and Investment Summary 8-31-2015.pdf

Importance: High

Randy,

Per your request.

Eric Cline | Department Manager | State of Michigan
Michigan Department of Treasury | Local Government Financial Services Division | Fiscal Responsibility Section
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: Maxine Murray [<mailto:mmurray@cityofflint.com>]
Sent: Thursday, October 01, 2015 2:40 PM
To: Cline, Richard (Treasury) <cliner1@michigan.gov>; Dempkowski, Angela (Treasury) <DempkowskiA@michigan.gov>
Subject: Materials for RTAB Meeting Email 3 of 4

Good afternoon,

Please find attached materials for the October 14, 2015 RTAB meeting.

Thank you.

--

Maxine Murray
Executive Assistant to
Mayor Dayne Walling
1101 S. Saginaw Street
Flint, MI 48502
810.237.2035 Telephone
810.766.7218 Fax

Cline, Richard (Treasury)

From: Cline, Richard (Treasury)
Sent: Thursday, October 22, 2015 1:53 PM
To: Vaughn, Cary J. (Treasury)
Cc: Suzanne K. Schafer (Treasury) (SchaferS7@michigan.gov)
Subject: Flint Financial Reports
Attachments: Transmittal Memo 091715 .pdf; City of Flint Budget to Actual Report 8-31-2015.pdf; City of Flint Cash and Investment Summary 8-31-2015.pdf

Importance: High

Categories: Yellow Category

Tracking:	Recipient	Delivery	Read
	Vaughn, Cary J. (Treasury)	Delivered: 10/22/2015 1:53 PM	Read 10/22/2015 1:59 PM
	Suzanne K. Schafer (Treasury) (SchaferS7@michigan.gov)	Delivered: 10/22/2015 1:53 PM	

Cary,

Randy and I were just discussing, given the apparent growing financial stress in Flint (especially in the Water/Sewer funds), that an experienced review of their monthly financial reports might be helpful.

Is this something that your team could possibly do. We are not looking for an extensive analysis, but more of a quick evaluation.

I have attached a copy of the latest reports, so you can see an example of what we are receiving.

I am sure that we will need to discuss further, so just let me know.

Thanks.

Eric Cline | Department Manager | State of Michigan
Michigan Department of Treasury | Local Government Financial Services Division | Fiscal Responsibility Section
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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Dayne Walling
Mayor

CITY OF FLINT, MICHIGAN
Department of Finance

Natasha L. Henderson
City Administrator

Jody N. Lundquist
Finance Director

Dawn Steele
Deputy Finance Director

DATE: September 17, 2015

TO: Natasha Henderson, City Administrator

FROM: Jody Lundquist, Finance Director

RE: Budget to Actual Revenue and Expenditure Report

Please find attached the Budget to Actual Revenue and Expenditure Report and Cash and Investment Summary for the period ending August 31, 2015 for your review and submission to the RTAB per Emergency Manager Order 20.

As noted with the transmission of the reports for the August 12, 2015 and September 9, 2015 meetings of the RTAB, please be aware that the City is still in the process of closing the fiscal year ended June 30, 2015. The activity shown for the prior fiscal year is unaudited and subject to change as a result of that process. The City's annual audit is scheduled to be conducted by an external CPA firm during the month of October 2015. As required by Public Act 2: Uniform Budget and Accounting Act and City Ordinance #3855, audited financial statements for the fiscal year ending June 30, 2015 will be available no later than December 31, 2015.

Please let me know if any additional information is necessary or if you have any questions.

CITY OF FLINT
BUDGET TO ACTUAL REVENUE AND EXPENDITURE REPORT
FOR THE PERIOD ENDING AUGUST 31, 2015

ACCOUNT DESCRIPTION	2014-15 AMENDED BUDGET	YTD BALANCE 06/30/2015	2015-16 AMENDED BUDGET	YTD BALANCE 08/31/2015	AVAILABLE BALANCE	% BGT USED
Fund 101 - General Fund						
Property Taxes	4,970,000	4,699,113	4,900,000	4,497,528	402,472	91.79
Special assessment taxes	16,656	20,973	17,000	8,383	8,617	49.31
Income taxes	13,000,000	14,012,171	13,541,000	886,492	12,654,508	6.55
Interest and dividend income	366,100	568,822	470,000	58,405	411,595	12.43
State revenues	17,891,910	17,918,463	18,253,013	300,000	17,953,013	1.64
Charges for service rendered	7,636,721	7,828,820	8,023,942	1,695,496	6,328,446	21.13
Other revenues	534,603	856,977	385,863	184,452	201,411	47.80
Drawings from fund balance	(1,000,000)		(1,000,000)	0	-1,000,000	0.00
Fines and forfeitures	1,633,539	1,583,496	1,805,731	90,486	1,715,245	5.01
License and Permits	1,200,300	1,156,859	1,225,000	40,309	1,184,691	3.29
Proceeds from sale of capital assets	500	500	0	0	0	0.00
Transfers in	4,577,998	4,577,998	3,777,998	629,666	3,148,332	16.67
Proceeds from loan	7,000,000	7,000,000	0	0	0	100.00
TOTAL REVENUES	57,828,327	60,224,192	51,399,547	8,391,218	43,008,329	16.33
General government	20,292,596	20,523,154	22,015,842	3,294,356	18,721,486	14.96
Legislative	429,775	413,336	618,802	73,434	545,368	11.87
Judicial	3,964,721	3,929,670	4,031,207	770,387	3,260,820	19.11
Police	13,132,962	12,951,260	15,897,755	1,991,282	13,906,473	12.53
Emergency dispatch	2,424,446	2,413,458	202,919	205,781	-2,862	101.41
Fire	5,707,529	5,557,690	6,434,419	797,671	5,636,748	12.40
Community development	868,763	740,644	736,153	90,981	645,172	12.36
Facilities and Maintenance	1,453,321	1,331,053	1,462,452	140,273	1,322,179	9.59
Transfers out	99,140	99,140	0	0	0	0.00
TOTAL EXPENDITURES	48,373,253	47,959,404	51,399,549	7,364,166	44,035,383	14.33
NET OF REVENUES/EXPENDITURES	9,455,074	12,264,787	(2)	1,027,051	-1,027,053	
BEG. FUND BALANCE	(8,961,424)	(8,961,424)	3,303,363	3,303,363		
FUND BALANCE ADJUSTMENTS						
END FUND BALANCE	493,650	3,303,363	3,303,361	4,330,415		

CITY OF FLINT
BUDGET TO ACTUAL REVENUE AND EXPENDITURE REPORT
FOR THE PERIOD ENDING AUGUST 31, 2015

ACCOUNT DESCRIPTION	2014-15		2015-16		YTD BALANCE 08/31/2015	AVAILABLE BALANCE	% BDGT USED
	AMENDED BUDGET	YTD BALANCE 06/30/2015	AMENDED BUDGET				
Fund 202 - Major Street Fund							
State revenues	7,381,806	7,624,369	6,930,520	0	6,930,520	0.00	0.00
Charges for service rendered	23,506	11,118	31,506	30,449	1,057	96.65	96.65
Other revenues	209,610	171,414	184,354	83,918	100,436	45.52	45.52
Drawings from fund balance	1,181,572		1,476,334	0	1,476,334	0.00	0.00
Interest and Dividend Income	0	29,010	0	0	0	0.00	0.00
Federal revenues	87,680	87,680	0	0	0	0.00	0.00
TOTAL REVENUES	8,884,174	7,923,591	8,622,714	114,367	8,508,347	1.33	
General government							
Transportation	1,442,892	1,444,564	1,638,378	273,063	1,365,315	16.67	16.67
Debt services - Interest	6,478,147	4,958,253	6,297,010	526,161	5,770,849	8.36	8.36
Debt services - principal	8,551	8,550	8,000	0	8,000	0.00	0.00
Transfers out	110,072	110,070	110,622	0	110,622	0.00	0.00
	0	0	568,703	94,784	473,919	16.67	16.67
TOTAL EXPENDITURES	8,039,662	6,521,438	8,622,713	894,008	7,728,705	10.37	

NET OF REVENUES/EXPENDITURES	844,512	1,402,154	1	-779,640	779,641		

BEG. FUND BALANCE
END FUND BALANCE

6,328,941
5,549,300

Fund 203 - Local Street Fund

State revenues	1,941,703	1,942,018	2,016,514	0	2,016,514	0.00	0.00
Other revenues	618,343	117,135	630,677	338,325	292,352	53.64	53.64
Interest and dividend Income	0	5,993	0	0	0	0.00	0.00
Transfers in	0	0	568,703	94,784	0	16.67	16.67
Drawings from fund balance	288,513	0	421,863	0	421,863	0.00	0.00
TOTAL REVENUES	2,848,559	2,065,146	3,637,757	433,109	2,730,729	11.91	

Fund 203 - Local Street Fund

General government	314,770	314,770	402,087	67,015	335,073	16.67	16.67
Transportation	2,476,951	1,991,215	3,235,670	342,834	2,892,836	10.60	10.60
TOTAL EXPENDITURES	2,791,721	2,305,985	3,637,757	409,848	3,227,909	11.27	

NET OF REVENUES/EXPENDITURES	56,838	(240,839)	0	23,260	-497,180		

BEG. FUND BALANCE
END FUND BALANCE

1,369,873
1,393,133

1,369,873
1,369,873

CITY OF FLINT
BUDGET TO ACTUAL REVENUE AND EXPENDITURE REPORT
FOR THE PERIOD ENDING AUGUST 31, 2015

ACCOUNT DESCRIPTION	2014-15 AMENDED BUDGET	YTD BALANCE 06/30/2015	2015-16 AMENDED BUDGET	YTD BALANCE 08/31/2015	AVAILABLE BALANCE	% BDGT USED
Fund 205 - Public Safety						
Property Taxes	3,688,275	3,842,853	3,700,000	3,776,292	-76,292	102.06
Interest and dividend income	0	30,798	0	0	0	0.00
Other revenues	0	5,462	0	0	0	0.00
Drawings from fund balance	4,690,318	0	2,481,948	0	2,481,948	0.00
TOTAL REVENUES	8,378,593	3,879,113	6,181,948	3,776,292	2,405,656	61.09
Police	2,705,773	2,684,119	1,902,722	315,264	1,587,458	16.57
Fire	3,675,510	3,633,122	4,279,226	616,501	3,662,725	14.41
TOTAL EXPENDITURES	6,381,283	6,317,241	6,181,948	931,765	5,250,183	15.07
NET OF REVENUES/EXPENDITURES	1,997,310	(2,438,128)	0	2,844,527	-2,844,527	
BEG FUND BALANCE	8,457,278	8,457,278	6,019,150	6,019,150		
END FUND BALANCE	10,454,588	6,019,150	6,019,150	8,863,677		

Fund 207 - Police Fund

Property Taxes	1,250,306	1,293,783	1,255,000	1,260,588	-5,588	100.45
Interest and dividend income	0	445	0	0	0	0.00
Other revenues	93,180	1,740	0	0	0	0.00
Drawings from fund balance	42,502	0	68,944	0	68,944	0.00
TOTAL REVENUES	1,385,988	1,295,968	1,323,944	1,260,588	63,356	95.21
Fund 207 - Police Fund						
Police	1,358,912	1,311,312	1,323,944	150,355	1,173,589	11.36
TOTAL EXPENDITURES	1,358,912	1,311,312	1,323,944	150,355	1,173,589	11.36
NET OF REVENUES/EXPENDITURES	27,076	(15,344)	0	1,110,233	-1,110,233	
BEG FUND BALANCE	19,656	19,656	4,312	4,312		
END FUND BALANCE	46,732	4,312	4,312	1,114,545		

CITY OF FLINT
BUDGET TO ACTUAL REVENUE AND EXPENDITURE REPORT
FOR THE PERIOD ENDING AUGUST 31, 2015

ACCOUNT DESCRIPTION	2014-15 AMENDED BUDGET	YTD BALANCE 06/30/2015	2015-16 AMENDED BUDGET	YTD BALANCE 08/31/2015	AVAILABLE BALANCE	% BDGT USED
Fund 208 - Park/Recreation Fund						
Property Taxes	312,546	323,951	315,000	315,054	-54	100.02
Interest and dividend income	0	718	0	0	0	0.00
Other revenues	4,930	16,954	4,825	1,060	3,765	21.97
Drawings from fund balance	97,000	0	87,146	0	87,146	0.00
Transfers in	99,413	99,140	0	0	0	0.00
TOTAL REVENUES	513,889	440,763	406,971	316,114	90,856	77.67
Fund 208 - Park/Recreation Fund						
Community development	513,889	458,693	406,971	30,408	376,563	7.47
TOTAL EXPENDITURES	513,889	458,693	406,971	30,408	376,563	7.47
NET OF REVENUES/EXPENDITURES	0	(17,930)	0	285,707	-285,707	
BEG FUND BALANCE	99,941	99,941	82,011	82,011		
END FUND BALANCE	99,941	82,011	82,011	367,717		
Fund 219 - Street Light						
Special assessment taxes	2,738,986	2,415,368	2,738,986	2,616,226	122,760	95.52
Interest and dividend income	0	5,272	0	0	0	0.00
Drawings from fund balance	0	0	105,218	0	0	0.00
TOTAL REVENUES	2,738,986	2,420,640	2,844,204	2,616,226	122,760	91.98
Fund 219 - Street Light						
General government	91,210	91,210	128,895	21,483	107,413	16.67
Transportation	2,463,195	2,381,124	2,695,308	201,580	2,493,728	7.48
TOTAL EXPENDITURES	2,554,405	2,472,334	2,824,203	223,063	2,601,140	7.90
NET OF REVENUES/EXPENDITURES	184,581	(51,694)	20,001	2,393,163	-2,478,380	
BEG FUND BALANCE	709,204	709,204	657,510	657,510		
END FUND BALANCE	893,785	657,510	677,511	3,050,673		

CITY OF FLINT
BUDGET TO ACTUAL REVENUE AND EXPENDITURE REPORT
FOR THE PERIOD ENDING AUGUST 31, 2015

ACCOUNT DESCRIPTION	2014-15		2015-16		AVAILABLE BALANCE	% BDGT USED
	AMENDED BUDGET	YTD BALANCE 06/30/2015	AMENDED BUDGET	YTD BALANCE 08/31/2015		
Fund 226 - Rubbish Collection Fund						
Property Taxes	5,517,813	4,909,128	4,829,002	4,624,305	204,697	95.76
Charges for service rendered	11,093	10,877	0	0	0	0.00
Other revenues	0	6,958	0	0	0	0.00
Drawings from fund balance	0	0	1	0	1	0.00
License and Permits	1,660	1,840	500	560	-60	112.00
TOTAL REVENUES	5,530,566	4,928,803	4,829,503	4,624,865	204,638	95.76
General government	173,143	182,710	250,958	41,826	209,132	16.67
Transportation	49,755	52,546	100,000	0	100,000	0.00
Public works	4,551,320	4,380,254	4,478,544	742,274	3,736,270	16.57
TOTAL EXPENDITURES	4,774,218	4,615,510	4,829,502	784,100	4,045,402	16.24
NET OF REVENUES/EXPENDITURES	756,348	313,293	1	3,840,765	-3,840,764	

Fund 265 - Drug Law Enforcement Fund

Other revenues	16,500	0	0	0	0	0.00
Interest and dividend income	0	0	0	0	0	0.00
Drawings from fund balance	374,063	169,674	0	0	169,674	0.00
Fines and forfeitures	101,000	2,500	24,406	24,406	-21,906	976.24
TOTAL REVENUES	491,563	172,174	24,406	24,406	147,768	14.18
Police	477,563	172,174	3,176	3,176	168,998	1.84
TOTAL EXPENDITURES	477,563	172,174	3,176	3,176	168,998	1.84
NET OF REVENUES/EXPENDITURES	14,000	0	21,230	21,230	-21,230	
BEG. FUND BALANCE	768,972	534,927	534,927	534,927		
END FUND BALANCE	782,972	534,927	556,157	556,157		

CITY OF FLINT
BUDGET TO ACTUAL REVENUE AND EXPENDITURE REPORT
FOR THE PERIOD ENDING AUGUST 31, 2015

ACCOUNT DESCRIPTION	2014-15 AMENDED BUDGET	YTD BALANCE 06/30/2015	2015-16 AMENDED BUDGET	YTD BALANCE 08/31/2015	AVAILABLE BALANCE	% BDGT USED
Fund 274 - HUD CDBG, ESG, & HOME GRANTS						
Transfer in from 296 fund	0	250,540	0	0	0	0.00
Drawings from Fund Balance	0	0	0	0	0	0.00
Federal revenues	11,834,239	4,050,301	8,532,130	-238,747	8,770,877	(2.80)
TOTAL REVENUES	11,834,239	4,300,840	8,532,130	-238,747	8,770,877	(2.80)
General government	215,350	165,972	58,680.66	23,083	35,598	39.34
Fire	14,766	11,847	2,918.47	0	2,918	0.00
Community development	10,551,672	3,643,671	7,158,841.20	185,071	6,973,770	2.59
Transportation	204,964	12	204,952.13	0	204,952	0.00
Facilities and Maintenance	35,000	35,000	35,000.00	0	35,000	0.00
Building inspections	812,484	204,349	631,255.31	109,439	521,817	17.34
TOTAL EXPENDITURES	11,834,235	4,025,851	8,091,648	317,593	7,774,055	3.92
NET OF REVENUES/EXPENDITURES	3	274,990	440,482	-556,340	996,822	
BEG FUND BALANCE	(732,424)	(732,421)	(457,431)	-16,949		
END FUND BALANCE	(732,421)	(457,431)	(16,949)	-573,288		

CITY OF FLINT
BUDGET TO ACTUAL REVENUE AND EXPENDITURE REPORT
FOR THE PERIOD ENDING AUGUST 31, 2015

ACCOUNT DESCRIPTION	2014-15 AMENDED BUDGET	YTD BALANCE 06/30/2015	2015-16 AMENDED BUDGET	YTD BALANCE 08/31/2015	AVAILABLE BALANCE	% BDGT USED
Fund 296 - Other Grants Fund						
Drawings from fund balance	0	0	349,455	0	349,455	0.00
Interest and dividend income	0	0	0	0	0	0.00
Federal revenues	2,227,810	784,366	199,018	0	199,018	0.00
State revenues	4,350,527	2,679,478	4,454,774	0	4,454,774	0.00
Other revenues	354	484	0	0	0	0.00
Local grants	1,082,063	971,730	186,938	203,800	-16,862	109.02
Fines and forfeitures	4,214	4,214	0	0	0	0.00
TOTAL REVENUES	7,664,968	4,440,272	5,190,185	203,800	4,986,385	3.93
Fund 296 - Other Grants Fund						
General government	19,662	7,470	0	0	0	0.00
Police	3,249,067	2,171,088	2,053,594	15,345	2,038,249	0.75
Community development	1,880,783	204,520	795,620	14,755	780,865	1.85
Transportation	1,642,144	73,603	30,906	1,235	29,671	4.00
Facilities and Maintenance	773,310	70,166	830,023	25,326	804,697	3.05
Public works	50,000	49,730	0	0	0	0.00
Transfer out to 274 fund	50,000	250,540	0	0	0	0.00
Utilities	0	332,919	2,000,000	0	2,000,000	0.00
TOTAL EXPENDITURES	7,664,966	3,160,036	5,710,143	56,661	5,653,482	0.99
NET OF REVENUES/EXPENDITURES	2	1,280,236	(519,958)	147,139	-667,097	
BEG. FUND BALANCE	111,778	111,778	1,392,014	1,392,014		
END FUND BALANCE	111,780	1,392,014	872,056	1,539,153		

CITY OF FLINT
BUDGET TO ACTUAL REVENUE AND EXPENDITURE REPORT
FOR THE PERIOD ENDING AUGUST 31, 2015

ACCOUNT DESCRIPTION	2014-15 AMENDED BUDGET	YTD BALANCE 08/30/2015	2015-16 AMENDED BUDGET	YTD BALANCE 08/31/2015	AVAILABLE BALANCE	% BDGT USED
Fund 402 - Public Improvement Fund						
Property Taxes	1,703,000	1,609,072	1,703,000	1,575,778	127,222	92.53
Other revenues	380,000	38,358	350,000	0	350,000	0.00
Interest and dividend income	0	7,613	0	0	0	0.00
Drawings from fund balance	767,957	0	775,967	0	775,967	0.00
TOTAL REVENUES	2,850,957	1,655,043	2,828,967	1,575,778	1,253,189	55.70
Facilities and Maintenance						
Transfers out	721,900	682,720	700,000	0	700,000	0.00
Debt services - interest	1,526,953	1,526,953	1,526,213	121,159	1,405,054	7.94
Debt services - principal	407,104	400,191	392,754	0	392,754	0.00
	195,000	200,000	210,000	0	210,000	0.00
TOTAL EXPENDITURES	2,850,957	2,809,864	2,828,967	121,159	2,707,808	7.94
NET OF REVENUES/EXPENDITURES	0	(1,154,821)	0	1,454,619	-1,454,619	

BEG. FUND BALANCE	9,335,339	9,335,339	8,180,518	8,180,518		
END FUND BALANCE	9,335,339	8,180,518	8,180,518	9,635,137		

Fund 542 - Building Inspection Fund

Charges for service rendered	50,579	45,592	0	7,905	-7,905	0.00
Drawings from fund balance	236,763	0	341,717	0	341,717	0.00
Interest and dividend income	0	9,114	0	0	0	0.00
License and Permits	2,563,164	2,609,751	1,625,000	369,237	1,255,763	22.72
Federal revenues	0	0	0	0	0	0.00
Transfers in	0	0	0	0	0	0.00
TOTAL REVENUES	2,850,506	2,664,457	1,966,717	377,142	1,589,575	19.18
General government						
Transfers out	504,425	504,209	619,180	103,160	516,020	16.66
Building Inspections	0	0	0	0	0	0.00
	1,361,108	1,068,725	1,347,536	144,535	1,203,001	10.73
TOTAL EXPENDITURES	1,865,533	1,572,934	1,966,716	247,695	1,719,021	12.59
NET OF REVENUES/EXPENDITURES	984,973	1,091,523	1	129,447	-129,446	

BEG. FUND BALANCE	643,476	643,476	1,734,999	1,734,999		
END FUND BALANCE	1,628,449	1,734,999	1,735,000	1,864,446		

CITY OF FLINT
BUDGET TO ACTUAL REVENUE AND EXPENDITURE REPORT
FOR THE PERIOD ENDING AUGUST 31, 2015

ACCOUNT DESCRIPTION	2014-15 AMENDED BUDGET	YTD BALANCE 06/30/2015	2015-16 AMENDED BUDGET	YTD BALANCE 08/31/2015	AVAILABLE BALANCE	% BDGT USED
Fund 590 - Sewer Fund						
Interest and dividend income	0	147,488	0	0	0	0.00
Charges for service rendered	30,410,162	30,460,790	30,434,895	2,031,722	28,403,173	6.68
Other revenues	91,646	92,073	11,000	2,371	8,629	21.55
Drawings from fund balance	5,189,854	0	1,091,873	0	1,091,873	0.00
Transfers in	800,000	800,000	800,000	0	800,000	0.00
TOTAL REVENUES	36,491,662	31,500,351	32,337,768	2,034,093	30,303,675	6.29
General government	3,765,455	3,747,098	4,786,371	797,729	3,988,643	16.67
Debt services - Interest	695	90	695	465	230	66.89
Debt services - principal	6,571	6,571	6,016	90	5,926	1.50
Transfers out	2,660,000	2,660,000	1,860,000	310,000	1,550,000	16.67
Public works	1,990,000	744,175	1,999,898	262,085	1,737,813	13.10
Utilities	22,971,505	15,773,288	23,684,788	2,328,319	21,356,469	9.83
TOTAL EXPENDITURES	31,394,227	22,931,222	32,337,768	3,698,687	28,639,081	11.44
NET OF REVENUES/EXPENDITURES	5,097,435	8,569,129	(0)	-1,664,594	1,664,594	
BEG FUND BALANCE	67,787,494	67,787,494	76,356,623	76,356,623		
END FUND BALANCE	72,884,929	76,356,623	76,356,622	74,692,029		

CITY OF FLINT
BUDGET TO ACTUAL REVENUE AND EXPENDITURE REPORT
FOR THE PERIOD ENDING AUGUST 31, 2015

ACCOUNT DESCRIPTION	2014-15 AMENDED BUDGET	YTD BALANCE 06/30/2015	2015-16 AMENDED BUDGET	YTD BALANCE 08/31/2015	AVAILABLE BALANCE	% BDGT USED
Fund 591 - Water Fund						
Charges for service rendered	33,136,042	33,815,296	36,943,802	2,241,210	34,702,592	6.07
Other revenues	35,000	31,151	12,000	699	11,301	5.82
Interest and dividend income	0	100,232	0	0	0	0.00
Drawings from fund balance	4,865,245	0	0	0	0	0.00
Fines and forfeitures	0	0	0	416	0	100.00
Gain on sale of fixed assets	252,337	225,465	100,000	39,941	60,059	39.94
TOTAL REVENUES	38,288,624	34,172,144	37,055,802	2,282,266	34,773,952	6.16
General government	4,255,508	4,293,842	5,319,386	886,564	4,432,822	16.67
Transfers out	1,660,571	1,660,571	3,224,259	537,377	2,686,883	16.67
Public works	2,760,000	341,630	2,690,000	612,328	2,077,672	22.76
Utilities	26,810,804	17,554,345	24,756,442	3,130,793	21,625,649	12.65
TOTAL EXPENDITURES	35,486,683	23,850,388	35,990,087	5,167,062	30,823,025	14.36
NET OF REVENUES/EXPENDITURES	2,801,941	10,321,756	1,065,715	-2,884,796	3,950,927	
BEG. FUND BALANCE	29,526,264	29,526,264	39,848,020	39,848,020		
END FUND BALANCE	32,328,205	39,848,020	40,913,735	36,963,224		

CITY OF FLINT
CASH AND INVESTMENT ACCOUNT SUMMARY
FOR THE PERIOD ENDING AUGUST 31, 2015

Fund Account	Description	Beginning Balance 08/01/2015	Ending Balance 08/31/2015
Fund 101 General Fund			
001.000	Commercial Pooled Cash Account	5,250,127	6,938,288
001.450	Citizens - P/R Direct Deposit - 906-9766	-46,929	-47,229
004.000	Imprest Cash	9,300	9,300
004.100	Imprest Cash - Register	0	0
	General Fund	<u>5,212,498</u>	<u>6,900,359</u>
Fund 202 Major Street Fund			
001.000	Commercial Pooled Cash Account	5,498,072	5,583,148
004.000	Imprest Cash	60	60
	Major Street Fund	<u>5,498,132</u>	<u>5,583,208</u>
Fund 203 Local Street Fund			
001.000	Commercial Pooled Cash Account	1,083,158	1,425,121
Fund 205 Public Safety			
001.000	Commercial Pooled Cash Account	7,549,925	7,581,517
Fund 207 Police Fund			
001.000	Commercial Pooled Cash Account	589,483	685,894
Fund 208 Park/Recreation Fund			
001.000	Commercial Pooled Cash Account	254,769	267,688
Fund 219 Street Light			
001.000	Commercial Pooled Cash Account	1,821,155	1,793,159
Fund 226 Rubbish Collection Fund			
001.000	Commercial Pooled Cash Account	2,648,342	2,532,435
Fund 265 Drug Law Enforcement Fund			

**CITY OF FLINT
CASH AND INVESTMENT ACCOUNT SUMMARY
FOR THE PERIOD ENDING AUGUST 31, 2015**

Fund Account	Description	Beginning Balance 08/01/2015	Ending Balance 08/31/2015
001.000	Commercial Pooled Cash Account	1,132,078	1,130,682
Fund 274 HUD CDBG, ESG, & HOME GRANTS			
001.000	Commercial Pooled Cash Account	-667,009	-1,107,571
001.100	Bank - Urban Renewal - 230006018089	3,881	154,768
	HUD CDBG, ESG, & HOME GRANTS	-663,128	-952,803
Fund 296 Other Grants Fund			
001.000	Commercial Pooled Cash Account	1,323,571	1,539,157
Fund 402 Public Improvement Fund			
001.000	Commercial Pooled Cash Account	2,048,920	2,196,818
Fund 542 Building Inspection Fund			
001.000	Commercial Pooled Cash Account	1,843,388	1,900,201
004.000	Imprest Cash	50	50
	Building Inspection Fund	1,843,438	1,900,251
Fund 590 Sewer Fund			
001.000	Commercial Pooled Cash Account	30,226,784	30,655,763
Fund 591 Water Fund			
001.000	Commercial Pooled Cash Account	18,597,850	19,476,110
001.001	Cash Reserve	5,848,116	5,848,116
	Water Fund	24,445,966	25,324,226
	TOTAL - ALL FUNDS	85,015,091	88,563,475

Byrne, Randall (Treasury)

From: Byrne, Randall (Treasury)
Sent: Thursday, October 22, 2015 1:38 PM
To: Workman, Wayne (TREASURY); Saxton, Thomas (Treasury)
Subject: FW: Flint cash flow
Attachments: Flint Financial Reports

Wayne and Tom:

Yes, they send them on a monthly basis to Eric.

Randy

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

From: Workman, Wayne (TREASURY)
Sent: Thursday, October 22, 2015 1:24 PM
To: Byrne, Randall (Treasury) <ByrneR1@michigan.gov>
Subject: Re: Flint cash flow

Please send to Tom and me Have they been timely in the past

Sent from my iPhone

> On Oct 22, 2015, at 1:10 PM, Byrne, Randall (Treasury) <ByrneR1@michigan.gov> wrote:

>

> Wayne:

>

> Eric gave me a copy of the most recent one that was dated August 31st.

>

> Randy

>

> -----Original Message-----

> From: Workman, Wayne (TREASURY)

> Sent: Thursday, October 22, 2015 12:59 PM

> To: Byrne, Randall (Treasury) <ByrneR1@michigan.gov>

> Subject: Flint cash flow

>

> Natasha said they send us cash flows every month on the 20th. Is that true? I thought we weren't getting current ones

>

> Sent from my iPhone

Workman, Wayne (TREASURY)

From: Christenson, Elysse (TREASURY)
Sent: Thursday, October 22, 2015 4:11 PM
To: Fielek, Joseph L. (Treasury); Workman, Wayne (TREASURY); Byrne, Randall (Treasury)
Cc: Sygo, Jim (DEQ); Saxton, Thomas (Treasury); Gross, Sara (Treasury); Lindsay, Brenda (Treasury)
Subject: RE: Wire Transfer Information
Attachments: 3703 - New Template.pdf

To initiate the wire request, please complete the attached form and fax it to Treasury's Office of Financial Services at (517) 636-5401. Being that this is a non-repetitive wire, we will need to obtain Joe Fielek or Tom Saxton's approval prior to processing. In addition to the form, please provide us with a brief memo explaining the reason for the wire.

Staff is available to process wires until 4:30 each day; however, being that we will need to obtain approvals on our end, we encourage you to fax the requested memo and form to us by 1:30.

Feel free to contact me if you have further questions or would like assistance in completing the form.

Thanks,

Elysse Christenson, Departmental Analyst
Banking and Disbursements Section
Office of Financial Services
Michigan Department of Treasury
Ph: 517.636.5384
Christensone1@michigan.gov

From: Fielek, Joseph L. (Treasury)
Sent: Thursday, October 22, 2015 4:00 PM
To: Workman, Wayne (TREASURY) ; Byrne, Randall (Treasury)
Cc: Sygo, Jim (DEQ) ; Saxton, Thomas (Treasury) ; Gross, Sara (Treasury) ; Christenson, Elysse (TREASURY) ; Lindsay, Brenda (Treasury)
Subject: RE: Wire Transfer Information

Yes Jim have you DEQ accounting people work with our banking people regarding initiating a wire request.

From: Workman, Wayne (TREASURY)
Sent: Thursday, October 22, 2015 3:57 PM
To: Byrne, Randall (Treasury) <ByrneR1@michigan.gov>
Cc: Sygo, Jim (DEQ) <SygoJ@michigan.gov>; Fielek, Joseph L. (Treasury) <FIELEKJ@michigan.gov>; Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>
Subject: Re: Wire Transfer Information

DEQ starts the ball

Sent from my iPhone

On Oct 22, 2015, at 3:55 PM, Byrne, Randall (Treasury) <ByrneR1@michigan.gov> wrote:

Jim:

I have been asked by Wayne Workman to forward this to you. This is the documentation from Flint regarding their payment to DWSD of the \$10M deposit. I understand that you will forward to Joe Fielek to complete the reimbursement transaction.

Thanks,
Randy

From: Natasha Henderson [<mailto:nhenderson@cityofflint.com>]
Sent: Thursday, October 22, 2015 3:23 PM
To: Byrne, Randall (Treasury) <ByrneR1@michigan.gov>
Subject: Fwd: Wire Transfer Information

Hello Randy,

You were included in this email.

Thanks,

Natasha L. Henderson, City Administrator
City of Flint, Michigan
1101 S. Saginaw St.
Flint, MI 48502
Email: nhenderson@cityofflint.com
Phone: (810) 237-2057
www.cityofflint.com

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

From: Jody Lundquist <jlundquist@cityofflint.com>
Date: Thu, Oct 22, 2015 at 2:27 PM
Subject: Wire Transfer Information
To: saxtont@michigan.gov, "Sygo, Jim (DEQ)" <sygoj@michigan.gov>, byrner1@michigan.gov
Cc: Natasha Henderson <nhenderson@cityofflint.com>

Good afternoon, Gentlemen.

Please find the City's wire transfer information below.

Bank Name: JPMorgan Chase
Routing: [REDACTED]
Acct#: [REDACTED]
Account Name: [REDACTED]
Contact: Amanda Trujillo

A copy of the outgoing wire transfer confirmations totaling \$10 million is attached. The first wire was sent to DWSD on Friday, October 16, in the amount of \$2 million. The remaining balance of \$8 million was sent on Monday, October 19, in two separate transactions of \$3 and \$5 million due to max transfer limitations.

Please let me know if you have any questions or if I may be of any further assistance.

Best regards,

CITY OF FLINT**Payment Detail Report**

For Informational Purposes Only

PAYMENT INFORMATION**Account Number**

230006017552

Payment Method

Wire

Bank to Bank Transfer

No

Account Name**Branch Location****Beneficiary Bank Country**

UNITED STATES - US

Bank Name**Bank Id****Payment Amount**

USD 2,000,000.00

Value Date: 10/16/2015**Status:** Completed

ROUTING INFORMATION**BENEFICIARY****Beneficiary ID Type****Address Line 1**

735 Randolph

Account Number**Address Line 2**

Room 701

Beneficiary Name**City, State/Province, Zip/Postal Code**

Detroit, MI 48226

Detroit Water and Sewer Dept

Country

UNITED STATES - US

BENEFICIARY BANK**Bank ID Type****Address Line 1**

United States FED ABA

P O BOX 1038 - ML 1320

United States FED ABA

Bank Name**City, State/Province, Zip/Postal Code**

CINCINNATI, OH, 45201-1038

Country

UNITED STATES - US

CITY OF FLINT**Payment Detail Report******For Informational Purposes Only****

INTERMEDIARY BANK

Bank ID Type

No ID

REFERENCE INFORMATION

Payment Details

City of Flint Water

BANK TO BANK

Charges

Remitter

Priority

No

Data Created

10/16/2015 02:50 PM EDT

Payment ID**Bank Reference****Settlement Reference**

CITY OF FLINT

Payment Detail Report

For Informational Purposes Only

J.P.Morgan

PAYMENT INFORMATION

Account Number

Payment Method

Bank to Bank Transfer

Wire

No

Account Name

Branch Location

Beneficiary Bank Country

UNITED STATES - US

Bank Name

Bank Id

Payment Amount

USD 3,000,000.00

Value Date: 10/19/2015

Status: Completed

ROUTING INFORMATION

BENEFICIARY

Beneficiary ID Type

Address Line 1

735 Randolph

Account Number

Address Line 2

Room 701

Beneficiary Name

City, State/Province, Zip/Postal Code

Detroit, MI 48226

Detroit Water and Sewer Dept

Country

UNITED STATES - US

BENEFICIARY BANK

Bank ID Type

Address Line 1

United States FED ABA

P O BOX 1038 - ML 1320

United States FED ABA

042000013

Bank Name

City, State/Province, Zip/Postal Code

U.S. BANK N.A.

CINCINNATI, OH 45201-1038

Country

UNITED STATES - US

CITY OF FLINT

Payment Detail Report

****For Informational Purposes Only****

INTERMEDIARY BANK

Bank ID Type

No ID

REFERENCE INFORMATION

Payment Details

City of Flint Water

BANK TO BANK

Charges

Priority

Remitter

No

Date Created

10/19/2015 01:16 PM EDT

Payment ID

[REDACTED]

Bank Reference

[REDACTED]

Settlement Reference

[REDACTED]

CITY OF FLINT

Payment Detail Report

For Informational Purposes Only

J.P.Morgan

PAYMENT INFORMATION

Account Number

Payment Method

Bank to Bank Transfer

Wire

No

Account Name

Branch Location

Beneficiary Bank Country

UNITED STATES - US

Bank Name

Bank Id

Payment Amount

USD 5 000,000 00

Value Date: 10/19/2015

Status: Completed

ROUTING INFORMATION

BENEFICIARY

Beneficiary ID Type

Address Line 1

735 Randolph

Account Number

Address Line 2

Room 701

Beneficiary Name

City, State/Province, Zip/Postal Code

Detroit, MI 48226

Detroit Water and Sewer Dept

Country

UNITED STATES - US

BENEFICIARY BANK

Bank ID Type

Address Line 1

P O BOX 1038 - ML 1320

United States FED ABA

Bank Name

City, State/Province, Zip/Postal Code

CINCINNATI, OH, 45201 1038

U S BANK N.A.

Country

UNITED STATES - US

CITY OF FLINT

Payment Detail Report

****For Informational Purposes Only****

INTERMEDIARY BANK

Bank ID Type

No ID

REFERENCE INFORMATION

Payment Details

City of Flint Water

BANK TO BANK

Charges

Remitter

Priority

No

Date Created

10/19/2015 02 03 PM EDT

Payment ID

[REDACTED]

Bank Reference

[REDACTED]

Settlement Reference

[REDACTED]

Repetitive Wire or Non-Repetitive Wire Transfer Payment Request or Update

PART A: ACTION REQUESTED (check only one)		PART B: AGENCY CONTACT INFORMATION	
Repetitive Wire ☐ Request to send payment via Repetitive wire transfer ☐ Add new repetitive payment (See note below) ☐ Change existing repetitive payment ☐ Delete existing repetitive payment Non-Repetitive Wire (one-time payment) ☐ Request to send payment via Non-repetitive wire transfer		1 Agency Contact	2 Telephone Number
		3 Fax Number	4 Pages Faxed
		5 Date Faxed	
		6 Office of Financial Services Contacts Telephone: 517-636-5384 or 517-636-5400 Fax: 517-636-5401	
PART C: PAYMENT			
Repetitive Payment – complete Parts C1-14, Add, Change or Delete payment – complete C1, C6-14 and D1, Non-Repetitive Payment – Complete C1-14 and D1			
1 MAIN FACS Doc Agency (3 digits)	2 MAIN FACS Document Number (8 characters)	3 MAIN FACS Payment Number for Wire Transfer (9 digits) X	
4 Settlement Date		5 Transfer Amount	
6 Receiving Bank Name		7 Receiving Bank Routing Transit Number	
8. Beneficiary's Bank (BBK) Name (if different from receiving bank)			
9. Beneficiary Information (BNF) (name on account)		10. Beneficiary Information (BNF) Account Number	
11 Payment Details – Originator to Beneficiary Information (OBI) and Bank to Bank Information (BBI)			
12 Signed approval of Agency's Chief Financial Officer, Chief Accountant or authorized designee		13 Date	14. Request wire confirmation ☐ Yes ☐ No
PART D: TREASURY APPROVAL			
1. Approval of Treasury's Authorized Signer (Treasurer or Deputy Treasurers required for Add, Change or Deletion of repetitive payment information or requesting Non-repetitive payment)			
Signature.		Date.	
TREASURY OFFICE OF FINANCIAL SERVICES USE ONLY			
2 Transaction Number	3. The Department of Treasury certifies the payment was initiated as follows: Entered by _____ on _____ at _____ a.m./p.m. Released by _____ on _____ at _____ a.m./p.m.		

Along with this form, submit PCHL 1800 (Direct Voucher Header Entry) screen from ADPICS or 520 (View a Batch) screen from R*STARS to your Agency Accountant Liaison for DTMB certification of funds.

To submit payment request to Treasury:

Fax completed form, with screen print of MAIN FACS header screen (ADPICS Screen PCHL 1800 or R*STARS screen 520, after approved and posted if timing allows) to Office of Financial Services, as shown in Section B6 above

Pleyte, Beth (Treasury)

From: Muchmore, Dennis (GOV)
Sent: Thursday, October 22, 2015 4:30 PM
To: Saxton, Thomas (Treasury)
Subject: RE: Wire Transfer Information

I thought they had upfronted the money to DWSD but this remittance is to DWSD from SoM?

From: Saxton, Thomas (Treasury)
Sent: Thursday, October 22, 2015 3:46 PM
To: Muchmore, Dennis (GOV) <muchmored@michigan.gov>; Khouri, Nick (TREASURY) <KhouriN@michigan.gov>
Cc: Sygo, Jim (DEQ) <SygoJ@michigan.gov>; Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>; Stanton, Terry A. (Treasury) <StantonT@michigan.gov>; Wurfel, Sara (GOV) <Wurfels@michigan.gov>
Subject: FW: Wire Transfer Information

Just an update... we are working on the wire transfer to the City 'as we speak'. We also have their supporting info for their pay to DWSD.

From: Natasha Henderson [<mailto:nhenderson@cityofflint.com>]
Sent: Thursday, October 22, 2015 3:23 PM
To: Byrne, Randall (Treasury) <ByrneR1@michigan.gov>
Subject: Fwd: Wire Transfer Information

Hello Randy,

You were included in this email.

Thanks,

Natasha L. Henderson, City Administrator
City of Flint, Michigan
1101 S. Saginaw St.
Flint, MI 48502
Email: nhenderson@cityofflint.com
Phone: (810) 237-2057
www.cityofflint.com

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

From: Jody Lundquist <jlundquist@cityofflint.com>
Date: Thu, Oct 22, 2015 at 2:27 PM
Subject: Wire Transfer Information
To: saxtont@michigan.gov, "Sygo, Jim (DEQ)" <sygoj@michigan.gov>, byrner1@michigan.gov
Cc: Natasha Henderson <nhenderson@cityofflint.com>

Good afternoon, Gentlemen.

Please find the City's wire transfer information below.

Bank Name: [REDACTED]
Routing #: [REDACTED]
Acct#: [REDACTED]
Account: [REDACTED]
Contact: Amanda Trujillo

A copy of the outgoing wire transfer confirmations totaling \$10 million is attached. The first wire was sent to DWSD on Friday, October 16, in the amount of \$2 million. The remaining balance of \$8 million was sent on Monday, October 19, in two separate transactions of \$3 and \$5 million due to max transfer limitations.

Please let me know if you have any questions or if I may be of any further assistance.

Best regards,

Jody N. Lundquist
Chief Financial Officer
City of Flint
1101 S. Saginaw Street, 2nd Floor
Flint, MI 48502
jlundquist@cityofflint.com
(810) 766-7268 ext. 2301

Workman, Wayne (TREASURY)

From: Sygo, Jim (DEQ)
Sent: Thursday, October 22, 2015 6:26 PM
To: Byrne, Randall (Treasury)
Cc: Fielek, Joseph L. (Treasury); Saxton, Thomas (Treasury); Workman, Wayne (TREASURY)
Subject: RE: Wire Transfer Information

Got it and we'll take care of our \$4million tomorrow. I've also provided the Mott Foundation a heads up via voicemail.

From: Byrne, Randall (Treasury)
Sent: Thursday, October 22, 2015 3:55 PM
To: Sygo, Jim (DEQ)
Cc: Fielek, Joseph L. (Treasury); Saxton, Thomas (Treasury); Workman, Wayne (TREASURY)
Subject: FW: Wire Transfer Information

Jim:

I have been asked by Wayne Workman to forward this to you. This is the documentation from Flint regarding their payment to DWSD of the \$10M deposit. I understand that you will forward to Joe Fielek to complete the reimbursement transaction.

Thanks,
Randy

From: Natasha Henderson [<mailto:nhenderson@cityofflint.com>]
Sent: Thursday, October 22, 2015 3:23 PM
To: Byrne, Randall (Treasury) <ByrneR1@michigan.gov>
Subject: Fwd: Wire Transfer Information

Hello Randy,

You were included in this email.

Thanks,

Natasha L. Henderson, City Administrator
City of Flint, Michigan
1101 S. Saginaw St.
Flint, MI 48502
Email: nhenderson@cityofflint.com
Phone: (810) 237-2057
www.cityofflint.com

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

From: Jody Lundquist <jlundquist@cityofflint.com>
Date: Thu, Oct 22, 2015 at 2:27 PM
Subject: Wire Transfer Information
To: saxtont@michigan.gov, "Sygo, Jim (DEQ)" <sygoj@michigan.gov>, byrner1@michigan.gov
Cc: Natasha Henderson <nhenderson@cityofflint.com>

Good afternoon, Gentlemen.

Please find the City's wire transfer information below.

Bank Name: [REDACTED]
Routing #: [REDACTED]
Acct#: 2 [REDACTED]
Account Name: City of Flint
Contact: Amanda Trujillo

A copy of the outgoing wire transfer confirmations totaling \$10 million is attached. The first wire was sent to DWSD on Friday, October 16, in the amount of \$2 million. The remaining balance of \$8 million was sent on Monday, October 19, in two separate transactions of \$3 and \$5 million due to max transfer limitations.

Please let me know if you have any questions or if I may be of any further assistance.

Best regards,

Jody N. Lundquist
Chief Financial Officer
City of Flint
1101 S. Saginaw Street, 2nd Floor
Flint, MI 48502
jlundquist@cityofflint.com
(810) 766-7268 ext. 2301

Ryan, Howard (Treasury)

From: Workman, Wayne (TREASURY)
Sent: Thursday, October 22, 2015 3:47 PM
To: Saxton, Thomas (Treasury)
Cc: Khouri, Nick (TREASURY); GovernorsOffice; Muchmore, Dennis (GOV);
nhenderson@cityofflint.com; Stanton, Terry A. (Treasury); Ryan, Howard (Treasury)
Subject: Re: State Portion of Flint Water Reconnection

He is calling me at 4:00 and I will fill him in

Sent from my iPhone

On Oct 22, 2015, at 3:43 PM, Rep. Sheldon Neeley (District 34) <SheldonNeeley@house.mi.gov> wrote:

Please see attached letter. Thanks for your cooperation.

Sheldon

<Treasury Letter.pdf>

Workman, Wayne (TREASURY)

From: Muchmore, Dennis (GOV)
Sent: Thursday, October 22, 2015 4:20 PM
To: 'Rep. Sheldon Neeley (District 34)'
Cc: Workman, Wayne (TREASURY)
Subject: RE: State Portion of Flint Water Reconnection

Rep. Neely-

The city made a deal with the DWSD without informing us beforehand. It required an upfront payment, which as I'm sure you are aware isn't the right way to conduct the transaction as expectations were that it would be paid out over time with use. We are taking care of the misstep to get it all back on track.

From: Rep. Sheldon Neeley (District 34) [mailto:SheldonNeeley@house.mi.gov]
Sent: Thursday, October 22, 2015 3:43 PM
To: Khouri, Nick (TREASURY)
Cc: GovernorsOffice ; Muchmore, Dennis (GOV) ; Workman, Wayne (TREASURY) ; nhenderson@cityofflint.com
Subject: State Portion of Flint Water Reconnection

Please see attached letter. Thanks for your cooperation.

Sheldon

Byrne, Randall (Treasury)

From: Sygo, Jim (DEQ)
Sent: Thursday, October 22, 2015 5:27 PM
To: Natasha Henderson; Saxton, Thomas (Treasury)
Cc: Workman, Wayne (TREASURY); Byrne, Randall (Treasury)
Subject: RE: RTAB Financial Reports

Natasha,
Your proofs were received by Treasury and we have been directed to wire the remaining \$4 million tomorrow. I have left a message for Kimberly at the Mott Foundation advising her of the wire transfer that the state will be making tomorrow. AS we do not control disbursement from Mott, you will need to work directly with them.

From: Natasha Henderson [mailto:nhenderson@cityofflint.com]
Sent: Thursday, October 22, 2015 2:24 PM
To: Saxton, Thomas (Treasury)
Cc: Workman, Wayne (TREASURY); Sygo, Jim (DEQ); Byrne, Randall (Treasury)
Subject: RE: RTAB Financial Reports

Hello Mr. Saxton,

Ms. Lundquist is working on it as we speak, so it should be momentarily.

Thanks,

Natasha L. Henderson, City Administrator
City of Flint, Michigan
@Samsung Galaxy Note 4

On Oct 22, 2015 2:21 PM, "Saxton, Thomas (Treasury)" <SaxtonT@michigan.gov> wrote:

Natasha – when do think you will have the documentation/support for the payt made to DWSD for the reconnect ? I believe you indicated that would be today yet.

From: Natasha Henderson [mailto:nhenderson@cityofflint.com]
Sent: Thursday, October 22, 2015 2:03 PM
To: Byrne, Randall (Treasury) <ByrneR1@michigan.gov>; Sygo, Jim (DEQ) <SygoJ@michigan.gov>; Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>
Subject: Fwd: RTAB Financial Reports

Hello All:

Per our conversation, I have attached the financials submitted to the RTAB on October 20, 2015. Also, I will follow-up with a detailed financial spreadsheet of our water/sewer cash flow to date.

Thanks,

Natasha L. Henderson, City Administrator

City of Flint, Michigan

1101 S. Saginaw St.

Flint, MI 48502

Email: nhenderson@cityofflint.com

Phone: (810) 237-2057

www.cityofflint.com

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

From: **Jody Lundquist** <jlundquist@cityofflint.com>

Date: Tue, Oct 20, 2015 at 6:06 PM

Subject: RTAB Financial Reports

To: Natasha Henderson <nhenderson@cityofflint.com>

Cc: Dawn Steele <dsteale@cityofflint.com>

Ms. Henderson,

Please find attached the City of Flint RTAB reports for the period ended September 30, 2015. Budget amounts reflect amendments that had been adopted by Council and approved by the RTAB prior to September 30. Per our conversation with Mayor Walling last month, I have added rows illustrating Fund Balance for each fund as required by ordinance.

In your review of the attached report, please let me know if you have any questions or if any additional information is required.

Best regards,

Jody N. Lundquist

Chief Financial Officer

City of Flint

1101 S. Saginaw Street, 2nd Floor

Flint, MI 48502

jlundquist@cityofflint.com

(810) 766-7268 ext 2301

Robert, Carla M. (Treasury)

From: Michelle Zdrodowski <michelle.zdrodowski@detroitk12.org>
Sent: Thursday, October 22, 2015 6:46 PM
To: connersp@michigan.gov; Muchmore, Dennis (GOV); Walsh, John (GOV); McPhee, Karen (GOV); Murray, David (GOV); Khouri, Nick (TREASURY); Baird, Richard (GOV); Stanton, Terry A. (Treasury); Saxton, Thomas (Treasury); Wurfel, Sara (GOV); Hollins, Harvey (GOV)
Cc: Darnell Earley; Kelly Rossman-McKinney
Subject: Final Flint Water OpEd
Attachments: Flint Water Decision Clarification Op-Ed_FINAL.pdf

All,

Attached is the final Flint Water OpEd that was submitted to the Flint Journal, DetNews, Freep, Michigan Chronicle this evening.

Any questions, please advise.

MZ

Michelle A. Zdrodowski
Executive Director of Communications
Detroit Public Schools
3011 W. Grand Boulevard, 14th Floor
Detroit, MI 48202
313.873.3238, office
313.421.2831, mobile

Changes to Flint Water System Made By Local Leaders, Not Emergency Managers

Author: Darnell Earley, ICMA-CM, MPA

It is critically important that the record be set straight about the decision-making and approval processes that led to Flint joining the Karegnondi Water Authority (KWA) with the use of Flint River water as the interim water supply. The fact is, that the river has served and been used as the back-up supply for decades, and this was the rationale given to me by staff and Mayor Walling, who also serves as chairperson of the KWA board. Contrary to reports in the media and rhetoric being espoused by individuals, the decision was made at the local level, by local civic leaders.

The decision to separate from Detroit Water and Sewerage Department and go with the KWA, which included the decision to pump Flint River water in the interim, were both a part of a long-term plan that was approved by Flint's Mayor, and confirmed by a City Council vote of 7-1 on March 25, 2013. This plan was presented to me when I was appointed as Flint Emergency Manager in October 2013 - a full seven months after City Council's affirmative vote.

Genesee County Drain Commissioner Jeff Wright also made the affirmative vote by the City Council a necessary condition of joining the KWA, and applauded the decision in a March 26, 2013 news release, saying, "...I have said from the beginning that this decision must be made by Flint's City Council and Mayor...I am glad that the residents of Flint were able to have their voices heard via their elected officials."

The Mayor's approval of the plan, and the subsequent near unanimous vote by City Council were in no way coerced, forced or demanded by the State, nor any Emergency Manager. Council's affirmative vote was supported and officially signed into EM Executive Order by then Emergency Manager Edward Kurtz on March 29, 2013. A subsequent order Kurtz signed on June 26, 2013, speaks specifically to the, "... upgrading of the Flint Water Plant to ready it to treat water from the Flint River to serve as the primary drinking water source for approximately two years and then converting to KWA delivered lake water."

When I began my term as Emergency Manager, it fell to me to oversee the implementation of the previously accepted and approved plans, as the DWSD terminated the contract with Flint in April 2014. It did not fall to me to question, second guess or to invalidate the actions that were taken prior to my appointment.

At the time the decision was made there was no way to predict such an unfortunate outcome. I would also offer that had local leaders known then what they know now, parts of their decision may have been entirely different. What the City of Flint and the State of Michigan are now dealing with is the management of an unintended consequence resulting in a negative outcome from an otherwise sound public policy decision. There is no "blame" to affix on any Emergency Manager for that.

As the solutions are put into place to address the serious concerns at hand, I believe that everyone's attention should now turn toward another serious concern -- what is being done in the long-term to replace the aged and crumbling water distribution systems that exists throughout Flint and Genesee County, which was a major contributing factor to this serious issue in the first place.

I am a strong believer that the truth supported by fact, speaks for itself. This was a local decision that was made by local civic leaders. Anyone who says otherwise is being disingenuous for whatever reason.

Sincerely,

A handwritten signature in black ink, appearing to read "Darnell Earley". The signature is fluid and cursive, with a long horizontal stroke at the end.

Darnell Earley, ICMA-CM, MPA

Workman, Wayne (TREASURY)

From: Saxton, Thomas (Treasury)
Sent: Friday, October 23, 2015 8:12 AM
To: Workman, Wayne (TREASURY)
Subject: RE: Earley Flint Water OpEd-FOR REVIEW AND INPUT
Attachments: Final Flint Water OpEd

I don't know but attached is the final version

From: Workman, Wayne (TREASURY)
Sent: Friday, October 23, 2015 8:04 AM
To: Saxton, Thomas (Treasury)
Subject: FW: Earley Flint Water OpEd-FOR REVIEW AND INPUT

Did this ever get published?

From: Michelle Zdrodowski [<mailto:michelle.zdrodowski@detroitk12.org>]
Sent: Monday, October 19, 2015 5:13 PM
To: Muchmore, Dennis (GOV) <muchmored@michigan.gov>; Baird, Richard (GOV) <bairdr@michigan.gov>; Paul Conners <connersp@michigan.gov>; Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Khouri, Nick (TREASURY) <KhouriN@michigan.gov>; Stanton, Terry A. (Treasury) <StantonT@michigan.gov>; Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>; Wurfel, Sara (GOV) <Wurfels@michigan.gov>; Murray, David (GOV) <MurrayD1@michigan.gov>; haddenf@michigan.gov
Cc: Darnell Earley <darnell.earley@detroitk12.org>; Kelly Rossman-McKinney <krossman@truscottrossman.com>
Subject: Earley Flint Water OpEd-FOR REVIEW AND INPUT

All,

Darnell Earley asked that I send you the draft of an OpEd regarding the Flint Water issue that he would like to send to the media this week.

He is seeking your input before sending, and is looking for any feedback you might have by tomorrow afternoon. He has intentionally placed it on his EM letterhead as he is still acting in the capacity of an EM.

Thank you.

Michelle Z.

Michelle A. Zdrodowski
Executive Director of Communications
Detroit Public Schools
3011 W. Grand Boulevard, 14th Floor
Detroit, MI 48202
313.873.3238, office
313.421.2831, mobile

Stanton, Terry A. (Treasury)

From: Hollins, Harvey (GOV)
Sent: Friday, October 23, 2015 9:22 AM
To: Michelle Zdrodowski
Cc: connersp@michigan.gov; Muchmore, Dennis (GOV); Walsh, John (GOV); McPhee, Karen (GOV); Murray, David (GOV); Khouri, Nick (TREASURY); Baird, Richard (GOV); Stanton, Terry A. (Treasury); Saxton, Thomas (Treasury); Wurfel, Sara (GOV); Darnell Earley; Kelly Rossman-McKinney
Subject: Re: Final Flint Water OpEd

Darnell,
Well stated!

Best,
Harvey

On Oct 22, 2015, at 6:45 PM, Michelle Zdrodowski <michelle.zdrodowski@detroitk12.org> wrote:

All,

Attached is the final Flint Water OpEd that was submitted to the Flint Journal, DetNews, Freep, Michigan Chronicle this evening.

Any questions, please advise.

MZ

Michelle A. Zdrodowski

Executive Director of Communications

Detroit Public Schools

3011 W. Grand Boulevard, 14th Floor

Detroit, MI 48202

313.873.3238, office

Workman, Wayne (TREASURY)

From: Fielek, Joseph L. (Treasury)
Sent: Friday, October 23, 2015 9:17 AM
To: Nichols, Susan R. (Treasury); Workman, Wayne (TREASURY); Saxton, Thomas (Treasury)
Subject: RE: Wire Transfer Information

Ok, thanks Suzie.

From: Nichols, Susan R. (Treasury)
Sent: Friday, October 23, 2015 8:23 AM
To: Workman, Wayne (TREASURY) ; Saxton, Thomas (Treasury)
Cc: Fielek, Joseph L. (Treasury)
Subject: RE: Wire Transfer Information

I have a call into Paul to see what his concern is.

Thanks,
Suzie

From: Workman, Wayne (TREASURY)
Sent: Friday, October 23, 2015 6:35 AM
To: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>
Cc: Fielek, Joseph L. (Treasury) <FIELEKJ@michigan.gov>; Nichols, Susan R. (Treasury) <NicholsS4@michigan.gov>
Subject: Re: Wire Transfer Information

I assume we do this one the same as the one on Monday. Not sure why they think this is different

Sent from my iPhone

On Oct 23, 2015, at 6:31 AM, Saxton, Thomas (Treasury) <SaxtonT@michigan.gov> wrote:

Can you get Paul an answer. The goal would be to get the wire sent today.

Sent from my iPhone

Begin forwarded message:

From: "McDonald, Paul (DEQ)" <mcdonaldp@michigan.gov>
Date: October 22, 2015 at 9:26:37 PM EDT
To: "Saxton, Thomas (Treasury)" <SaxtonT@michigan.gov>
Cc: "Sygo, Jim (DEQ)" <SygoJ@michigan.gov>
Subject: RE: Wire Transfer Information

Good evening Tom,

Normally when DEQ sends a wire, we work with our MDOT Accounting Service Center (ASC) to process. Obviously this scenario is a tad different from the normal practice but it is my understanding from the conversation below, that Treasury is processing the

payment on our behalf. Therefore, I believe my request to the ASC should be to process the MAIN accounting entries to reflect the wire only.

Please advise.

Paul McDonald, Assistant Chief
Administration Division



(517) 284-5003

mcdonaldp@michigan.gov

From: Sygo, Jim (DEQ)
Sent: Thursday, October 22, 2015 6:24 PM
To: McDonald, Paul (DEQ) <mcdonaldp@michigan.gov>
Subject: FW: Wire Transfer Information

FYI

From: Saxton, Thomas (Treasury)
Sent: Thursday, October 22, 2015 3:46 PM
To: Muchmore, Dennis (GOV); Khouri, Nick (TREASURY)
Cc: Sygo, Jim (DEQ); Workman, Wayne (TREASURY); Stanton, Terry A. (Treasury); Wurfel, Sara (GOV)
Subject: FW: Wire Transfer Information

Just an update... we are working on the wire transfer to the City 'as we speak'. We also have their supporting info for their pay to DWSD.

From: Natasha Henderson [<mailto:nhenderson@cityofflint.com>]
Sent: Thursday, October 22, 2015 3:23 PM
To: Byrne, Randall (Treasury) <ByrneR1@michigan.gov>
Subject: Fwd: Wire Transfer Information

Hello Randy,

You were included in this email.

Thanks,

Natasha L. Henderson, City Administrator
City of Flint, Michigan
1101 S. Saginaw St.
Flint, MI 48502
Email: nhenderson@cityofflint.com
Phone: (810) 237-2057
www.cityofflint.com

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

From: **Jody Lundquist** <jlundquist@cityofflint.com>

Date: Thu, Oct 22, 2015 at 2:27 PM

Subject: Wire Transfer Information

To: saxtont@michigan.gov, "Sygo, Jim (DEQ)" <sygoj@michigan.gov>, byrner1@michigan.gov

Cc: Natasha Henderson <nhenderson@cityofflint.com>

Good afternoon, Gentlemen.

Please find the City's wire transfer information below.

Bank Name: 

Routing #: 

Acct#: 

Account Name: 

Contact: Amanda Trujillo

A copy of the outgoing wire transfer confirmations totaling \$10 million is attached. The first wire was sent to DWSD on Friday, October 16, in the amount of \$2 million. The remaining balance of \$8 million was sent on Monday, October 19, in two separate transactions of \$3 and \$5 million due to max transfer limitations.

Please let me know if you have any questions or if I may be of any further assistance.

Best regards,

Jody N. Lundquist
Chief Financial Officer
City of Flint
1101 S. Saginaw Street, 2nd Floor
Flint, MI 48502
jlundquist@cityofflint.com
(810) 766-7268 ext. 2301

Poynter, Jacob (Treasury)

From: Poynter, Jacob (Treasury)
Sent: Friday, October 23, 2015 11:00 AM
To: Luepnitz, Ann (Treasury); Noonan, Michael (DTMB)
Cc: Walts, Brian (DTMB)
Subject: RE: Flint Ice Machine

Mike,

Below is a link to the service manual for the ice machine. The preventative maintenance is on page 18 of the manual, which needs to be done every 6 months. There is also a bin cleaning procedure that should be done every 3 months. Let me know if this is something that your staff could do for us.

http://www.iceomatic.com/uploadedFiles/Shared_Content/Product_Content/Downloads/Service_Manuals/gem520-540.pdf

Thanks,
Jacob

From: Luepnitz, Ann (Treasury)
Sent: Thursday, October 15, 2015 9:34 AM
To: Noonan, Michael (DTMB) <noonanm@michigan.gov>
Cc: Poynter, Jacob (Treasury) <PoynterJ@michigan.gov>; Walts, Brian (DTMB) <WaltsB@michigan.gov>
Subject: RE: Flint Ice Machine

Thanks, we will be in touch.

Ann Luepnitz Manager
Facility, Mail, and Data Operations
Phone: 517-636-5335
Cell: 517-410-3275
Fax: 517-322-1631

From: Noonan, Michael (DTMB)
Sent: Thursday, October 15, 2015 9:01 AM
To: Luepnitz, Ann (Treasury) <LuepnitzA@michigan.gov>
Cc: Poynter, Jacob (Treasury) <PoynterJ@michigan.gov>; Walts, Brian (DTMB) <WaltsB@michigan.gov>
Subject: Re: Flint Ice Machine

No problem at the very least we can do the filters but whatever we can do to help save.

Sent from my iPhone

On Oct 14, 2015, at 6:06 PM, Luepnitz, Ann (Treasury) <LuepnitzA@michigan.gov> wrote:

Mike,

Jacob is out until Monday, we have not renewed the Park's maintenance for FY16 yet so we may be able to work together to get it done in house or part of it. Jacob and I will discuss next week and get back to you.

Thanks,

Ann Luepnitz Manager
Facility, Mail, and Data Operations
Phone: 517-636-5335
Cell: 517-410-3275
Fax: 517-322-1631

From: Noonan, Michael (DTMB)
Sent: Wednesday, October 14, 2015 5:49 PM
To: Luepnitz, Ann (Treasury) <LuepnitzA@michigan.gov>
Cc: Poynter, Jacob (Treasury) <PoynterJ@michigan.gov>; Walts, Brian (DTMB) <WaltsB@michigan.gov>
Subject: Re: Flint Ice Machine

If I can ask what is your cost to have them on contract for flint? Can you change it? I'm not sure where Parks are from.

I have three refrigeration guys in the east zone. But at the very least we could pm it and change the filters for you.

Just my thoughts

Sent from my iPhone

On Oct 14, 2015, at 5:17 PM, Luepnitz, Ann (Treasury) <LuepnitzA@michigan.gov> wrote:

Jacob,

How often are we changing the filters in the ice machines now? Is Park's changing them?

Ann Luepnitz Manager
Facility, Mail, and Data Operations
Phone: 517-636-5335
Cell: 517-410-3275
Fax: 517-322-1631

From: Noonan, Michael (DTMB)
Sent: Wednesday, October 14, 2015 9:21 AM
To: Luepnitz, Ann (Treasury) <LuepnitzA@michigan.gov>
Cc: Poynter, Jacob (Treasury) <PoynterJ@michigan.gov>; Walts, Brian (DTMB) <WaltsB@michigan.gov>
Subject: Re: Flint Ice Machine

Right now probably two or three months

Sent from my iPhone

On Oct 14, 2015, at 8:29 AM, Luepnitz, Ann (Treasury) <LuepnitzA@michigan.gov> wrote:

How often are you thinking?

Ann Luepnitz Manager
Facility, Mail, and Data Operations
Phone: 517-636-5335
Cell: 517-410-3275
Fax: 517-322-1631

From: Noonan, Michael (DTMB)
Sent: Wednesday, October 14, 2015 6:59 AM
To: Luepnitz, Ann (Treasury) <LuepnitzA@michigan.gov>
Cc: Poynter, Jacob (Treasury) <PoynterJ@michigan.gov>; Walts, Brian (DTMB) <WaltsB@michigan.gov>
Subject: Re: Flint Ice Machine

I believe he said yes, but with the flint water concerns your better having them changed often!

Sent from my iPad

On Oct 13, 2015, at 5:30 PM, Luepnitz, Ann (Treasury) <LuepnitzA@michigan.gov> wrote:

Jacob,

Does Parks supply the filters under the contract?

Ann Luepnitz Manager
Facility, Mail, and Data Operations
Phone: 517-636-5335
Cell: 517-410-3275
Fax: 517-322-1631

From: Noonan, Michael (DTMB)
Sent: Monday, October 12, 2015 3:17 PM
To: Poynter, Jacob (Treasury) <PoynterJ@michigan.gov>; Luepnitz, Ann (Treasury) <LuepnitzA@michigan.gov>
Cc: Walts, Brian (DTMB) <WaltsB@michigan.gov>
Subject: Flint Ice Machine

Jacob,

I have a special filter for your Ice Machine on the 5th floor. It is supposed to be better for filtering lead from the water it is

3M FF101

If you have any questions let me know.

Workman, Wayne (TREASURY)

From: Workman, Wayne (TREASURY)
Sent: Friday, October 23, 2015 11:11 AM
To: Saxton, Thomas (Treasury); Fielek, Joseph L. (Treasury)
Cc: Nichols, Susan R. (Treasury)
Subject: RE: Wire Transfer Information

Agreed here. Just about getting it to Flint

From: Saxton, Thomas (Treasury)
Sent: Friday, October 23, 2015 11:08 AM
To: Workman, Wayne (TREASURY) ; Fielek, Joseph L. (Treasury)
Cc: Nichols, Susan R. (Treasury)
Subject: FW: Wire Transfer Information

I don't know that we care that it goes thru ASC do we ? ... as long as it gets done.

From: McDonald, Paul (DEQ)
Sent: Friday, October 23, 2015 10:37 AM
To: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>
Cc: Sygo, Jim (DEQ) <SygoJ@michigan.gov>
Subject: RE: Wire Transfer Information

I just spoke with Suzi and she verified no wires have been sent yet. I'll contact our ASC and process as normal. Stay tuned.

From: Saxton, Thomas (Treasury)
Sent: Friday, October 23, 2015 9:19 AM
To: McDonald, Paul (DEQ) <mcdonaldp@michigan.gov>
Cc: Sygo, Jim (DEQ) <SygoJ@michigan.gov>
Subject: RE: Wire Transfer Information

Suzie Nichols who heads up accounting for us has a call in to you

From: McDonald, Paul (DEQ)
Sent: Thursday, October 22, 2015 9:27 PM
To: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>
Cc: Sygo, Jim (DEQ) <SygoJ@michigan.gov>
Subject: RE: Wire Transfer Information

Good evening Tom,

Normally when DEQ sends a wire, we work with our MDOT Accounting Service Center (ASC) to process. Obviously this scenario is a tad different from the normal practice but it is my understanding from the conversation below, that Treasury is processing the payment on our behalf. Therefore, I believe my request to the ASC should be to process the MAIN accounting entries to reflect the wire only.

Please advise.

Paul McDonald, Assistant Chief
Administration Division



(517) 284-5003

mcdonaldp@michigan.gov

From: Sygo, Jim (DEQ)
Sent: Thursday, October 22, 2015 6:24 PM
To: McDonald, Paul (DEQ) <mcdonaldp@michigan.gov>
Subject: FW: Wire Transfer Information

FYI

From: Saxton, Thomas (Treasury)
Sent: Thursday, October 22, 2015 3:46 PM
To: Muchmore, Dennis (GOV); Khouri, Nick (TREASURY)
Cc: Sygo, Jim (DEQ); Workman, Wayne (TREASURY); Stanton, Terry A. (Treasury); Wurfel, Sara (GOV)
Subject: FW: Wire Transfer Information

Just an update... we are working on the wire transfer to the City 'as we speak'. We also have their supporting info for their pay to DWSD.

From: Natasha Henderson [<mailto:nhenderson@cityofflint.com>]
Sent: Thursday, October 22, 2015 3:23 PM
To: Byrne, Randall (Treasury) <ByrneR1@michigan.gov>
Subject: Fwd: Wire Transfer Information

Hello Randy,

You were included in this email.

Thanks,

Natasha L. Henderson, City Administrator
City of Flint, Michigan
1101 S. Saginaw St.
Flint, MI 48502
Email: nhenderson@cityofflint.com
Phone: (810) 237-2057
www.cityofflint.com

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

From: Jody Lundquist <jlundquist@cityofflint.com>
Date: Thu, Oct 22, 2015 at 2:27 PM
Subject: Wire Transfer Information

To: saxtont@michigan.gov, "Sygo, Jim (DEQ)" <sygoj@michigan.gov>, byrner1@michigan.gov
Cc: Natasha Henderson <nhenderson@cityofflint.com>

Good afternoon, Gentlemen.

Please find the City's wire transfer information below.

Bank Name: [REDACTED]
Routing #: [REDACTED]
Acct#: [REDACTED]
Account Name: [REDACTED]
Contact: [REDACTED]

A copy of the outgoing wire transfer confirmations totaling \$10 million is attached. The first wire was sent to DWSD on Friday, October 16, in the amount of \$2 million. The remaining balance of \$8 million was sent on Monday, October 19, in two separate transactions of \$3 and \$5 million due to max transfer limitations.

Please let me know if you have any questions or if I may be of any further assistance.

Best regards,

Jody N. Lundquist
Chief Financial Officer
City of Flint
1101 S. Saginaw Street, 2nd Floor
Flint, MI 48502
jlundquist@cityofflint.com
(810) 766-7268 ext. 2301

Workman, Wayne (TREASURY)

From: Christenson, Elysse (TREASURY)
Sent: Friday, October 23, 2015 12:44 PM
To: Fielek, Joseph L. (Treasury); Workman, Wayne (TREASURY); Byrne, Randall (Treasury)
Cc: Sygo, Jim (DEQ); Saxton, Thomas (Treasury); Gross, Sara (Treasury); Lindsay, Brenda (Treasury)
Subject: RE: Wire Transfer Information

Follow Up Flag: Follow up
Flag Status: Flagged

Hi all,

We've received the Flint wire request from Jennifer Dingman for \$4,000,000. I've forwarded to Joe for his approval. Once we receive his approval, we'll process the request and send fax confirmation to Jennifer Dingman. The payment will be processed today.

Feel free to contact me with questions.

Thanks,

Elysse Christenson, Departmental Analyst
Banking and Disbursements Section
Office of Financial Services
Michigan Department of Treasury
Ph: 517.636.5384
Christensone1@michigan.gov

From: Fielek, Joseph L. (Treasury)
Sent: Thursday, October 22, 2015 5:07 PM
To: Christenson, Elysse (TREASURY) ; Workman, Wayne (TREASURY) ; Byrne, Randall (Treasury)
Cc: Sygo, Jim (DEQ) ; Saxton, Thomas (Treasury) ; Gross, Sara (Treasury) ; Lindsay, Brenda (Treasury)
Subject: RE: Wire Transfer Information

Thanks for sending this Elysse.

From: Christenson, Elysse (TREASURY)
Sent: Thursday, October 22, 2015 4:11 PM
To: Fielek, Joseph L. (Treasury) <FIELEKJ@michigan.gov>; Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>; Byrne, Randall (Treasury) <ByrneR1@michigan.gov>
Cc: Sygo, Jim (DEQ) <SygoJ@michigan.gov>; Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Gross, Sara (Treasury) <GrossS1@michigan.gov>; Lindsay, Brenda (Treasury) <LindsayB2@michigan.gov>
Subject: RE: Wire Transfer Information

To initiate the wire request, please complete the attached form and fax it to Treasury's Office of Financial Services at (517) 636-5401. Being that this is a non-repetitive wire, we will need to obtain Joe Fielek or Tom Saxton's approval prior to processing. In addition to the form, please provide us with a brief memo explaining the reason for the wire.

Staff is available to process wires until 4:30 each day; however, being that we will need to obtain approvals on our end, we encourage you to fax the requested memo and form to us by 1:30.

Feel free to contact me if you have further questions or would like assistance in completing the form.

Thanks,

Elyse Christenson, Departmental Analyst
Banking and Disbursements Section
Office of Financial Services
Michigan Department of Treasury
Ph: 517.636.5384
Christensone1@michigan.gov

From: Fielek, Joseph L. (Treasury)
Sent: Thursday, October 22, 2015 4:00 PM
To: Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>; Byrne, Randall (Treasury) <ByrneR1@michigan.gov>
Cc: Sygo, Jim (DEQ) <SygoJ@michigan.gov>; Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Gross, Sara (Treasury) <GrossS1@michigan.gov>; Christenson, Elyse (TREASURY) <ChristensonE1@michigan.gov>; Lindsay, Brenda (Treasury) <LindsayB2@michigan.gov>
Subject: RE: Wire Transfer Information

Yes Jim have you DEQ accounting people work with our banking people regarding initiating a wire request.

From: Workman, Wayne (TREASURY)
Sent: Thursday, October 22, 2015 3:57 PM
To: Byrne, Randall (Treasury) <ByrneR1@michigan.gov>
Cc: Sygo, Jim (DEQ) <SygoJ@michigan.gov>; Fielek, Joseph L. (Treasury) <FIELEKJ@michigan.gov>; Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>
Subject: Re: Wire Transfer Information

DEQ starts the ball

Sent from my iPhone

On Oct 22, 2015, at 3:55 PM, Byrne, Randall (Treasury) <ByrneR1@michigan.gov> wrote:

Jim:

I have been asked by Wayne Workman to forward this to you. This is the documentation from Flint regarding their payment to DWSD of the \$10M deposit. I understand that you will forward to Joe Fielek to complete the reimbursement transaction.

Thanks,
Randy

From: Natasha Henderson [<mailto:nhenderson@cityofflint.com>]
Sent: Thursday, October 22, 2015 3:23 PM
To: Byrne, Randall (Treasury) <ByrneR1@michigan.gov>
Subject: Fwd: Wire Transfer Information

Hello Randy,

You were included in this email.

Thanks,

Natasha L. Henderson, City Administrator
City of Flint, Michigan
1101 S. Saginaw St.
Flint, MI 48502
Email: nhenderson@cityofflint.com
Phone: (810) 237-2057
www.cityofflint.com

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

From: **Jody Lundquist** <jlundquist@cityofflint.com>
Date: Thu, Oct 22, 2015 at 2:27 PM
Subject: Wire Transfer Information
To: saxtont@michigan.gov, "Sygo, Jim (DEQ)" <sygoj@michigan.gov>, byrnerl@michigan.gov
Cc: Natasha Henderson <nhenderson@cityofflint.com>

Good afternoon, Gentlemen.

Please find the City's wire transfer information below.

Bank Name: JPMorgan Chase
Routing: [REDACTED]
Account: [REDACTED]
Account Name: [REDACTED]
Contact: Amanda Trujillo

A copy of the outgoing wire transfer confirmations totaling \$10 million is attached. The first wire was sent to DWSD on Friday, October 16, in the amount of \$2 million. The remaining balance of \$8 million was sent on Monday, October 19, in two separate transactions of \$3 and \$5 million due to max transfer limitations.

Please let me know if you have any questions or if I may be of any further assistance.

Best regards,

Jody N. Lundquist
Chief Financial Officer
City of Flint
1101 S. Saginaw Street, 2nd Floor
Flint, MI 48502
jlundquist@cityofflint.com
(810) 766-7268 ext. 2301

Widigan, Robert (TREASURY)

From: Widigan, Robert (TREASURY)
Sent: Friday, October 23, 2015 12:51 PM
To: Cline, Richard (Treasury); Byrne, Randall (Treasury)
Subject: RE: Join Me Wednesday for an Update on Flint Water

OK I RSVP, it is just a telephone conference, so I can participate from home.

-Rob

From: Cline, Richard (Treasury)
Sent: Friday, October 23, 2015 10:30 AM
To: Widigan, Robert (TREASURY); Byrne, Randall (Treasury)
Subject: RE: Join Me Wednesday for an Update on Flint Water

Rob,

Go ahead and plan on attending.

I did mention this to Wayne and he agrees we should at least be aware of this.

Please report back on what transpires.

Eric Cline | Department Manager | State of Michigan
Michigan Department of Treasury | Local Government Financial Services Division | Fiscal Responsibility Section
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

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: Widigan, Robert (TREASURY)
Sent: Friday, October 23, 2015 7:34 AM
To: Byrne, Randall (Treasury) <ByrneR1@michigan.gov>; Cline, Richard (Treasury) <cliner1@michigan.gov>
Subject: FW: Join Me Wednesday for an Update on Flint Water

Randy/Eric,

I received this email yesterday, thought I'd pass it along.

Do we want someone to attend this?

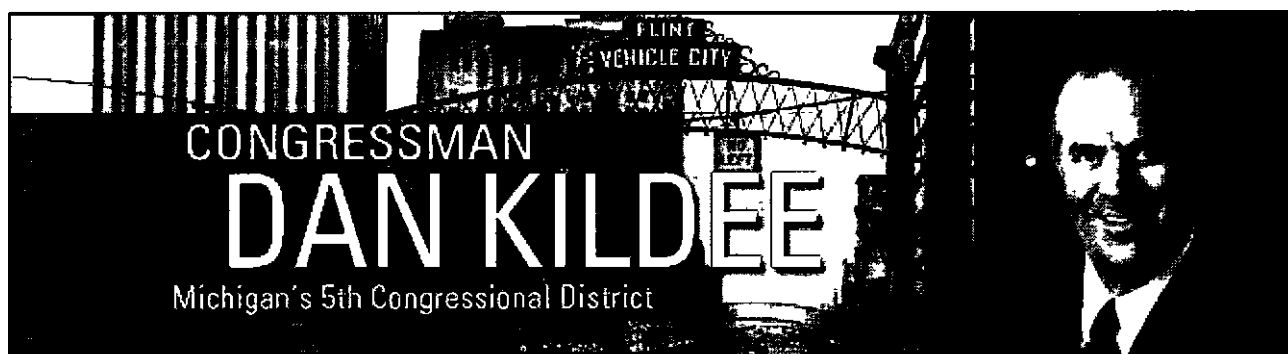
-Rob

From: "Congressman Dan Kildee" <MI05DKima@mail.house.gov>
Date: October 22, 2015 at 6:43:05 PM EDT

To: <rwidigan@gmail.com>

Subject: Join Me Wednesday for an Update on Flint Water

[Click here to open this e-mail in its own browser window](#) [Click here to open a plain text version of this email](#)



VISIT
MY WEBSITE

EMAIL ME

NEWSLETTER
SIGN UP



Dear Robert,

The Flint water crisis is a failure of government at every level, and I am committed to increasing transparency and finding answers to ensure that these failures never happen again. That's why I have called for an investigation into the causes of water problems in Flint.

Simply put, high lead levels in Flint's drinking water are unacceptable, and there must be accountability.

As part of my ongoing efforts, I am holding a **telephone town hall with constituents on Wednesday, October 28th, at 7 p.m. ET** to provide an update on my efforts. I'll be joined by both Dr. Mona Hanna-Attisha and Dr. Marc Edwards, who both conducted critical tests that exposed unacceptable lead levels in Flint. On the live call, we will also answer questions from Flint residents.

If you're interested in joining our conversation, please RSVP [here](#), or fill out the form below.

What is your preferred Prefix (Mr./Mrs./Ms./Dr., etc)?

[]

What is your First Name?

[]

What is your Last Name?

[]

What phone number would you like to use to participate in the telephone town hall?

[]

What is your Email Address?

[]

What is your Address?

[]

What is your Zip Code?

[]

[RSVP!]

[Click to open in a separate window](#)

For months, I have been pressing state and federal agencies for immediate resources and action to improve and restore confidence in water quality. At the federal level, I am pushing for resources to ensure the safety of water, but also make much-needed repairs to our city's aging water system and infrastructure. *The Flint Journal* covered these federal efforts in March. You can view them [here](#).

Additionally, I welcome the announcement recently that the U.S. Environmental Protection Agency will send technical advisors to Flint to assist the city and state. I have repeatedly asked the EPA to send these much-needed experts to help improve the water quality and hopefully restore some public confidence in the safety of our water.

Serious issues remain, and there is a long way to go before complete confidence in the city's drinking water is restored. I am committed to working to ensure that Flint residents get a thorough investigation and answers to their questions.

I hope you'll join me next Wednesday for a telephone town hall update on Flint water.

Sincerely,



Dan Kildee

Washington D.C. Office
227 Cannon HOB
Washington, DC 20515
Phone: (202) 225-3611
Hours: 9:00 a.m. - 6:00 p.m.

District Office
111 East Court Street, #3B
Flint, MI 48502
Phone: (810) 238-8627
Hours: 9:00 a.m. - 5:00 p.m.

Workman, Wayne (TREASURY)

From: Jason Lorenz <jlorenz@cityofflint.com>
Sent: Monday, October 26, 2015 4:08 PM
Subject: PRESS RELEASE: City of Flint Department of Public Works Publishes October Water Quality Report
Attachments: 3rd Quarter CoF Water Quality Report (2).pdf; October 2015 Water Quality Report.pdf

For Immediate Release**City of Flint DPW Publishes and Distributes October Water Quality Report to Water Customers**

Flint, Michigan – October 26, 2015 – The City of Flint Department of Public Works has published its Quarterly Water Quality Report for October, 2015. The Quarterly Water Quality Report provides important information about Flint's drinking water, including information about the water source, current drinking water issues, lead information, water filters, testing, 3rd quarter news, and temporary expectations when changing water sources. The report is being mailed to all City of Flint water customers and contains the following highlighted events by month:

July

- Completed the evaluation of over 8000 valves in the system and identified over 2300 that are currently inoperable. The repair of these valves will be budgeted and worked into our multi-year Capital Improvement Plan.

August

- Successfully completed the installation of Granulated Activated Carbon at the water treatment plant which reduced the TTHM level in the water and helped bring the City back into compliance with the Safe Drinking Water Act.

September

- Leak Detection on all 600 miles of the distribution system has started and is over halfway complete. Several dozen leaks have been identified and repairs continue as more leaks are found. This has decreased the amount of water loss existing in the system.
- Construction of a load out facility at our wastewater plant is on target for completion by November and will allow the City to eliminate the use of the incinerator resulting in significant annual savings.

- Over 3500 new water meters have been installed this year creating better accuracy, accountability, and decreasing the number of estimated reads on utility bills.

The report is the last to be issued showing the Flint River as a primary drinking water source and contains information on what temporary issues residents can expect during the change in water source, including hydrant flushing and possible discoloration as the water goes through the system. The report also references the submittal of a plan to the MDEQ for the addition of corrosion control agents to treated water delivered from Detroit.

Recent issues with lead leaching into drinking water as the reason for the switch in water source are mentioned in the report along with information regarding lead safety, free in-home water testing and free filters available to residents. A table containing all of the third quarter “Regulated Detected Contaminants”, a feature of every water quality report, appears at the end of the publication.

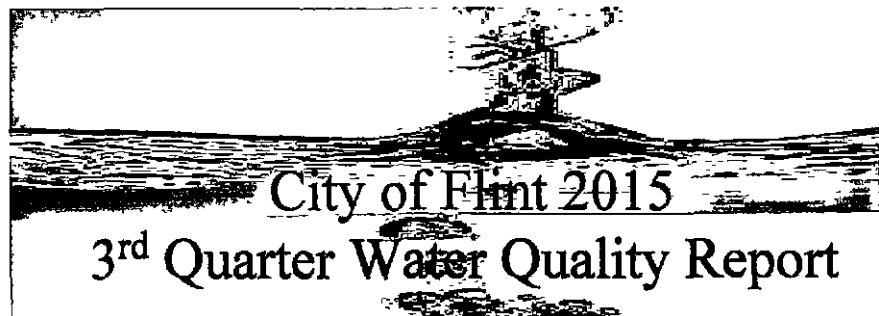
Residents with questions or concerns about water quality can call the Water Treatment Plant at 810-787-6537 or email flintwater@cityofflint.com. Continuing information on water will be provided via the City of Flint’s website, cityofflint.com.

—END—

-Jason Lorenz
Public Information Officer
City of Flint
(810) 237-2039 (Office)
(810) 875-2576 (Cell)
jlorenz@cityofflint.com



Customer Service Center
City Hall
1101 S. Saginaw St.
Flint, MI 48501



The Quarterly Water Quality Report provides important information about your drinking water. This report includes information about the water source, current drinking water issues, lead information, water filters, 3rd quarter work accomplished, and a water timeline of events. The City of Flint Department of Utilities is dedicated to providing quality drinking water to the residents of the community. The Flint Water Plant operates and maintains a certified drinking water laboratory to assure compliance with all state and federal regulations, and is committed to prompt and thorough notification to the consumers if there is any reason for concern about the quality of the drinking water. Information about your drinking water is available on the City of Flint web page at www.cityofflint.com or by calling the City of Flint Water Plant at (810) 787-6537. The Safe Drinking Water Hotline at (800) 426-4791 is a resource for health related questions and water quality issues. General drinking water information can also be found on the U.S. Environmental Protection Agency (EPA) web site at www.epa.gov/safewater/.

Water Source

The City of Flint began using the Flint River as a water source in May of 2014. After 16 months of treating water from the Flint River, the City became aware that the level of corrosiveness found in Flint River water could result in more lead leaching from service lines and household plumbing. Reports of elevated blood lead levels in children and expert analysis resulted in the City's Technical Advisory Committee making a recommendation to return to the previous source of water while waiting for the KWA to provide water from Lake Huron.

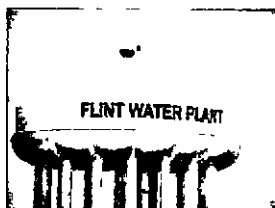
On Friday October 16th, 2015, with the consent of Governor Snyder, the City returned to Detroit as the primary source of drinking water. The decision, along with the Technical Advisory Committee's recommendation followed two consecutive lead and copper test periods that exceeded 5ug/L which calls for additional action. In addition to the switch, the City has submitted a final corrosion control design to the DEQ for comments and approval. The City has requested to use the corrosion control as an additive to treated water it will be required when the city begins treating raw water from the Karegnondi Water Authority which is anticipated to begin in the summer of 2016.

In order to make the transition possible, the City contributed \$2 Million dollars, the Mott Foundation contributed \$4 Million dollars, and the State of Michigan contributed \$ 6 Million dollars.

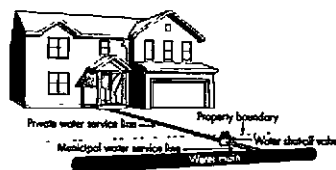
Current Drinking Water Issues & Lead Information

There has been a heightened awareness of lead leaching into drinking water through service lines and household plumbing. The City's Technical Advisory Committee has enlisted the support of EPA lead experts and is working with State of Michigan representatives to increase testing, rebuild public confidence, and implement long-term solutions to lead. It is recommended that everyone get their water tested, obtain a water filter, and check with a plumber to evaluate the type and condition of your household plumbing. The City is currently mapping all of its lead service lines and working to develop a program to get lines changed over time.

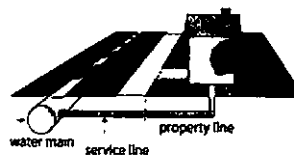
If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. The City of Flint is responsible for providing high quality drinking water, but cannot control the variety of materials used in plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 5 minutes before using water for drinking or cooking. If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline or at <http://www.epa.gov/safewater/lead>.



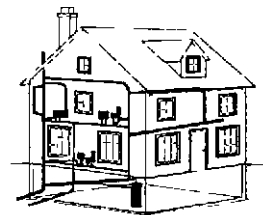
No lead in water
leaving the
Treatment Plant.



Little or no lead in
water in the
transmission mains.



Lead can leach into
water through
service lines.



Lead can leach into
water through
household plumbing.

Water Filters & Testing

Free water filters have been made available to current Flint residents at several locations. The MDHHS and the Genesee County Community Action Resource Department (GCCARD) are providing Free National Sanitation Foundation certified water filters at the following locations.

Residents receiving MDHHS assistance are encouraged to visit either the **125 E. Union St.** or **4809 Clio Rd.** MDHHS office location to obtain a free, certified home water filter. Residents who are not currently enrolled in MDHHS assistance programs should visit the (GCCARD) offices located at **2727 Lippincott** and **601 N. Saginaw** in Flint.

Staff will be onsite at all four locations from **9 a.m. to 4 p.m., Monday through Friday**, to distribute filters and assist residents who have questions about proper installation.

If you want more information on obtaining a water filter, please call 211.

Other suggestions related to water safety and testing:

- We recommend that everyone get their water tested. Call us at (810)-787-6537.
- Contact the Health Department about having your child's blood tested (810)-257-3612.
- It is advisable to have a plumber check your household plumbing.
- Check your faucet aerator (large lead solder particles can occasionally get lodged in here).

Temporary issues to be aware of when Changing Water Sources

Changing water sources back to Detroit will not fully eliminate the lead concerns. The potential for lead to leach off of certain water service lines or household plumbing will continue to exist regardless of the water source. The City is committed to increased testing, better communication, and developing a lead service line map to identify all of the City owned lead service lines.

As the city changes water sources you can expect the following:

- It could take up to three weeks for the switch in water source to reach all taps in the City.
- Over the next several weeks, we will be winterizing our hydrants which will result in discoloration of the water but will also help accelerate the water flowing through the system.
- Lead will continue to leach off of certain service lines and household plumbing.
- Main breaks could result as a change in source water occurs.
- Water could have discoloration or cloudiness, if this happens, run your faucet until the water clears, if this lasts longer than 20 minutes please report it to our water service center at (810)-766-7202.

Water Timeline

A timeline of events, beginning with signing the KWA contract leading up to the current status of switching back to our previous source of water is available on the City website and can be found by visiting the “water” page located under “residents”. Please email flintwater@cityofflint.com with your questions or to request a water test or, call the Water Plant at (810)-787-6537.

3rd Quarter Events

July

- Completed the evaluation of over 8000 valves in the system and identified over 2300 that are currently inoperable. The repair of these valves will be budgeted and worked into our multi-year Capital Improvement Plan.

August

- Successfully completed the installation of Granulated Activated Carbon at the water treatment plant which reduced the TTHM level in the water and helped bring the City back into compliance with the Safe Drinking Water Act.

September

- Leak Detection on all 600 miles of the distribution system has started and is over halfway complete. Several dozen leaks have been identified and repairs continue as more leaks are found. This has decreased the amount of water loss existing in the system.
- Construction of a load out facility at our wastewater plant is on target for completion by November and will allow the City to eliminate the use of the incinerator resulting in significant annual savings.
- Over 3500 new water meters have been installed this year creating better accuracy, accountability, and decreasing the number of estimated reads on water & sewer bills.

Contact Information

Water Treatment Plant - (810)-787-6537

Request a water test.

Request a tour of the Plant.

Ask questions about water quality.

Water Service Center - (810)-766-7202

Report a water leak or other system issues.

Water Pollution Control - (810)-766-7210

Inquiries related to wastewater treatment.

Inquiries related to converting methane gas into energy.

Customer Service – (810)-766-7015

Questions about your water & sewer bill.

Water Filters – 211

Questions about water filters.

2015 3rd Quarter Regulated Detected Contaminants – Flint River as Source

Inorganic & Organic Chemicals, Metals, and Pesticides – Monitored at treatment plant						
Regulated Contaminant	Unit of Measure	MCLG	MCL	Highest Level Detected	Range of Detection	Violation
Inorganic Chemicals						
Fluoride	mg/L	4	4	0.84	0.64 – 0.84	No
Nitrate	mg/L	10	10	N.D.	N/A	No
Metals						
Barium	mg/L	2	2	0.02	N/A	No

More than 100 other chemicals were monitored from July through September that were not detected.

The various classification groups of these chemicals include metals, carbamates, herbicides, pesticides, organics, and radiologicals.

Total Organic Carbon, TOC - Monitored at treatment plant			
Regulated Contaminant	Required Monthly % Removal	Minimum Monthly % Removal	Monthly % Removal Ranges
Total Organic Carbon	50	60	60 - 87

Turbidity - Monitored at treatment plant		
Highest Single Measurement (Cannot exceed 1NTU)	Lowest Monthly % of Samples Meeting Turbidity Limit (0.3 NTU in 95% of samples)	Violation
0.18	100 %	No

Disinfectant Residuals – Monitored in the distribution system						
Regulated Contaminant	Unit of Measure	MCLG	MCL	Highest Level Detected	Range of Detection	Violation
Total Chlorine Residual	mg/L	4.0	4.0	4.0	0.2 – 4.0	No

Microbiological Contaminants - Monitored in the distribution system				
Regulated Contaminant	MCLG	MCL	Highest Number detected (in 1 month)	Violation
Total Coliform bacteria	0	The presence of coliform bacteria in > 5% of monthly samples	1	No
E. coli Bacteria	0	0	0	No

Lead & Copper – Monitored from consumers tap					
Regulated Contaminant	Unit of Measure	MCLG	Action Level AL	Number of samples over AL	Total # of Samples Tested from January - September
Lead	ug/L	0	15	16	189
Copper	mg/L	1.3	1.3	0	189

Disinfection By-Products - Monitored in the distribution system and from treatment plant						
Regulated Contaminant	Unit of Measure	MCLG	MCL	Highest Level Detected	Range of Detection	Violation
Total Trihalomethanes (TTHM)	ug/L	n/a	80	90.3	42.6 – 90.3	N/A*
Haloacetic Acids (HAA)	ug/L	n/a	60	15.0	2.0 – 15.0	N/A*
Bromate	ug/L	10	10	N.D.	N/A	N/A*

*Violation based on locational running annual average for TTHM & HAA5, violation for bromate based on yearly average.

Key to the Detected Contaminant Tables		
Symbol	Abbreviation for	Definition/Explanation
>	Greater than	
AL	Action Level	The concentration of a contaminant, which, if exceeded, triggers treatment or other requirements which a water system must follow.
HAA5	Haloacetic Acids	HAA5 is the total of bromoacetic, chloroacetic, dibromoacetic, dichloroacetic, and trichloroacetic acids. Compliance is based on the total.
LRAA	Locational Running Annual Average	
MCL	Maximum Contaminant Level	The highest level of a contaminant that is allowed in water. MCLs are set as close to the MCLG's as feasible using the best available treatment technology.
MCLG	Maximum Contaminant Level Goal	The level of contaminant in drinking water below which there is no known or expected risk to health.
mg/L	Milligrams per Liter	A milligram = 1/1000 gram 1 milligram per liter is equal to 1ppm
MRDL	Maximum Residual Disinfectant Level	The highest level of disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.
MRDLG	Maximum Residual Disinfectant Level Goal	The level of a drinking water disinfectant below which there is no known or expected risk to health. MRDLG's do not reflect the benefits of the use of disinfectants to control microbial contaminants.
n/a	Not Applicable	
ND	Not Detected	
NTU	Nephelometric Turbidity Units	Measures the cloudiness of water.
pCi/L	Picocuries per Liter	A measure of radioactivity. Picocurie (pCi) means the quantity of radioactive material producing 2.22 nuclear transformations per minute.
ppb	Parts Per Billion (one in one billion)	The ppb is equivalent to micrograms per liter. A microgram = 1/1000 milligram.
ppm	Parts Per Million (one in one million)	The ppm is equivalent to milligrams per liter. A milligram = 1/1000 gram.
RAA	Running Annual Average	
TT	Treatment Technique	A required process intended to reduce the level of a contaminant in drinking water.
TTHM	Total Trihalomethanes	Total Trihalomethanes is the sum of chloroform, bromodichloromethane, dibromochloromethane and bromoform. Compliance is based on total.
ug/L	Micrograms per Liter	A microgram = 1/1,000,000 gram 1 microgram per liter is equal to 1ppb

Dayne Walling
Mayor



Natasha L. Henderson
City Administrator

Jason Lorenz
Public Information Officer
Office: (810) 237-2039
Cell: (810) 875-2576
jlorenz@cityofflint.com

For Immediate Release

City of Flint DPW Publishes and Distributes October Water Quality Report to Water Customers

Flint, Michigan – October 26, 2015 – The City of Flint Department of Public Works has published its Quarterly Water Quality Report for October, 2015. The Quarterly Water Quality Report provides important information about Flint's drinking water, including information about the water source, current drinking water issues, lead information, water filters, testing, 3rd quarter news, and temporary expectations when changing water sources. The report is being mailed to all City of Flint water customers and contains the following highlighted events by month:

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–CONTINUE–

Dayne Walling
Mayor



Natasha L. Henderson
City Administrator

September

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—END—

City of Flint, Michigan

*Third Floor, City Hall
1101 S. Saginaw Street
Flint, Michigan 48502
www.cityofflint.com*



Meeting Agenda - Final

Monday, October 26, 2015

6:00 PM

**AMENDED AGENDA
(To Add Reso. No. 150893)
Council Chambers**

CITY COUNCIL

*Joshua M. Freeman, President, Ward 4
Wantwaz D. Davis, Vice President, Ward 5*

*Eric Mays, Ward 1
Kerry Nelson, Ward 3
Monica Galloway, Ward 7*

*Jacqueline Poplar, Ward 2
Herbert J. Winfrey, Ward 6
Victoria VanBuren, Ward 8
Scott Kincaid, Ward 9*

Inez M. Brown, City Clerk

CALL TO ORDER**ROLL CALL****PLEDGE OF ALLEGIANCE****PRESENTATION OF COMMITTEE/COUNCIL MINUTES**

150883 Summary Minutes/Flint City Council/Regular Meeting/October 12, 2015

Summary Minutes of the Flint City Council regular meeting held Monday, October 12, 2015, at 6:20 p.m., in the City Council Chambers, 3rd Floor, City Hall.

PUBLIC HEARINGS**PUBLIC COMMENT**

Per the amended Rules Governing Meetings of the Council (as adopted by the City Council on Monday, April 27, 2015), members of the public may address the Council for three (3) minutes on ANY ITEM PERTAINING TO THIS AGENDA.

PETITIONS AND UNOFFICIAL COMMUNICATIONS

150884 Government Affairs Organization/Comcast

Communication dated October 16, 2015, Comcast to Flint City Clerk, re: Mr. John P. Gardner, Director, External Affairs, is the new Comcast government affairs liaison for the City of Flint.

COMMUNICATIONS FROM CITY OFFICIALS

150885 Traffic Engineering/Closure Permits

Lane Closures (3) dated October, 2015, re: (1) Selby Street (installing gas services-Nov. 6th); (2) Court Street (water tap-Nov. 2nd); and (3) Selby Street (installing gas main-Oct. 26th).

ADDITIONAL COMMUNICATION**APPOINTMENTS****LICENSES****RESOLUTIONS**

RESOLUTIONS - MAY BE REFERRED FROM COTW

- 150886** **Brown & Sons Co./Annual Supply/Brake Parts, Bulbs, Breakers, Sprays and Filters**

Resolution resolving that the Finance Department is hereby authorized to issue purchase orders for FY2016, FY2017, and FY2018 to Brown & Sons Co. for the annual supply of brake parts, bulbs, breakers, sprays, and filters, as requested by Fleet, in an annual amount NOT-TO-EXCEED \$140,000.00, for an aggregate amount of \$420,000.00 (pending adopting of the FY18 Budget), AND, resolving that the Finance Department has the discretion to spend an additional amount of NO-MORE-THAN 5% of the annual requested spend amount to Brown & Sons Co. for unanticipated requests that may be submitted during the next three years [Fleet/Central Garage Fund Acct. No. 661-000.000-110.400]. [City Administrator Submission No. CA1022015]

- 150887** **CO#1/Contract/Zito Construction/Water Main Cut-In Project**

Resolution resolving that the Mayor and City Administrator do all things necessary to enter into change order #1 to the contract with Zito Construction to extend the contract into the current fiscal year and pay additional work that was needed to complete the project, as requested by the Water Plant, in an amount NOT-TO-EXCEED \$19,570.00, for a revised contractual amount of \$695,870.00 [Water Fund Acct. No. 591-536.100-801.000]. [City Administrator Submission No. CA1032015]

- 150888** **Contract/Stansley Industries/Biosolids Sludge Transportation-Hauling Services**

Resolution resolving that the Mayor and City Administrator are authorized to enter into a three-year contract with Stansley Industries for [a] biosolids sludge cake transportation/hauling agreement, as requested by the Water Pollution Control, for a FY2016 amount of \$60,000.00, and pending adoption of FY2017 [Budget] of \$80,000.00, and FY2018 Budget amount of \$85,000.00, for a total award of \$225,000.00 [Sewer Fund Acct. No. 590-550.100-801.500]. [City Administrator Submission No. CA1042015]

- 150889** **Contract/Waste Management-Venice Park Landfill/Biosolids Sludge Disposal Services**

Resolution resolving that the Mayor and City Administrator are authorized to enter into a three-year contract with Waste Management/Venice Park for the disposal of the biosolids sludge cake, as requested by the Water Pollution Control, for a FY2016 amount of \$150,000.00, and pending adoption of FY2017 and FY2018 Budget amounts of \$200,000.00 each year, for a total award of \$550,000.00 [Sewer Fund Acct. No. 590-550.100-801.500]. [City Administrator Submission No. CA1052015]

- 150890** **Budget Amendment/Department of Public Works (DPW)/Michigan Department of Transportation (MDOT) Contracts**

Resolution resolving that the Department of Public Works' FY2016 Budget shall be amended with the transfer of \$189,301.57 from fund balance to Professional Services Line Item No. 202-441.702-801.000. [NOTE: In order to comply with the contractual agreement between MDOT and DPW for bridge work on I-69, and the contractual agreement between MDOT, the City of Flint, and Rowe Professional Services for the Leith Street-Stewart Avenue Bridge Project, it is necessary to replace funds liquidated during the year-end closing process and increase the FY2016 Budget with those remaining funds, for remaining project funding in the amounts of \$101,432.82 and \$87,868.75, respectively.] [City Administrator Submission No. CA1062015]

150891 Contract/Fleis & Vandenbrink/Preliminary Design and Engineering Services/Fenton Road Project

Resolution resolving that the Mayor and City Administrator are authorized to enter into a contract with Fleis & Vandenbrink using TIP funds for the preliminary design and engineering services for the Fenton Road Project, as requested by Transportation, in an amount NOT-TO-EXCEED \$156,748.60 [Major Street Fund Acct. No. 202-441.702-801.000]. [City Administrator Submission No. CA1072015]

150892 Contract/Wade Trim, Inc./Preliminary Design and Engineering Services/Kearsley Street Rehabilitation Project

Resolution resolving that the Mayor and City Administrator are authorized to enter into a contract with Wade Trim, Inc. using TIP funds for the preliminary design and engineering services for the Kearsley Street Rehabilitation Project, as requested by Transportation, in an amount NOT-TO-EXCEED \$94,000.00 [Major Street Fund Acct. No. 202-441.702-801.000]. [City Administrator Submission No. CA1082015]

150893 Charitable Gaming License/State of Michigan Lottery Charitable Gaming Division/Flint Cultural Center Corporation, Inc./Raffle

Resolution recognizing the Flint Cultural Center Corporation, Inc. as a non-profit organization operating in the City of Flint for the purpose of obtaining a charitable gaming license, issued by the Michigan Lottery Charitable Gaming Division, relative to conducting a raffle during their "Night at the Museum" event on November 14, 2015, as allowed by Act 382 of the Public Acts of 1972, as amended. [City Administrator Submission No. CA1092015]

LIQUOR LICENSES

ORDINANCES - First Reading

ORDINANCES - Second Reading

PUBLIC SPEAKERS

Per the amended Rules Governing Meetings of the Council (as adopted by the City Council on Monday, April 27, 2015), members of the public may address the Council for three (3) minutes IN GENERAL.

ADJOURNMENT



City of Flint, Michigan

Summary Meeting Minutes For CITY COUNCIL

150883

Third Floor, City Hall
1101 S. Saginaw Street
Flint, Michigan 48502
www.cityofflint.com

Joshua M. Freeman, President, Ward 4
Wantwaz D. Davis, Vice President, Ward 5

Eric Mays, Ward 1 *Jacqueline Poplar, Ward 2*
Kerry Nelson, Ward 3 *Herbert J. Winfrey, Ward 6*
Monica Galloway, Ward 7 *Victoria VanBuren, Ward 8*
 Scott Kincaid, Ward 9

Inez M. Brown, City Clerk

Monday, October 12, 2015

6:20 PM

Council Chambers

SUMMARY FOR 10/26/2015 CITY COUNCIL AGENDA

150873 Summary Minutes/Flint City Council/Regular Meeting/September 28, 2015

Summary Minutes of the Flint City Council regular meeting held Monday, September 28, 2015, at 6:01 p.m., in the City Council Chambers, 3rd Floor, City Hall.

A motion was made by Councilperson Mays, seconded by Councilperson Kincaid, that this matter be Placed on File. The motion carried by the following vote:

Aye: 8 - Councilperson Poplar, Councilperson Nelson, Chairperson Freeman, Vice President Davis, Councilperson Galloway, Councilperson VanBuren, Councilperson Kincaid and Councilperson Mays

Absent: 1 - Councilperson Winfrey

150874 Traffic Engineering/Closure Permit

Short-Term Street/Lane Closure Permit dated October 7, 2015, re: Kearsley, Robert T. Longway, Horrigan, Court, and Crapo Streets on Saturday, October 10th (Making Strides Against Breast Cancer Walk).

A motion was made by Councilperson Mays, seconded by Councilperson Nelson, that this matter be Placed on File. The motion carried by the following vote:

Aye: 8 - Councilperson Poplar, Councilperson Nelson, Chairperson Freeman, Vice President Davis, Councilperson Galloway, Councilperson VanBuren, Councilperson Kincaid and Councilperson Mays

Absent: 1 - Councilperson Winfrey

150828.1 Approval/Obsolete Property Rehabilitation District/Lapeer Road and Averill Avenue

Resolution resolving that the legally described parcels of land situated within the City of Flint, Genesee County, and State of Michigan, be and are hereby established as an Obsolete Property Rehabilitation District (3501 Lapeer Road Area District) pursuant to the provision of the Public Act 146 of 2000, as amended. [NOTE: The district encompasses properties located at 3501 Lapeer Road, 3711 Lapeer Road and 1620 Averill Avenue.]

This Matter was ADOPTED BY THE MASTER RESOLUTION on the Consent Agenda.

150863

SAW Grant Agreement/City of Flint/Michigan Finance Authority (MFA)/Michigan Department of Environmental Quality (DEQ)/Strategic Water Quality Initiatives Grant Program

Resolution resolving that the City Administrator, a position currently held by Natasha L. Henderson, is designated as the Authorized Representative for purposes of the SAW Grant Agreement, AND, the proposed form of the SAW Grant Agreement between the City of Flint, the MFA and the DEQ is hereby approved and the Authorized Representative is authorized and directed to execute the SAW Grant Agreement with such revisions as are permitted by law and agreed to by the Authorized Representative, AND, the City of Flint shall repay the Grant, within ninety (90) days of being informed to do so, with interest at a rate NOT-TO-EXCEED eight (8) percent per year, to the Authority, if the City of Flint is unable to, or decides not to, proceed with constructing the project or implementing the asset management program for which the funding is provided within three (3) years of the Grant award, AND, the Grant, if repayable, shall be a first budget obligation for the City of Flint and the City of Flint is required, if necessary, to levy ad valorem taxes on all taxable property in the City for the payment thereof, subject to applicable constitutional, statutory and local tax rate limitations, AND, the City of Flint shall not invest, reinvest or accumulate any moneys deemed to be Grant funds, nor shall it use Grant funds for the general local government administration activities or activities performed by municipal employees that are unrelated to the project, AND, the Authorized Representative is hereby jointly or severally authorized to take any actions necessary to comply with the requirements of the MFA and the DEQ in connection with the issuance of the Grant. The Authorized Representative is hereby jointly or severally authorized to execute and deliver such other contracts, certificates, documents, instruments, applications and other papers as may be required by the MFA or the DEQ or as may be otherwise necessary to effect the approval and delivery of the Grant, AND, the City of Flint acknowledges that the SAW Grant Agreement is a contract between the City, the MFA and the DEQ, AND, all resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are rescinded. [NOTE: Part 52 of the Natural Resources and Environmental Protection Act, as amended, provides that the MFA, in consultation with the DEQ, shall establish a strategic water quality initiatives grant program to provide grants to municipalities for sewage collection and treatment systems or storm water or non-point source pollution control. The City of Flint is requesting \$2,000,000.00 to establish an asset management plan.] [NOTE: Agreement is not attached.]

This Matter was ADOPTED BY THE MASTER RESOLUTION on the Consent Agenda.

150864 Contract/City of Flint/County of Genesee/Flint Holding Facility Operation

Resolution resolving that the City Administrator authorizes the appropriate city officials to do all things necessary to enter into the attached agreement with Genesee County for operation of the Flint Holding Facility. [NOTE: The City of Flint Police Department includes a 110-person holding facility with the ability to hold detainees for up to 72 hours. The Genesee County Sheriff currently operates the holding facility. The city and the sheriff have agreed to the terms of a contract for the sheriff to continue operating the facility for a contract price NOT-TO-EXCEED \$2,764,275.00. The agreement is contingent on the city receiving funding from the State of Michigan to pay the full costs of the contract and the Sheriff receiving a continued waiver from the Michigan Department of Corrections.] [NOTE: Agreement is attached.]

This Matter was ADOPTED BY THE MASTER RESOLUTION on the Consent Agenda.

150865 Budget Amendments/FY2016 Budget of the City of Flint/General Fund/Drug Law Enforcement Fund/Public Improvement Fund

Resolution resolving that the FY2016 Budget of the City of Flint is hereby amended to reflect the changes in the attached list of budget adjustments to the city's General, Drug Law Enforcement and Public Improvement Funds, dated October 7, 2015, AND, the Chief Financial Officer is authorized to do all things necessary to incorporate the attached changes into the (FY2016) Budget and to assign the appropriate account numbers. [NOTE: Budget adjustments are attached.] [City Administrator Submission No. CA0982015.]

SEPARATED FROM MASTER RESOLUTION

150866 Budget Amendments/FY2016 Budget of the City of Flint/Water Fund/Sewer Fund

Resolution resolving that the FY2016 Budget of the City of Flint is hereby amended to reflect the changes in the attached list of budget adjustments to the city's Water and Sewer Funds, dated October 7, 2015, AND, the Chief Financial Officer is authorized to do all things necessary to incorporate the attached changes into the (FY2016) Budget and to assign the appropriate account numbers. [NOTE: Budget adjustments are attached.] [City Administrator Submission No. CA0992015.]

SEPARATED FROM MASTER RESOLUTION

150872 Budget Amendment/Water and Sewer Budget/Switch Back to Detroit Water and Sewerage Department (DWSD) Water Supply

Resolution resolving that the Finance Department is authorized to process a budget amendment to the appropriate Water and Sewer funds to facilitate the switch back to the Detroit water system as soon as practicable, with specific revenue and expenditure line items to be provided by the Chief Financial Officer. [NOTE: The State of Michigan and C.S. Mott Foundation have committed \$6 million and \$4 million dollars respectively to assist the City with the cost of purchasing water from the Detroit Water and Sewerage Department (DWSD) and its successor, the Great Lakes Water Authority (GLWA), until the City is able to received water from the Karegnondi Water Authority (KWA). At this time the KWA reports that construction is on schedule to be completed by June 30, 2015 [2016]. The City estimates the total cost to purchase water through DWSD will be \$12 million for nine months. The balance of \$2 million not covered by the pledges of State and Local resources is the responsibility of the City. A budget amendment is necessary to reflect both an increase in revenues for the receipt of \$10 million in assistance and \$2 million of budgeted Use of Fund Balance, and an increase in expenditures of \$12 million for the purchase of DWSD water supply.]

SEPARATED FROM MASTER RESOLUTION

150875 Authorization/Agreements/City Administrator/Conversion to Detroit Water System

Resolution resolving that the City Administrator is authorized to enter into agreements with the Detroit Water and Sewerage Department (DWSD) and Genesee County Drain Commission (GCDC) for conversion to the Detroit Water System.

SEPARATED FROM MASTER RESOLUTION

150876 Establishment/Indigenous Peoples Day

Resolution resolving that the City of Flint shall recognize Indigenous Peoples Day on the second Monday in October and use it to reflect upon the invaluable contributions made by Indigenous Peoples to our community.

SEPARATED FROM MASTER RESOLUTION

150865 **Budget Amendments/FY2016 Budget of the City of Flint/General Fund/Drug Law Enforcement Fund/Public Improvement Fund**

Resolution resolving that the FY2016 Budget of the City of Flint is hereby amended to reflect the changes in the attached list of budget adjustments to the city's General, Drug Law Enforcement and Public Improvement Funds, dated October 7, 2015, AND, the Chief Financial Officer is authorized to do all things necessary to incorporate the attached changes into the (FY2016) Budget and to assign the appropriate account numbers. [NOTE: Budget adjustments are attached.] [City Administrator Submission No. CA0982015.]

A motion was made by Councilperson Kincaid, seconded by Councilperson Nelson, that this matter be Adopted. The motion carried by the following vote:

Aye: 7 - Councilperson Poplar, Councilperson Nelson, Chairperson Freeman, Councilperson Galloway, Councilperson VanBuren, Councilperson Kincaid and Councilperson Mays

Absent: 2 - Vice President Davis and Councilperson Winfrey

150866 **Budget Amendments/FY2016 Budget of the City of Flint/Water Fund/Sewer Fund**

Resolution resolving that the FY2016 Budget of the City of Flint is hereby amended to reflect the changes in the attached list of budget adjustments to the city's Water and Sewer Funds, dated October 7, 2015, AND, the Chief Financial Officer is authorized to do all things necessary to incorporate the attached changes into the (FY2016) Budget and to assign the appropriate account numbers. [NOTE: Budget adjustments are attached.] [City Administrator Submission No. CA0992015.]

A motion was made by Councilperson Kincaid, seconded by Councilperson Nelson, that this matter be Adopted. The motion carried by the following vote:

Aye: 8 - Councilperson Poplar, Councilperson Nelson, Chairperson Freeman, Vice President Davis, Councilperson Galloway, Councilperson VanBuren, Councilperson Kincaid and Councilperson Mays

Absent: 1 - Councilperson Winfrey

150872 Budget Amendment/Water and Sewer Budget/Switch Back to Detroit Water and Sewerage Department (DWSD) Water Supply

Resolution resolving that the Finance Department is authorized to process a budget amendment to the appropriate Water and Sewer funds to facilitate the switch back to the Detroit water system as soon as practicable, with specific revenue and expenditure line items to be provided by the Chief Financial Officer. [NOTE: The State of Michigan and C.S. Mott Foundation have committed \$6 million and \$4 million dollars respectively to assist the City with the cost of purchasing water from the Detroit Water and Sewerage Department (DWSD) and its successor, the Great Lakes Water Authority (GLWA), until the City is able to received water from the Karegnondi Water Authority (KWA). At this time the KWA reports that construction is on schedule to be completed by June 30, 2015 [2016]. The City estimates the total cost to purchase water through DWSD will be \$12 million for nine months. The balance of \$2 million not covered by the pledges of State and Local resources is the responsibility of the City. A budget amendment is necessary to reflect both an increase in revenues for the receipt of \$10 million in assistance and \$2 million of budgeted Use of Fund Balance, and an increase in expenditures of \$12 million for the purchase of DWSD water supply.]

A motion was made by Councilperson Kincaid, seconded by Councilperson Nelson, that this matter be Adopted. The motion carried by the following vote:

Aye: 8 - Councilperson Poplar, Councilperson Nelson, Chairperson Freeman, Vice President Davis, Councilperson Galloway, Councilperson VanBuren, Councilperson Kincaid and Councilperson Mays

Absent: 1 - Councilperson Winfrey

150875 Authorization/Agreements/City Administrator/Conversion to Detroit Water System

Resolution resolving that the City Administrator is authorized to enter into agreements with the Detroit Water and Sewerage Department (DWSD) and Genesee County Drain Commission (GCDC) for conversion to the Detroit Water System.

A motion was made by Councilperson Kincaid, seconded by Councilperson Nelson, that this matter be Adopted. The motion carried by the following vote:

Aye: 8 - Councilperson Poplar, Councilperson Nelson, Chairperson Freeman, Vice President Davis, Councilperson Galloway, Councilperson VanBuren, Councilperson Kincaid and Councilperson Mays

Absent: 1 - Councilperson Winfrey

150876 Establishment/Indigenous Peoples Day

Resolution resolving that the City of Flint shall recognize Indigenous Peoples Day on the second Monday in October and use it to reflect upon the invaluable contributions made by Indigenous Peoples to our community.

A motion was made by Councilperson Kincaid, seconded by Councilperson Nelson, that this matter be Adopted. The motion carried by the following vote:

Aye: 8 - Councilperson Poplar, Councilperson Nelson, Chairperson Freeman, Vice President Davis, Councilperson Galloway, Councilperson VanBuren, Councilperson Kincaid and Councilperson Mays

Absent: 1 - Councilperson Winfrey

15-5243

150886

(Bid #16000022)

SUBMISSION NO.: CA1022015PRESENTED: 10-21-15

ADOPTED: _____

**RESOLUTION TO BROWN & SONS CO. FOR THE ANNUAL SUPPLY OF BRAKE PARTS,
BULBS, BREAKERS, SPRAYS AND FILTERS**

BY THE CITY ADMINISTRATOR

RESOLUTION

The Finance Department, Purchases and Supplies Division, has solicited a bid for brake parts, bulbs, breakers, sprays and filters for a three year period as requested by the Fleet Division; and

Brown & Sons Co., 1720 Davison Rd., Flint, Michigan was the lowest responsive bidder from nine solicitations for said supplies. The funding for this purchase will come from the following account: 661-000.000-110.400; and

IT IS RESOLVED, that the Finance Department is authorized to issue purchase orders for FY16, FY17, and FY18 to Brown & Sons Co. for the annual supplies of brake parts, bulbs, breakers, sprays and filters in an annual amount not to exceed \$140,000.00 which results in an aggregate amount of \$420,000.00 over the three year period. (Fleet/Central Garage Fund) \$140,000 for FY16, \$140,000 for FY17, and \$140,000 pending adoption of the FY18 budget.

BE IT FURTHER RESOLVED, that the Finance Department has the discretion to spend an additional amount of no more than 5% of the annual requested spend amount to Brown & Sons Co for unanticipated requests that may be submitted during the next three years.

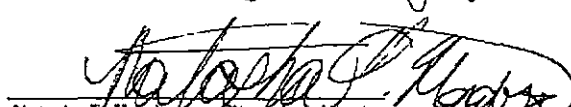
APPROVED PURCHASING DEPT.:


Derrick Jones, Purchasing Manager

APPROVED AS TO FINANCE:


Jody N. Lundquist, Chief Financial Officer

APPROVED AS TO FORM:


Peter M. Bade, Chief Legal Officer
Natasha L. Henderson, City AdministratorRECEIVERSHIP TRANSITION
ADVISORY BOARD:

CITY COUNCIL:


Joshua Freeman, Council President

FY16 - KRN

RESOLUTION STAFF REVIEW

DATE:

10/19/15

Agenda Item Title.

Annual Supply of Brake Parts, Bulbs, Breakers, Sprays and Filters

Prepared By:

Mike Rule

Background/Summary of Proposed Action:

The Fleet Garage is requesting a purchase order for our annual supply of aftermarket vehicle replacement parts. Parts to be purchased include brakes, bulbs, filters, sprays, steering, and suspension related items. These aftermarket parts allow the garage to repair our fleet of vehicles at a lower cost than purchasing OEM components

Financial Implications:

Budgeted? Yes ☒ No ☐ Please explain if no:

Account No.: 661-000.000-110.400

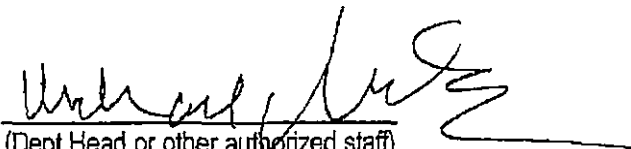
Pre-encumbered? Yes ☒ No ☐ Req# 150000404

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

Staff Recommendation: Approval

Staff Person:

(Dept Head or other authorized staff)



SEALED BID RECEIVED PURCHASING DEPARTMENT ON OCTOBER 15, 2015
FOR THREE (3) YEAR PRICING ON ANNUAL SUPPLIES OF BRAKE PARTS, BULBS, BREAKERS, SPRAYS, & FILTERS
BID #16-022

VENDOR	*Brown & Sons Co. 1720 Davison Rd. Flint, MI	*Universal Lift Parts 3752 Robert T. Longway Flint, MI	*Mid-Michigan Auto Parts 2153 Richfield Rd. Flint, MI	**O'Reilly Auto Parts 233 S. Patterson Springfield, MO
Brake Parts	\$8,147.36/unit price	\$9,321.51/unit price	\$8,663.19/unit price	\$8,602.64/unit price (represents one yr only)
Steering & Suspension	\$7,745.73/unit price	\$8,476.74/unit price	\$8,597.19/unit price	\$1,714.76/unit price (represents one yr only)
Miscellaneous	\$15,082.42/unit price	\$17,286.6/unit price	\$14,815.08/unit price	\$2,308.86/unit price (represents one yr only)
Bulbs & Breakers	\$314.27/unit price	\$370.98/unit price	\$331.56/unit price	\$153.57/unit price (represents one yr only)
Sprays	\$247.56/unit price	\$356.07/unit price	\$257.46/unit price	\$102.31/unit price (represents one yr only)
Filters	\$1,869.41/unit price	\$2,129.16/unit price	\$2,615.49/unit price	\$699.67/unit price (represents one yr only)

*The pricing that is listed represents the total three year unit pricing for each item listed in bid solicitation

**Vendor submit pricing for only one year and stated for the remaining two years that pricing will be provided at end of each fiscal year.

150887¹⁵⁻⁵²⁴⁴

(Purchasing Req. 150000845)

SUBMISSION NO.: CA1032015

PRESENTED: 10-21-15

ADOPTED: _____

RESOLUTION TO ZITO CONSTRUCTION FOR WATERMAIN CUT-IN PROJECT

BY THE CITY ADMINISTRATOR

RESOLUTION

The Finance Department, Purchasing and Supplies Division, solicited a bid in March 2014 for an initial watermain cut-in at the Water Plant and Zito Construction, 8033 Fenton Rd., Grand Blanc, Mi was the sole bidder to submit a bid; and

On March 26, 2014, the Emergency Manager authorized the Proper City Officials to enter into a contract with Zito Construction for said watermain project in an amount not to exceed \$676,300.00; and

The Water Plant is requesting the issuance of change order #1 to said contract in order to extend the contract into the current fiscal year (July 1, 2015 – June 30, 2016) and to pay for additional work that was needed to complete the project in an amount not to exceed \$19,570.00. Funding will come from the following account: 591-536.100-801.000; and

IT IS RESOLVED, that the Mayor and City Administrator do all things necessary to enter into change order #1 to the contract with Zito Construction to extend the contract into the current fiscal year and pay additional work that was needed to complete the project in an amount not to exceed \$19,570.00 for a revised contractual amount of \$695,870.00. (Water Fund)

APPROVED PURCHASING DEPT:

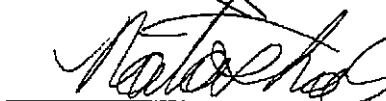

Derrick Jones, Purchasing Manager

APPROVED AS TO FINANCE:


Jody N. Lundquist, Chief Financial Officer

APPROVED AS TO FORM:


Peter M. Bade, Chief Legal Officer


Natasha L. Henderson, City Administrator

RECEIVERSHIP TRANSITION ADVISORY
BOARD:

CITY COUNCIL:

Joshua Freeman, Council President

FY16 - KRN

RESOLUTION STAFF REVIEW

DATE: September 28, 2015

Agenda Item Title. Amend Contract to Enter into Change Order #1 with Zito Construction

Background/Summary of Proposed Action

The City of Flint DPW/Utilities entered into contract 14-008 with Zito Construction for a water main cut-in for upgrades at the Water Plant. DPW/Utilities is requesting authorization to amend contract 14-088 to continue to work past the expiration date and enter into change order #1 for additional work to complete the project at a price not to exceed \$19,570.00 for a total contract price of \$695,870.00

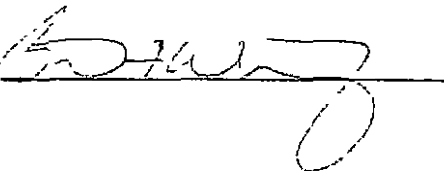
Financial Implications: None

Pre-encumbered?: Yes x No Requisition: 15000932

Account No: 591-536.100-801.000

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

Staff Recommendation: Recommend Approval

Staff Person: 

**PURCHASE ORDERS PENDING COUNCIL AND RTAB APPROVAL
WATER FUND (591) - NOVEMBER 2015 SUMMARY**

Reso #	Council Review Date	Description	Division	Approval Status	591-536.100-801.000
Amended Budget					\$ 2,320,000.00
Year-to-date Balance					\$ 232,049.25
Purchase Orders Approved					\$ 135,747.74
Available Balance					\$ 1,952,203.01
CA0602015	7/27/2015	Rowe Engineering, Inc. - Engineering Svc	DPW	RTAB Approved 8/12/15	\$ 25,000.00
CA1032015	10/26/2015	Zito Construction - Watermain Cut-In Project	Water Plant		\$ 19,570.00
Pending RTAB Approval Totals					\$ 44,570.00
Ending Year to Date Balance Pending Council and RTAB Approval					\$ 1,907,633.01

(Proposal #16-525)

15-5235
150888
SUBMISSION NO.: CA1042015

PRESENTED: 10-21-15

ADOPTED: _____

**RESOLUTION TO STANLEY INDUSTRIES FOR THREE (3) YR. BIOSOLIDS SLUDGE
TRANSPORTATION/HAULING SERVICES**

BY THE CITY ADMINISTRATOR

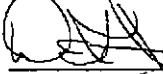
RESOLUTION

The Finance Department, Purchases & Supplies Division, has solicited proposals for a three (3) yr. biosolids sludge disposal and waste hauling services agreement for removal of the sludge cake from the Utilities Water Pollution Control Facility's new biosolids loading facility; and

Stanley Industries, 3793 Silica Road, Sylvania, OH was the lowest responsive proposal for transportation/hauling fees for a three (3) year period from five proposals received. The funding for this request will come from the following account number: 590-550.100-801.500; and

IT IS RESOLVED, that the Mayor and City Administrator are authorized to enter into a three (3) yr. contract with Stanley Industries for biosolids sludge cake transportation/hauling agreement for an FY16 amount of \$60,000.00 and pending the adoption of FY17 of \$80,000.00 and FY18 budget amount of \$85,000.00 for a total award of \$225,000.00 (Sewer Fund)

APPROVED PURCHASING DEPT.:


Derrick Jones, Purchasing Manager

APPROVED AS TO FINANCE:


Joely N. Lundquist, Chief Financial Officer

APPROVED AS TO FORM:


Peter M. Bade, Chief Legal Officer


Natasha L. Henderson, City Administrator

RECEIVERSHIP TRANSITION ADVISORY
BOARD:

CITY COUNCIL:

Joshua Freeman, Council President

FY16 – BDB

RESOLUTION STAFF REVIEW

September 2, 2015

Agenda Item Title: Biosolids Cake Hauling and Disposal Services

Prepared By: Robert J. Case, WPC Supervisor

Background/Summary of Proposed Action:

WPC is abandoning its multiple hearth incinerators to dispose of sewage sludge, and henceforth will send it to a landfill, as a cost-saving measure. A new Biosolids Loadout Facility under construction will soon enable offsite disposal. Contracts are now needed with a suitable licensed landfill and a trucker to transport and dispose of the cake offsite.

Financial Implications:

A significant reduction in utility and manpower costs will result, and also avoid the need to spend millions to bring the incinerators into compliance with new regulations. Please approve a three year agreement for Sludge Hauling and Disposal for fiscal years 2016, 2017, and 2018. The approved FY2016 budgeted amount is \$210,000.00 (\$150,000 Landfill, \$60,000 Sludge Hauling), future allocations to be determined upon budget adoption. Use account number 590-550.100-801.500.

Budgeted Expenditure: Yes: ☒ No: ☐ Please explain if no:

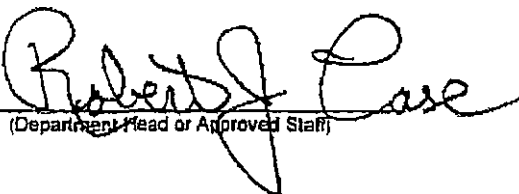
Account No.: 590-550.100-801.500 - \$210,000.00

Pre-encumbered: Yes: ☒ No: ☐ Requisition: 1500000547

Other Implications (i.e., collective bargaining): None

Staff Recommendation: Approve

Staff Person:


(Department Head or Approved Staff)

Read this for # 157888 in

SEALED PROPOSAL RECEIVED PURCHASING DEPARTMENT ON AUGUST 3, 2015
FOR THREE (3) YEAR BIOSOLIDS WASTE HAULING & DISPOSAL SERVICES
PROPOSAL #16-525

HAULING SERVICES

VENDOR	Stansley Industries 3793 Silica Rd. Sylvania, OH	Metro Sanitation 9831 Tuscola Clio, MI
Yr. 1	\$7.00/ton	\$14.48/ton
Yr. 2	\$7.25/ton	\$15.40/ton
Yr. 3	\$7.50/ton	\$16.42/ton

**PURCHASE ORDERS PENDING COUNCIL AND RTAB APPROVAL
SEWER FUND (590) - NOVEMBER 2015 SUMMARY**

Reso #	Council Review Date	Description	Division	Approval Status	590-550.100-801.500
Amended Budget					
Year-to-date Balance					
Purchase Orders Approved					
Available Balance					
CA1042015	10/26/2015	Stanley Industries - Biosolids Sludge Hauling	WPC		\$ 200,000.00
CA1052015	10/26/2015	Waste Management/Venice Park Landfill - Biosolids Sludge Disposal	WPC		\$ -
					\$ -
					\$ 200,000.00
Pending RTAB Approval Totals					
					\$ 200,000.00
Ending Year to Date Balance Pending Council and RTAB Approval					
					\$ -

(Proposal #16-525)

SUBMISSION NO.:

15-5234
150889
CA 1052015

PRESENTED:

10-21-15

ADOPTED:

**RESOLUTION TO WASTE MANAGEMENT/VENICE PARK LANDFILL FOR THREE (3) YR.
BIOSOLIDS SLUDGE DISPOSAL SERVICES**

BY THE CITY ADMINISTRATOR

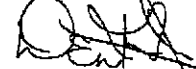
RESOLUTION

The Finance Department, Purchases & Supplies Division, has solicited proposals for a three (3) yr. biosolids sludge disposal and waste hauling services agreement for removal of the sludge cake from the Utilities Water Pollution Control Facility's new biosolids loading facility; and

Waste Management/Venice Park, 9536 Lennon Road, Lennon, Michigan was the best total cost solution for landfill disposal fees in conjunction with transportation/hauling fees with the city's recommended sludge hauling contractor for a three (3) year period from five proposals received. The funding for this request will come from the following account number: 590-550.100-801.500; and

IT IS RESOLVED, that the Mayor and City Administrator are authorized to enter into a three (3) yr. contract with Waste Management/Venice Park for the disposal of the biosolids sludge cake for an FY16 amount of \$150,000.00 and pending the adoption of FY17 and FY18 budget amounts of \$200,000.00 each year for a total award of \$550,000.00 (Sewer Fund)

APPROVED PURCHASING DEPT.:

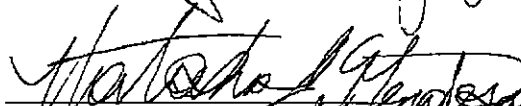

Derrick Jones, Purchasing Manager

APPROVED AS TO FINANCE:


Jody N. Lundquist, Chief Financial Officer

APPROVED AS TO FORM:


Peter M. Bade, Chief Legal Officer


Natasha L. Henderson, City Administrator

RECEIVERSHIP TRANSITION ADVISORY
BOARD

CITY COUNCIL:

Joshua Freeman, Council President

FY16 - BDB

SEALED PROPOSAL RECEIVED PURCHASING DEPARTMENT ON AUGUST 3, 2015
FOR THREE (3) YEAR BIOSOLIDS WASTE HAULING & DISPOSAL SERVICES
PROPOSAL #16-525

DISPOSAL SERVICES

VENDOR	Republic - Citizens 2361 W. Grand Blanc Rd. Grand Blanc, MI	*Waste Management 9536 E. Lennon Rd. Lennon, MI	Brent Run 8385 Vienna Rd. Montrose, MI
Yr. 1	\$18.00/ton	\$19.00/ton	\$26.93/ton
Yr. 2	\$18.00/ton	\$19.79/ton	\$27.86/ton
Yr. 3	\$18.00/ton	\$20.61/ton	\$28.83/ton

*An Alternate Proposal from Waste Management was included in its sealed proposal and reviewed. This proposal appears to offer the lowest cost and best value solution for the City. Waste Management offers to accept 11,000 tons per year of biosolids cake at the Venice Park landfill with no tip fee. In exchange, the City WPC Facilities would accept 11,000,000 gallons per year of leachate trucked in from two other landfills owned by Waste Management. As a result of this trade in services, the City will incur no cost landfill biosolid cakes.

RESOLUTION STAFF REVIEW

September 2, 2015

Agenda Item Title: Biosolids Cake Hauling and Disposal Services

Prepared By: Robert J. Case, WPC Supervisor

Background/Summary of Proposed Action:

WPC is abandoning its multiple hearth incinerators to dispose of sewage sludge, and henceforth will send it to a landfill, as a cost-saving measure. A new Biosolids Loadout Facility under construction will soon enable offsite disposal. Contracts are now needed with a suitable licensed landfill and a trucker to transport and dispose of the cake offsite.

Financial Implications:

A significant reduction in utility and manpower costs will result, and also avoid the need to spend millions to bring the incinerators into compliance with new regulations. Please approve a three year agreement for Sludge Hauling and Disposal for fiscal years 2016, 2017, and 2018. The approved FY2016 budgeted amount is \$210,000.00 (\$150,000 Landfill, \$60,000 Sludge Hauling), future allocations to be determined upon budget adoption. Use account number 590-550.100-801.500.

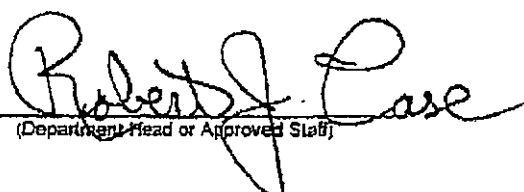
Budgeted Expenditure: Yes: ☒ No: ☐ Please explain if no:

Account No.: 590-550.100-801.500 - \$210,000.00

Pre-encumbered: Yes: ☒ No: ☐ Requisition: 1500000547

Other Implications (i.e., collective bargaining): None

Staff Recommendation: Approve

Staff Person: 
(Department Head or Approved Staff)

**PURCHASE ORDERS PENDING COUNCIL AND RTAB APPROVAL
SEWER FUND (590) - NOVEMBER 2015 SUMMARY**

Reso #	Council Review Date	Description	Division	Approval Status	590-550.100-801.500
Amended Budget					
		Year-to-date Balance			\$ 200,000.00
		Purchase Orders Approved			\$ -
		Available Balance			\$ -
					\$ 200,000.00
CA1042015	10/26/2015	Slansley Industries - Biosolids Sludge Hauling	WPC		60,000.00
CA1052015	10/26/2015	Waste Management/Venice Park Landfill - Biosolids Sludge Disposal	WPC		140,000.00
Pending RTAB Approval Totals					\$ 200,000.00
Ending Year to Date Balance Pending Council and RTAB Approval					\$ -

150890

CA SUBMISSION NO.: CA1062015

PRESENTED: 10-21-15

ADOPTED: _____

Resolution Authorizing Appropriate City of Flint Officials to Do All Things Necessary to Process a Budget Amendment to Transfer \$189,301.57 From Fund Balance Into the 202-441.702-801.000 Ledger Account

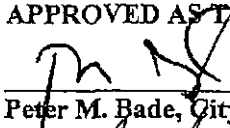
BY THE CITY ADMINISTRATOR:

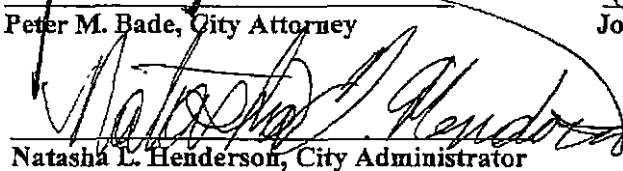
EM2332014 authorized the City of Flint to enter into contract with MDOT to perform reconstruction, bridge widening, and bridge replacement work on I-69. In order to comply with the contractual agreement between MDOT and Department of Public Works, it is necessary replace funds liquidated during the year-end closing process and increase the FY16 budget by those remaining funds. Funding remaining on this project is \$101,432.82.

EMO742013 authorized the City of Flint to enter into contract with Rowe Professional Services for preliminary and construction engineering services on the MDOT Leith St.-Stewart Ave Bridge project. In order to comply with the contractual agreement between City of Flint, MDOT, and Rowe Professional Services, it is necessary replace funds liquidated during the year-end closing process and increase the FY16 budget by those remaining funds. Funding remaining on this project is \$87,868.75.

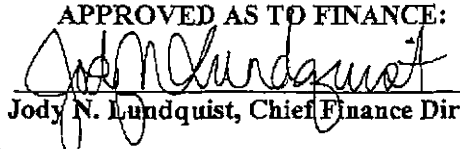
IT IS RESOLVED, that Department of Public Works' FY16 budget shall be amended with the transfer of \$189,301.57 from fund balance to line item 202-441.702-801-000 Professional Services.

APPROVED AS TO FORM:


Peter M. Bade, City Attorney


Natasha L. Henderson, City Administrator

APPROVED AS TO FINANCE:


Jody N. Lundquist, Chief Finance Director

CITY COUNCIL:

Joshua Freeman, Council President

102115-SYR

RESOLUTION STAFF REVIEW

DATE: October 21, 2015

Agenda Item Title: Budget Amendment

Prepared By: Shawanda Roebuck for Howard Croft, Director of Department of Public Works

Background/Summary of Proposed Action: On April 11, 2014, resolution number EME2332014 was adopted giving the City of Flint authorization to enter into contract # 14-020 with MDOT to perform reconstruction, bridge widening, and bridge replacement work on I-69. The local share of the construction project estimated at \$343,000.00, however, the project was not completed in FY15, and the remaining authorized funds were rolled into fund balance. Approval for use of fund balance is needed to comply with contractual terms of the contract.

In addition, on July 13, 2013 resolution number EMO742013 authorized the City of Flint to enter into contract # 15-083 with Rowe Professional Services to provide preliminary and construction engineering services for the MDOT Leith St. -Stewart Ave Bridge project for \$137,940.00. The project was not completed in FY14, and the authorized funds were rolled into fund balance. Approval for use of fund balance is needed to comply with contractual terms of the contract.

Financial Implications: MDOT has the authority under Public Act 51 of 1951 to request the Treasurer to withhold the City's MTF payment to secure the City's participation in the I-69 project, as well as being in breach of contract for failure to comply with payment terms of the Leith St.-Stewart Ave Bridge project.

Budgeted Expenditure? Yes ☒ No ☐ Please explain if no:

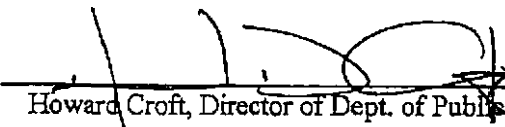
Account No.: 202-441.702-801.000

Pre-encumbered? Yes ☐ No ☐ Requisition #

Other Implications (i.e., collective bargaining): None

Staff Recommendation: Recommend Approval

Staff Person:


Howard Croft, Director of Dept. of Public Works

150891

SUBMISSION NO.: CA1072015

PRESENTED: 10-21-15

ADOPTED: _____

**RESOLUTION TO FLEIS & VANDENBRINK FOR PRELIMINARY DESIGN AND
ENGINEERING SERVICES FOR FENTON ROAD PRELIMINARY ENGINEERING**

BY THE CITY ADMINISTRATOR:

RESOLUTION

The Department of Public Works & Utilities, Transportation Department has solicited a proposal from one of the pre-qualified engineering vendors for the preliminary design and engineering services for the Fenton Road project, and

Fleis & Vandenbrink, 9475 Holly Rd., Suite 201, Grand Blanc, MI submitted a proposal to provide said services to the Fenton Rd. project. The funding for this request will come from the following account number: 202-441.702-801.000; and

IT IS RESOLVED, that the Mayor and City Administrator are authorized to enter into a contract with Fleis & Vandenbrink using TIP funds for the preliminary design and engineering services for the Fenton Road project in the amount not to exceed \$156,748.60 (Major Street Fund)

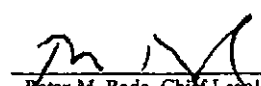
APPROVED PURCHASING DEPT.:

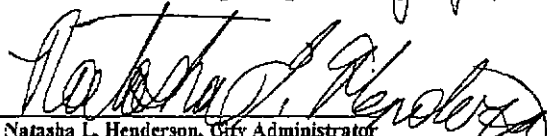

Derrick Jones, Purchasing Manager

APPROVED AS TO FINANCE:


Jody N. Lundquist, Chief Financial Officer

APPROVED AS TO FORM:


Peter M. Bade, Chief Legal Officer


Natasha L. Henderson, City Administrator

RECEIVERSHIP TRANSITION ADVISORY
BOARD:

CITY COUNCIL:

Joshua Freeman, Council President

102015 – KRN

RESOLUTION STAFF REVIEW

Date: October 21, 2015

Agenda Item Title: Resolution to Fleis & Vandenbrink for PE services for Fenton Rd. rehabilitation project

Prepared By: Kathryn Neumann on behalf of Howard Croft

Background/Summary of Proposed Action:

The City of Flint has four pre-qualified engineering firms. Fleis & Vandenbrink was selected to submit a proposal for the Fenton Rd. rehabilitation project.

The Fenton Rd. rehabilitation project will include design in accordance with MDOT standards and specifications and will be completed in accordance with MDOT's Local Agency Program Plan Preparation and 3R Design Guidelines. Proposed work will include reducing Fenton Rd. from four lanes to three lanes, resurfacing the roadway, storm sewer improvements, curb repairs/replacements as needed, joint repairs, structure adjustments, driveway approaches, sidewalk repairs/replacements as needed as well as ADA sidewalk ramps at all controlled intersections.

Financial Implications: The City must expedite the design of the project in order for the project to be submitted to MDOT for review and approval prior to the funding obligation deadline. If the plans are not completed and approved, MDOT cannot obligate federal funds to the project.

Budgeted Expenditure? Yes ☒ No Please explain if no:

Account No.: 202-441.702-801.000

Pre-encumbered? Yes ☒ No Requisition # 15-972

Other Implications (i.e., collective bargaining): None

Staff Recommendation: Recommend Approval

Staff Person: 
Howard Croft, Director of Public Works

**PURCHASE ORDERS PENDING COUNCIL AND RTAB APPROVAL
MAJOR STREET FUND (202) - NOVEMBER 2015 SUMMARY**

Reso #	Council Review Date	Description	Division	Approval Status	202-441,702-801,000
Amended Budget					\$ 1,276,719.03
Year-to-date Balance					\$ 217,557.92
Purchase Orders Approved					\$ 160,565.42
Available Balance					\$ 898,595.69
CA1072015	10/26/2015	Fleis & Vanderbrink - Fenton Rd Prelim. Engineering	DPW		\$ 156,748.60
CA1082015	10/26/2015	Wade Trim - Kearsley Street Rehab Project	DPW		\$ 94,000.00
Pending RTAB Approval Totals					\$ 250,748.60
Ending Year to Date Balance Pending Council and RTAB Approval					\$ 647,847.09

150892

SUBMISSION NO.: CA 1082015

PRESENTED: 10-21-15

ADOPTED: _____

**RESOLUTION TO WADE TRIM, INC. FOR PRELIMINARY DESIGN AND ENGINEERING
SERVICES FOR KEARSLEY STREET REHABILITATION PROJECT**

BY THE CITY ADMINISTRATOR:

RESOLUTION

The Department of Public Works & Utilities, Transportation Department has solicited a proposal from one of the pre-qualified engineering vendors for the preliminary design and engineering services for the Kearsley Street Rehabilitation project, and

Wade-Trim, Inc., 555 S. Saginaw St., Flint, MI submitted a proposal to provide said services to the Kearsley Street project. The funding for this request will come from the following account number: 202-441.702-801.000; and

IT IS RESOLVED, that the Mayor and City Administrator are authorized to enter into a contract with Wade Trim, Inc. using TIP funds for the preliminary design and engineering services for the Kearsley Street Rehabilitation project in the amount not to exceed \$94,000.00 (Major Street Fund)

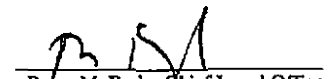
APPROVED PURCHASING DEPT.:


Derrick Jones, Purchasing Manager

APPROVED AS TO FINANCE:


Jody N. Lundquist, Chief Financial Officer

APPROVED AS TO FORM:


Peter M. Bade, Chief Legal Officer


Natasha L. Henderson, City Administrator

RECEIVERSHIP TRANSITION ADVISORY
BOARD:

CITY COUNCIL:

Joshua Freeman, Council President

102015 – KRN

RESOLUTION STAFF REVIEW

Date: October 21, 2015

Agenda Item Title: Resolution to Wade Trim for PE services for Kearsley St. rehabilitation project

Prepared By: Kathryn Neumann on behalf of Howard Croft

Background/Summary of Proposed Action:

The City of Flint has four pre-qualified engineering firms. Wade Trim was selected to submit a proposal for the Kearsley Street rehabilitation project.

The Kearsley Street rehabilitation project will include design in accordance with MDOT standards and specifications and will be completed in accordance with MDOT's Local Agency Program Plan Preparation and 3R Design Guidelines. The project will consist of work from Chevrolet Avenue to Beach Street. Proposed work will include resurfacing the roadway, storm sewer improvements, curb repairs/replacements as needed, joint repairs, structure adjustments, driveway approaches, sidewalk repairs/replacements as needed as well as ADA sidewalk ramps at all controlled intersections.

Financial Implications: The City must expedite the design of the project in order for the project to be submitted to MDOT for review and approval prior to the funding obligation deadline. If the plans are not completed and approved, MDOT cannot obligate federal funds to the project.

Budgeted Expenditure? Yes ☒ No Please explain if no:

Account No.: 202-441.702-801.000

Pre-encumbered? Yes ☒ No Requisition # 15-971

Other Implications (i.e., collective bargaining): None

Staff Recommendation: Recommend Approval

Staff Person: _____

Howard Croft, Director of Public Works

**PURCHASE ORDERS PENDING COUNCIL AND RTAB APPROVAL
MAJOR STREET FUND (202) - NOVEMBER 2015 SUMMARY**

Reso #	Council Review Date	Description	Division	Approval Status	202-441.702-801.000
Amended Budget					
		Year-to-date Balance			\$ 1,276,719.03
		Purchase Orders Approved			\$ 217,557.92
		Available Balance			\$ 160,565.42
					\$ 898,595.69
CA1072015	10/26/2015	Fleis & Vanderbrink - Fenton Rd Prelim. Engineering	DPW		\$ 158,748.60
CA1082015	10/26/2015	Wade Trim - Kearsley Street Rehab Project	DPW		\$ 94,000.00
Pending RTAB Approval Totals					\$ 250,748.60
Ending Year to Date Balance Pending Council and RTAB Approval					\$ 647,847.09

150893

RESOLUTION NO.: CA 1092015

PRESENTED: 10-15-15

ADOPTED: _____

**RESOLUTION RECOGNIZING THE FLINT CULTURAL CENTER CORPORATION, INC.
AS A NON-PROFIT ORGANIZATION OPERATING IN THE CITY OF FLINT FOR THE
PURPOSE OF OBTAINING A CHARITABLE GAMING LICENSE, ISSUED BY THE
MICHIGAN LOTTERY CHARITABLE GAMING DIVISION, RELATIVE TO
CONDUCTING A RAFFLE ON NOVEMBER 14, 2015**

BY THE CITY ADMINISTRATOR:

The Flint Cultural Center Corporation, Inc. is a Michigan non-profit organization whose purpose is to foster cultural activity and community vitality through history, science and the arts; and

The City of Flint, being the local governing body with authority to recognize said organization as a non-profit located within the city as a charitable organization, and the Flint Cultural Center Corporation, Inc., a Michigan non-profit organization, having made proper application for a Charitable Gaming License through the State of Michigan's Charitable Gaming Division to conduct a raffle on November 14, 2015, during their event "Night at the Museum," submit this resolution in accordance with the qualification process pursuant to the State of Michigan, Bureau of State Lottery, as allowed by Act 382 of the Public Acts of 1972, as amended.

IT IS RESOLVED that the Flint Cultural Center Corporation, Inc. is recognized as a non-profit organization operating in the City of Flint for the purpose of obtaining a charitable gaming license, issued by the Michigan Lottery Charitable Gaming Division, relative to conducting a raffle on November 14, 2015, during their event "Night at the Museum," as allowed by Act 382 of the Public Acts of 1972, as amended.

APPROVED AS TO FORM:

FOR THE CITY OF FLINT:


for Peter M. Bade, City Attorney


Natasha L. Henderson, City Administrator

APPROVED BY THE FLINT CITY COUNCIL:

FILED

NOV 05 1992

CERTIFICATE OF AMENDMENT TO THE ARTICLES OF INCORPORATION
OF

Michigan
MICHIGAN DEPARTMENT OF COMMERCE
Corporation & Securities Bureau

THE COMMITTEE OF SPONSORS FOR THE
FLINT COLLEGE AND CULTURAL DEVELOPMENT, INC.,
a Michigan nonprofit corporation

Effective Date: November 15, 1992

Pursuant to the provisions of Act 162, Public Acts of 1982, as amended, the undersigned corporation executes the following Certificate:

1. The present name of the corporation is THE COMMITTEE OF SPONSORS FOR THE FLINT COLLEGE AND CULTURAL DEVELOPMENT, INC.

2. The corporation identification number (CID) assigned by the Bureau is 832381.

3. The location of its registered office is:

352 S. Saginaw Street, Ste. 707
Flint, MI 48502-1923

4. Article I of the Articles of Incorporation is hereby amended to read as follows:

Article I.

The name of the Corporation is FLINT CULTURAL CENTER CORPORATION, INC.

5. Article IX of the Articles of Incorporation is hereby amended to read as follows:

Article IX.

a. The members of the Corporation shall be Flint Institute of Arts, Flint Institute of Music, Flint Public Library, Flint Youth Theatre, Longway Planetarium, Sloan Museum, and WFBE-FM.

b. The Board of Directors may approve other area cultural organizations as members of the Corporation.

c. The members of the Corporation shall have no authority with respect to the business of the Corporation and shall have no vote.

NEITHERCUT, KLAPP,
DILLARD, BANAS
& GROSSMANN
ATTORNEYS AT LAW
600 GENESEE TOWERS
117, MICHIGAN 48502-1923
313-6603 767-0666

RECEIVED

RECEIVED

NOV 3 1992

OCT 21 1992

MICHIGAN DEPT. OF COMMERCE

MICHIGAN DEPT. OF COMMERCE
CORPORATION & SECURITIES

6. The Articles of Incorporation are hereby amended by the addition of the following Articles:

Article XI.

The Corporation is organized on a directorship basis.

Article XII.

The Board of Directors of the Corporation shall have charge, control and management of the business, property, affairs and funds of the Corporation and shall have the power and authority to do and perform all acts and functions permitted for an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, not inconsistent with these Articles of Incorporation, or with the laws of the State of Michigan. The Board of Directors of the Corporation shall be elected or appointed and removed as provided in the Bylaws of the Corporation.

Article XIII.

To the fullest extent permitted under the Michigan Nonprofit Corporation Act, as amended, the Corporation assumes all liability to any person, other than the Corporation, for all acts or omissions of a volunteer Director incurred in the good faith performance of the volunteer Director's duties as such; provided, however, the Corporation shall not be considered to have assumed any liability to the extent such assumption is inconsistent with the Corporation's status as an organization described in Section 501(c)(3) of the Code. Any repeal, amendment or other modification of this Article will not adversely affect any right or protection of a Director of the Corporation existing at the time of such repeal, amendment or other modification.

Article XIV.

The Corporation shall indemnify to the fullest extent authorized or permitted by the Michigan Nonprofit Corporation Act, as amended, in accordance with the procedures of the Michigan Nonprofit Corporation Act, as amended, any person who is or was made or threatened to be made a party to any action, suit or proceeding (whether civil, criminal, administrative or investigative) by reason of the fact that such person is or was a Director, officer, employee or agent of the Corporation or serves or served any other enterprise at the request of the

NEITHERCUT, KLAPP,
DILLARD, BANAS
& GROSSMANN
ATTORNEYS AT LAW
1000 GENESEE TOWERS
SUITE 1700, DETROIT, MICHIGAN 48226-1955
313-56503 787-8680

Corporation. The indemnification provided herein and by the laws of the State of Michigan shall not be deemed exclusive of any other rights to which any person indemnified may be entitled under any agreement, vote of disinterested Directors, or otherwise.

Article XV.

The Board of Directors shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a trustee, director, officer, partner, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in such capacity or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under any applicable laws or governmental regulations.

Article XVI.

Any action required or permitted by the Michigan Nonprofit Corporation Act to be taken at an annual, regular or special meeting of the Directors may be taken without a meeting, without prior notice and without a vote if all of the Directors entitled to vote thereon consent in writing. Such written consents shall be filed with the minutes of the Corporation and shall have the same effect as a vote of the Directors for all purposes.

7. This Certificate of Amendment shall become effective November 15, 1992.

7. The foregoing amendment to the Articles of Incorporation was duly adopted on the 12th day of October 1992. The amendment was duly adopted in accordance with Section 611(2) of the Act by the vote of the members. The necessary votes were cast in favor of the amendment.

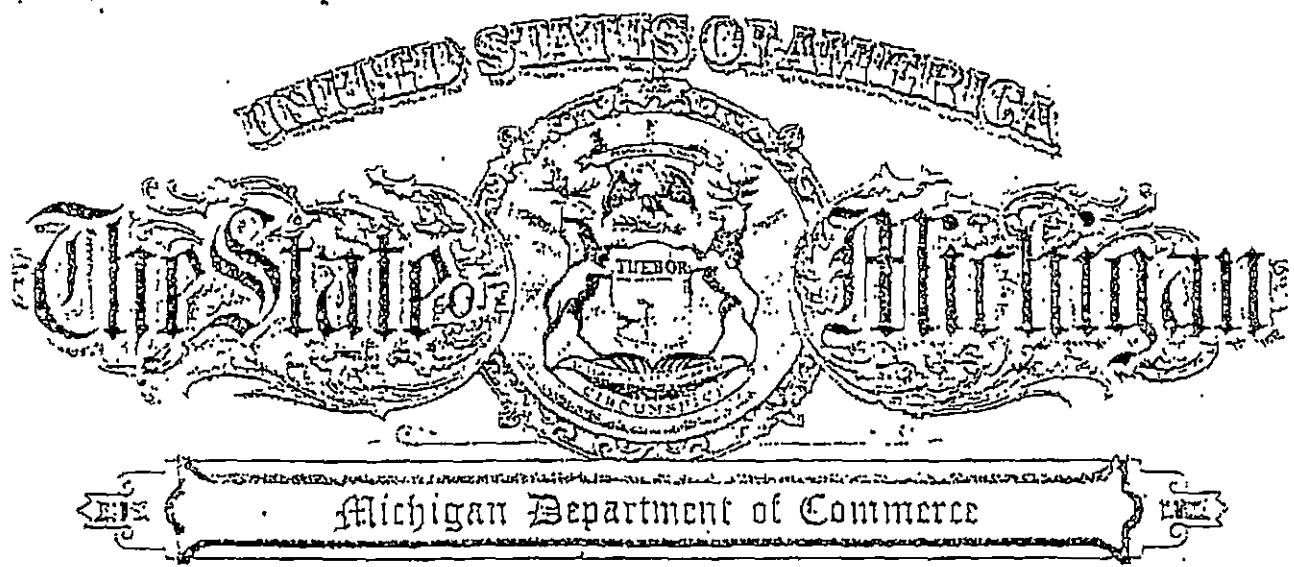
Signed this 19 day of October, 1992.

By: Paul C. Visser
Paul C. Visser
Its President

NEITHERCUT, KLAPP
DILLARD, BANAS
& GROSSMANN
ATTORNEYS AT LAW
1600 GENESEE TOWERS
FLINT, MICHIGAN 48502-1855
313-6603 767-8886

When filed, please return to:

Edward J. Neithercut P18217
Attorney at Law
1600 Genesee Towers
Flint, MI 48502
(313) 235-6603



Lansing, Michigan

This is to Certify That the Annexed Copy of

Articles of Incorporation and Amendment of THE COMMITTEE OF SPONSORS
FOR THE FLINT COLLEGE AND CULTURAL DEVELOPMENT, INC.

*has been compared by me with the record on file in this Department and that the
same is a true copy thereof, and the whole of such record.*

*In testimony whereof, I have hereunto set my
hand and affixed the Seal of the Department,
in the City of Lansing, this 30th day
of June 19 83*

R. D. ... Director

(Noted)

ARTICLES OF INCORPORATION

These Articles of Incorporation are signed and acknowledged by the incorporators for the purpose of forming a non-profit corporation under the provisions of Act No 325 of the Public Acts of 1911, as amended, as follows:

ARTICLE I.

THE COMMITTEE OF SPONSORS FOR
THE FLINT COLLEGE AND CULTURAL DEVELOPMENT, INC.

ARTICLE II.

The purpose or purposes for which the corporation is formed are as follows:

To plan and encourage the development of an area in the City of Flint upon which the central Cultural and Education facilities of the city are to be located, including a museum, auditorium, theater, library, art institute, planetarium, the buildings of the Flint Junior College and the Flint College of the University of Michigan and other similar educational and cultural facilities. To acquire and assist in acquiring the site for such center. To supervise and cooperate in the supervision of the location, planning and construction of such structures. To encourage gifts to the Board of Education of the City of Flint for the foregoing purposes. To receive gifts for such purposes and to transmit the same unto the said Board of Education. To establish a trust fund for the purpose of maintenance of such buildings and grounds and to receive gifts on behalf of such trust fund. To conduct such other educational and cultural activities as may be related to the foregoing purposes. To conduct campaigns and drives to accomplish the foregoing purposes. To conduct or to cooperate with others in the conduct of civic celebrations for the purpose of publicizing the plans, purposes and accomplishments of this corporation. To cooperate with, collect, and develop the cooperation of and between all persons, corporations, and other organizations and agencies, both public and private, engaged or interested in, or in any manner connected with, any or all of the foregoing purposes. To do any and all lawful acts which may be necessary, useful, suitable, desirable, and proper for the furtherance, accomplishment and attainment of any or all of the foregoing purposes. No asset of this corporation (including earnings) shall be to the benefit of any member or any individual. This corporation shall not carry on propaganda or otherwise attempt to influence legislation.

ARTICLE III.

The principal office of the corporation is:

200 East Kearsley Street, Flint 3, Michigan

The office address of the first registered office is:

200 East Kearsley Street, Flint 3, Michigan

ARTICLE IV.

The name of the first resident agent is Robert T. Longway.

ARTICLE V.

Said corporation is organized upon a non-stock basis.

(b)

The amount of assets which said corporation possesses is: NONE

Said corporation is to be financed under the following general plan:

Contributions of individuals, associations and corporations.

ARTICLE VI.

The names and places of residence, or business, of each of the incorporators are as follows:

Names	Residence or Business Addresses
F. A. Bower	807 Genesee Bank Bldg., Flint, Michigan
Robert T. Longway	807 Genesee Bank Bldg., Flint, Michigan
J. E. Burroughs	809 Citizens Bank Bldg., Flint, Michigan
M. A. Gorman	2003 Calumet Ave., Flint, Michigan
Ellis Warren	915 E. Court Street, Flint, Michigan
Karlson H. Curless	1810 Overhill Drive, Flint, Michigan
Clyde F. Applegate	3637 So. Saginaw St., Flint, Michigan
Carl W. Bonbright	1700 Parkside Drive, Flint, Michigan
Donald E. Johnson	2871 Westwood Parkway, Flint, Michigan
Charles Stewart Mott	1400 E. Kearney St., Flint, Michigan
E. A. DeWolfe	1102 South Drive, Flint, Michigan
Katharine B. Miner	1000 E. 7th Street, Flint, Michigan
Fancis Willson	~~1000 E. 7th Street, Flint, Michigan~~
Ivan L. Wilson	1318 Blanchard Ave., Flint, Michigan
Edward T. Ragdale	1007 Beard St., Flint, Michigan
Joseph A. Anderson	3301 Hawthorne Dr., Flint, Michigan
William F. Hufstader	0 8296 Perry Rd., Atlas, Michigan
Arthur L. Crawley	1214 Montclair Ave., Flint, Michigan
Myron Winegardner	401 Citizens Bank Bldg., Flint, Michigan
Mrs. Geo. C. Willson	1211 Woodlawn Park Drive, Flint, Michigan

ARTICLE VII.

The names and addresses of the first board of directors are as follows:

Names	Addresses
Frank P. Allen	514 Williams Street, Flint, Michigan
Joseph A. Anderson	3301 Hawthorne Drive, Flint, Michigan
Clyde F. Applegate	3637 S. Saginaw Street, Flint, Michigan

W. S. Ballenger, Jr.	1801 Woodburne Drive, Flint, Michigan
George A. Barnes, Sr.	529 Detroit Street, Flint, Michigan
George A. Barnes, Jr.	520 Detroit Street, Flint, Michigan
~~Charles E. Baskin~~	~~1820 E. 12th St., Flint, Michigan~~
Bert E. Beveridge	303 Genesee Bank Bldg., Flint, Michigan
Carl W. Bonbright	2706 Parkside Drive, Flint, Michigan
Wilbur H. Boutell	8103 Dixie Highway, Grand Blanc, Michigan
F. A. Bower	607 Genesee Bank Bldg., Flint, Michigan
Dr. Mira E. Branch	1014 Woodside Drive, Flint, Michigan
Merilee Brown	528 Detroit St., Flint, Michigan
Viola E. Bray	523 East Street, Flint, Michigan
J. E. Burroughs	809 Citizens Bank Bldg., Flint, Michigan
A. William Bishop	2730 Parkside Drive, Flint, Michigan
Robert A. Carier	101 Downey St., Flint, Michigan
Sampel M. Cataman	3304 Westwood Parkway, Flint, Michigan
J. Palmer Crawford	526 Maxine St., Flint, Michigan
~~Charles E. Cawley~~	~~1820 E. 12th St., Flint, Michigan~~
Arthur L. Crawley	1814 Montclair Ave., Flint, Michigan
Everett A. Cummings	328 S. Saginaw Street, Flint, Michigan
Harlow H. Curtice	1310 Overhill Drive, Flint, Michigan
E. A. DeWaters	1102 South Drive, Flint, Michigan
~~Marion E. DeWaters~~	~~1102 South Drive, Flint, Michigan~~
Ralph E. Gault	1118 Woodside Drive, Flint, Michigan
W. O. Gregor	1015 Maxine St., Flint, Michigan
M. A. Gorman	2008 Calumet, Flint, Michigan
James E. Goodman	737 Pleasant St., Birmingham, Michigan
George V. Gundry	1918 Cambridge St., Flint, Michigan
A. H. Hall	3201 Sunset Drive, Flint, Michigan
Michael A. Hamady	1023 Woodlawn Park, Flint, Michigan
William F. Hulstader	8296 Perry Rd., Atlas, Michigan
Donald E. Johnson	2671 Westwood Parkway, Flint, Michigan
Albert E. Kogel	522 West Hamilton Ave., Flint, Michigan
~~Charles E. Kogel~~	~~522 West Hamilton Ave., Flint, Michigan~~
Fred A. Lavery	1812 Crescent Drive, Flint, Michigan
Reiner F. Lingelbach	328 E. Saginaw St., Flint, Michigan
Robert T. Longway	607 Genesee Bank Bldg., Flint, Michigan
E. Paul Lynch	2602 Mansfield St., Flint, Michigan
Roy L. MacArthur	3930 Circle Drive, Flint, Michigan
Ivan A. MacArthur	3481 Hawthorne Drive, Flint, Michigan
Harvey J. Mallery	324 E. Court St., Flint, Michigan
Oyles E. Merrill	352 S. Saginaw St., Flint, Michigan
Katherine B. Miner	1000 E. 7th Street, Flint, Michigan
Clarence H. Moe	224 E. Court St., Flint, Michigan
Charles Stewart Mott	1400 E. Kearsley St., Flint, Michigan
C. B. Harding Mott	1709 Woodburne Drive, Flint, Michigan
Louise Nicotelli	2703 Westwood Parkway, Flint, Michigan
H. Ray Phipps	1507 Maxine, Flint, Michigan
John L. Pierce	1730 Woodburne, Flint, Michigan
Carol Pierson	918 Grand Traverse, Flint, Michigan
Mark E. Piper	501 Lafayette, Flint, Michigan
E. W. Poller	328 S. Saginaw St., Flint, Michigan
Cora M. Parkhill	2920 Parkside Drive, Flint, Michigan
Edward T. Haysdale	1007 Beard St., Flint, Michigan

C. J. Ross	915 Woodlawn Park Drive, Flint, Michigan
William L. Richards	2770 Westwood Parkway, Flint, Michigan
Walter E. Scott	928 Kensington Ave., Flint, Michigan
Arthur E. Summerfield	2852 Parkside Drive, Flint, Michigan
Harold M. Utley	1109 Maxine St., Flint, Michigan
J. A. Utley	3120 Lapeer Rd., Flint, Michigan
Ellis H. Warren	915 E. Court St., Flint, Michigan
Ivan L. Willes	1318 Blanchard, Flint, Michigan
Mrs. George C. Willson	1211 Woodlawn Park Drive, Flint, Michigan
Dallas E. Winslow	8101 Dixie Highway, Grand Blanc, Michigan
Myron Winegarden	401 Citizens Bank Bldg., Flint, Michigan
Hafry Yeolls	1818 Calumet, Flint, Michigan

ARTICLE VIII.

The term of the corporate existence is thirty years.

ARTICLE IX.

Each contributor of the sum of \$25,000.00 or more to the College and Cultural Development fund of the Flint Board of Education, or to this corporation, shall be a member of this corporation. Each member shall have one vote for the election of directors or upon any other corporate matter. In the event of a contribution in such amount by a corporation, or other organization, such corporation or other organization shall delegate an individual to vote its membership. In the event of such contribution by two or more individuals, such contributors shall delegate one of their number to hold the membership in this corporation. In the event of the death of a member of this corporation, the Board of Directors of this corporation may determine who among the survivors or heirs of such member shall thereafter hold such membership.

ARTICLE X.

In the event of the termination of this corporation by expiration of its charter or otherwise, or upon any type of liquidation of its assets, all assets, after payment of its debts, shall be distributed to the Flint Board of Education for the development, operation, and maintenance of its College and Cultural Development. This provision is irrevocable, and shall not be subject to alteration or amendment.

We the incorporators, sign our names this 10th day of October A.D. 1958.

<u>F. A. Bower</u> F. A. Bower	<u>Robert T. Longway</u> Robert T. Longway
<u>J. E. Burroughs</u> J. E. Burroughs	<u>M. A. Gorman</u> M. A. Gorman
<u>Ellis H. Warren</u> Ellis Warren	<u>Harlow H. Curless</u> Harlow H. Curless
<u>Clyde P. Applegate</u> Clyde P. Applegate	<u>Carl W. Bonbright</u> Carl W. Bonbright

Donald E. Johnson

E. A. DeWaters

Mrs. Geo. C. Wills

Edward T. Ragsdale

William F. Hufstader

Myron Winegarden

Charles Stewart Mott

Katherine B. Miner

Ivan L. Wiles

Joseph A. Anderson

Arthur L. Crawley

STATE OF MICHIGAN)
COUNTY OF GENESEE) SS

On this 10th day of October A.D. 1956 before me personally appeared F. A. Bower, Robert T. Lungway, J. E. Burroughs, M. A. Gorman, Ellis Warren, Harlow H. Curtice, Clyde F. Applegale, Carl W. Bonbright, Donald E. Johnson, Charles Stewart Mott, E. A. DeWaters, Katherine B. Miner, Geo. C. Wills, Ivan L. Wiles, Edward T. Ragsdale, Joseph A. Anderson, William F. Hufstader, Arthur L. Crawley and Myron Winegarden to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Janice Markland - notary public
County of Genesee,
State of Michigan
My commission expires Sept. 22, 1957

RECEIVED

JAN 10 1957

FILED

JAN 10 1957

Lawrence J. Sullivan
JAN 10 1957
RECEIVED

RECEIVED
JAN 10 1957

JAN 10 1957

W. J. Sullivan

BYLAWS
OF
FLINT CULTURAL CENTER CORPORATION, INC.

ARTICLE I

NAME & PRINCIPAL OFFICE

Section 1. Name: The name of this Corporation shall be Flint Cultural Center Corporation, Inc.

Section 2. Offices: The Corporation shall maintain in the State of Michigan a registered office and a registered agent at such office and may have other offices within the State of Michigan.

ARTICLE II

STATEMENT OF PURPOSE

Section 1. Mission: To foster cultural activity and community vitality through history, science and the arts.

Section 2. Vision: The Flint Cultural Center Corporation will position the Flint Cultural Center as the premier regional destination, educational resource, and entertainment venue for history, science and the arts.

Section 3. Purpose: The purpose of the Corporation is to operate exclusively for charitable, scientific and educational purposes as set forth in the Articles of Incorporation. The Corporation shall be operated exclusively for the not-for-profit purposes set forth herein and in its Articles of Incorporation, and no part of its net earnings shall inure to the benefit of or be distributed to its Board of Directors, officers or any other individuals.

Section 4. Non-Discrimination: The Corporation shall not discriminate in its policies or programs, membership of its Board of Directors, employees or officers on the basis of race, creed, color, gender, age, religion, disability, veteran's status, national origin, sexual orientation, gender identity or gender expression or any other protected class as required by Federal and Michigan law.

Section 5. Political Campaigning/Lobbying: No substantial part of the activities of the Corporation shall consist of carrying on propaganda or otherwise attempting to influence legislation. Nor shall the Corporation participate in or intervene in (including the publication or distribution of statements) any political campaign on behalf of (or in opposition to) any candidate for public office.

ARTICLE III

BOARD OF DIRECTORS

Section 1. General Powers: The Corporation is organized on a directorship basis. A Board of Directors shall govern the business and affairs of the Corporation. The Board of Directors shall exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute, the Articles of Incorporation or by these Bylaws prohibited. This may include without limitation, employing such staff, agents and individuals, as the Board deems appropriate.

Section 2. Number, Tenure and Appointment: The number of at-large Directors shall be not less than fifteen (15) and no more than twenty-one (21). Directors shall be appointed for a three-year term at the Annual Meeting as determined by resolution of the Board of Directors. Each Director shall hold office until their successor has been appointed, or until their death, resignation or removal. A Director may be re-appointed by a majority vote of the Directors in attendance at a meeting of the Board of Directors to serve an additional three years. There shall be a term limitation of three consecutive terms that a Director may be appointed to serve. A director, whose term has been terminated because of the term limitation, shall be eligible for reappointment to serve three more terms after one year of absence from the Board. Terms shall be staggered so that approximately one-third (1/3) of the Board's total composition expires in the same year. Notwithstanding the provisions of this Section, a term limited Director holding the position of Board Chair, may, by majority vote of the Directors, be reappointed to the Board for an extended one (1) year term in the capacity of Immediate Past Chair.

Section 3. Resignation: Any Director may resign at any time by written notice delivered or sent by mail, email or facsimile transmission to the Chair or Secretary of the board. Such resignation shall take effect at the time specified therein, and unless specifically requested, acceptance of such resignation shall not be necessary to make it effective.

Section 4. Removal: Any Director may be removed from office by an affirmative vote of seventy-five (75%) percent of the Board of Directors of the Corporation in attendance at any special or regular meeting (where a quorum is present), provided that the notice of such meeting included such removal as an item of business to be undertaken at the meeting. Any Director of this Corporation may be removed by such affirmative vote if, in the opinion of such majority, the best interest of the Corporation would be served thereby, or if, in the opinion of such majority, other sufficient cause exists for removal.

Section 5. Vacancies: Any vacancies occurring in the Board of Directors shall be filled by affirmative vote of the majority of the remaining Directors then in office at a special or regular meeting of the Board of Directors, for the unexpired portion of the term. A director so appointed shall be eligible for three (3) additional 3-year terms.

Section 6. Compensation: No salary or other compensation shall be paid to any Director for services rendered as such Director, but this shall not preclude any Director from performing any other service for the Corporation and receiving appropriate compensation.

Directors will abstain from voting on any issues where there may be a conflict of interest including any issue where that Director may personally benefit financially. (see Article VIII).

Section 7. Affiliate Membership: The membership of the Flint Cultural Center Board of Directors shall be composed of a majority of at large members and appointed individuals from the following affiliate organizations:

1. One (1) Flint Board of Education Member
2. One (1) Flint Institute of Arts Board Member
3. One (1) Flint Institute of Music Board Member

7 a. Removal by Affiliate Organizations: Any Director appointed by the Flint Board of Education, Flint Institute of Arts or the Flint Institute of Music may be replaced at any time by the sponsoring organization.

ARTICLE IV

BOARD MEETINGS

Section 1. Annual Meeting: The Annual Meeting of the Board of Directors shall be held each year in the month preceding the first day of the new fiscal year. The annual meeting shall be at such time and place as may be designated by the Chair of the Board of Directors with two weeks advance written notice to all Directors. At the Annual Meeting, the Board of Directors shall elect Officers for the ensuing year and Directors for their appropriate terms, and transact such other business as may come before the meeting.

Section 2. Regular Meetings: The Board of Directors shall establish a schedule of regular meetings as it deems necessary for the efficient conducting of its business.

Section 3. Special Meetings: Special meetings of the Board of Directors may be called by the Chair or Secretary on four (4) days notice to each Director by mail, electronic mail or other electronic transmission. Special meetings shall be called by the Chair or Secretary in like manner on the written request of a majority of the Directors then in office. The meeting notice requirement may be waived from time to time by the Chair if the purpose of the meeting is of urgent nature as determined by the Chair. No other business, other than what was defined in the meeting notice, may be conducted at a special meeting.

Section 4. Notice of Meetings: Notice of each meeting of the Board of Directors shall be given by written notice, or electronic mail notice delivered to each Director at their address as it appears on the books of the Corporation, or by facsimile, or other electronic means. Except where otherwise required by law or by these Bylaws notification of meetings shall be not less than three (3) days prior to the time appointed for the meeting.

Section 5. Quorum: A majority of the Directors then serving shall constitute a quorum for the transaction of business unless the greater or lesser number is required by law, the Articles of Incorporation or these Bylaws. The act of a majority of the Board of Directors present at any meeting at which a quorum is present, or on written consent of a majority of all directors without a meeting, shall be an act of the Board of Directors, unless act of the greater number is required by law, the Articles of Incorporation or these Bylaws. Directors may be deemed present for the purposes of a quorum, and may vote, if such Directors are in contact

with each other by telephone call or other electronic conferencing during the meeting. If a quorum shall not be present at any meeting of the Board of Directors, The Board of Directors present may adjourn the meeting without notice other than announcement at the meeting, until a quorum shall be present. At all meetings of the Board of Directors, each Director shall be entitled to one vote.

ARTICLE V

OFFICERS

Section 1. Number, Election & Term: The officers of the Corporation shall be Chair, Vice Chair, Secretary and Treasurer. Such officers shall be elected by the majority vote of the Board of Directors at the Corporation's Annual Meeting. Each officer shall hold office for not less than one (1) year and not more than three (3) consecutive years, unless death, resignation, removal or until their successors have been duly elected and qualified.

Section 2. Qualifications, Removal & Vacancies: The officers shall be members of the Board of Directors. The Board of Directors may remove any officer or agent whenever in its judgment the best interest of the Corporation will be served. Removal shall be by the affirmative vote of a majority of the Directors in attendance at any meeting at which a quorum is present, provided that notice of the meeting included such removal as an item of business. Vacancies in any Officer position of the Corporation because of death, resignation, removal, disqualification or otherwise shall be filled by a then current Director duly elected to the position by majority vote of the Board of Directors for the unexpired portion of the term.

Section 3. Duties of the Chair: The Chair of the Board of Directors shall preside over all meetings of the Board of Directors and the Executive Committee. The Chair shall have the responsibility to appoint individuals to serve on standing committees as are necessary to efficiently conduct the affairs of the Corporation. The Chair shall be an ex-officio member of all committees of the Corporation. The Chair shall perform such other duties and have authority as from time to time may be assigned by the Board of Directors.

Section 4. Duties of the Vice-Chair: In the absence of the Chair, the Vice-Chair shall perform the duties of the Chair and when so acting shall have all the powers of and be subject to all other restrictions imposed upon the Chair. The Vice-Chair shall perform such duties and have such authority as from time to time may be assigned by the Chair or by the Board of Directors.

Section 5. Duties of the Secretary: The Secretary of the Corporation shall chair the meetings of the Board Governance Committee and shall be the official keeper of the Corporate records and as such, shall countersign the minutes of the regular and special meetings of the Board for accuracy, and perform all duties incident to the office of Secretary and have such other duties and exercise such authority as from time to time may be delegated or assigned by the Chair or by the Board of Directors. A portion of the above duties may be delegated to a staff member, or Assistant Secretary as approved by the Board.

Section 6. Duties of the Treasurer: The Treasurer shall chair the meetings of the Finance Committee and oversee the financial well-being of the corporation, and perform all duties incident to the office of Treasurer and have such other duties and exercise such

authority as from time to time may be delegated or assigned by the Chair or by the Board of Directors. A portion of the above duties may be delegated to a staff member or Assistant Treasurer, as approved by the Board.

ARTICLE VI

STANDING COMMITTEES OF THE BOARD OF DIRECTORS

Section 1. Executive Committee: The Officers and chairs of the standing committees as defined in this article will constitute an Executive Committee. This Executive Committee shall have power to make decisions between meetings of the whole board. Meetings will be called by the Chair and any decisions made by the Executive Committee will be presented to the whole board for ratification at its next regular meeting.

Section 2. Finance Committee: The Chair of the Board may at any time appoint members to serve on the Finance Committee. Such appointments shall be in such numbers as the Chair of the Board may determine advisable, with such duties and such functions as the Board may determine, provided that a majority of the Finance Committee is comprised of current Directors in good standing. The Treasurer of the Board of Directors shall serve as Chair of the Finance Committee. Duties of the Finance Committee include, recommending to the Board of Directors an Annual Budget for the next fiscal year that is presented prior to the Annual Meeting. The committee shall maintain oversight of all fiscal matters pertaining to the Corporation and report to the Board of Directors on a regular basis the financial condition of the Corporation. The committee will also be responsible for developing and recommending employment policies and procedures for the Corporation and monitoring compliance with applicable Federal and State Laws. Any recommendations made by the Finance Committee shall be reported to the full Board at its next regularly scheduled meeting.

Section 3. Strategic Planning Committee: The Chair of the board may at any time appoint a Chair of the Strategic Planning Committee and members to serve on this Committee. Such appointments shall be in such numbers as the Chair may determine advisable, with such duties and such functions as the Board may determine, provided that a majority of the Strategic Planning Committee is comprised of current Directors in good standing. It shall be the function and scope of this committee to evaluate service delivery, develop short and long term organizational strategies, and monitor and evaluate the progress of those strategies in achieving organizational goals. The Strategic Planning Committee shall make recommendations to the Board of Directors regarding any activity within its scope for necessary action.

Section 4. Fund Development Committee: The Chair of the board may at any time appoint a Chair of the Fund Development Committee and members to serve on this Committee. Such appointments shall be in such numbers as the Chair may determine advisable, with such duties and such functions as the Board may determine, provided that a majority of the Fund Development Committee is comprised of current Directors in good standing. It shall be the function and scope of this committee to provide strategic and creative thinking, community intelligence, advocacy and advice to help shape/support the fundraising efforts of the FCCC with a particular focus on collaborative fundraising activities

for the benefit of campus operations and identified capital needs. The Fund Development Committee shall make recommendations to the Board of Directors regarding any activity within its scope for necessary action.

Section 5. Board Governance Committee: The Board Governance Committee, chaired by the Secretary of the Corporation, shall consist of the Chair of the Board, the Immediate Past Chair of the Board, and two or four other Directors appointed by the Chair of the Board and confirmed by majority vote of the Board. The Board Governance Committee shall conduct an annual evaluation of the Board, Board continuing education as needed and new Board member orientations. Based on the results of the annual board evaluation, the Board Governance Committee will recruit and review candidates for appointment to the Board and shall forward their recommendations to the full Board of Directors for consideration. It shall nominate individuals from among the Board to serve as Officers of the Board, during which process any committee member under consideration as an Officer shall recuse himself/herself from committee deliberations.

Section 6. Institutional Governing Councils: A Governing Council for each of Sloan*Longway and The Whiting shall provide strategic oversight and direction for the respective operations of each institution. The Chair of the Board may at any time appoint a Chair of either or both Governing Councils and Directors to serve on each respective Council. The Councils, by and in a manner of their choosing, may elect non-Directors to serve on each Council, provided however, that each Council shall be comprised of a majority of FCCC Directors, unless an alternate composition of the Councils is approved by majority vote of the FCCC Board. Except as provided in this Section, the Institutional Governing Councils shall make recommendations to the Board of Directors regarding any activity within its scope for necessary action.

Section 7. Campus Collaboration Committee: The Chair of the Board may, in consultation with the affiliate members of the FCC campus, at any time appoint a Chair of the Campus Collaboration Committee and may invite other Directors and institutional representatives to serve on the Committee, such that each affiliate organization holds only two (2) voting seats on this Committee. The campus affiliate organizations include Sloan*Longway, The Whiting, Flint Institute of Arts, Flint Institute of Music, Flint Cultural Center Corporation. It shall be the scope of this committee to provide strategic and creative thinking, and advocacy to shape and support collaboration among the key institutions regarding campus-wide operational and business matters. The Campus Collaboration Committee shall make recommendations to the Board of Directors (and, where appropriate, to the Governing Boards of other campus institutions) regarding any activity within its scope for necessary action.

Section 8. Other Standing or Special Committees:

8a. Other Standing Committees: The Board of Directors, by resolution adopted by affirmative vote of a majority of Directors, may designate other standing committees, each committee to be comprised of a majority of Directors.

8b. Special or Ad Hoc Committees: A special or ad hoc committee may be appointed by the Chair for a special task as the circumstances may warrant. At least one (1) member of the Board shall be appointed to each special committee. A special committee shall limit its activities to the accomplishment of the task for which it is appointed, and shall have no power to act except as is specifically conferred by action of

the Board of Directors. Upon completion of the tasks for which appointed, such special committee shall stand discharged

ARTICLE VII CHIEF OPERATING OFFICER AND INSTITUTIONAL EXECUTIVE DIRECTORS

Section 1. Chief Operating Officer

- a. **General Authority:** The Chief Operating Officer (COO) shall be the paid chief administrative officer of the Corporation and shall have general supervision over the business of the Corporation and over its corporate staff. The COO shall act as the duly authorized representatives of the Board of Directors in all matters in which the Board of Directors has not formally designated some other person or committee to act. Duties include:
 - i. The COO may sign and execute in the name of the Corporation and/or its Member Organizations, grant applications, leases, employment agreements, contracts and, from time to time, other instruments which are authorized by the Board of Directors;
 - ii. The COO, subject to general policies of the Corporation, shall manage the corporate staff of the Corporation, and have full authority to hire and fire corporate (shared service) employees;
 - iii. The COO shall represent the Corporation in its exchanges with the public and with governmental agencies, corporations; and
 - iv. The COO in general shall perform all duties incidental to the management of the Corporation and such other duties from time to time may be assigned by the Board of Directors or by any of its committees to which the Board has delegated power for such actions.
- b. **Method of Appointment:** The COO shall be appointed and employed by and directly accountable to the Board of Directors of the Corporation.
- c. **Board and Committee Membership:** The COO shall serve as an *ex-officio*, non-voting members of the Board of Directors and all of its Committees.
- d. **Evaluation and Compensation:** No less than annually, the Executive Committee of the Board shall review the performance and compensation of the COO. Determination of compensation shall be based upon considerations such as organizational and individual performance, length of service, and any other factors the Committee may reasonably consider.

Section 2. Institutional Executive Directors

- a. General Authority:** The Institutional Executive Directors shall be the paid chief administrative officer of the respective Member Institutions of the Corporation and shall have general supervision over the business of the Institution and over its institutional staff. The Executive Director(s) shall act as the duly authorized representatives of the respective Institutions in all matters in which the Board of Directors has not formally designated some other person or committee to act. Duties include:
- i. The Executive Directors may sign and execute in the name of the respective Member Institutions, grant applications, leases, employment agreements, contracts and, from time to time, other instruments which are authorized by the Board of Directors; in the absence of the COO, the Executive Directors, individually or jointly, may sign and execute in the name of the Corporation any document or instrument approved by the Board of Directors or an authorized Committee of the Corporation;
 - ii. The Executive Directors, subject to general policies of the Corporation and the respective Institutions, shall manage the institutional staff of the Member Organizations, and have full authority to hire and fire institutional employees;
 - iii. The Executive Directors shall represent their respective institutions in its exchanges with the public and with governmental agencies, corporations; and
 - iv. In general shall perform all duties incidental to the management of the Member Institution and such other duties from time to time may be assigned by the Board of Directors or by any of its committees to which the Board has delegated power for such actions.
- b. Method of Appointment:** The Executive Directors shall be employed by the Corporation and directly accountable to the respective Governing Councils of the Member Institutions.
- c. Evaluation and Compensation:** No less than annually, the Chair of each Governing Council (and other members of the Governing Council at the Chair's discretion) shall review the performance and compensation of the respective Executive Directors. The Governing Councils shall make recommendations to the Executive Committee of the Corporation on Executive Director compensation.

ARTICLE VIII

CONFLICT OF INTEREST

Section 1. Conflict of Interest: All members of the Flint Cultural Center Corporation Board of Directors should act in the best interest of the FCCC. Any Director or committee member who has, or who represents an organization that has a material, financial interest in a

contract or other transaction presented to the Board of Directors or a committee thereof for authorization, approval, or ratification, shall make a prompt, full and frank disclosure of such person's interest to the Board or committee prior to its acting on such contract or transaction. Such disclosure shall include any relevant and material facts known to such person about the contract or transaction.

(1a.) **Conflict Resolution:** The absence or existence of a conflict by a Director shall be determined by the vote of the majority of the Board in attendance. The Director with a potential conflict shall abstain from the voting and may be excused from the meeting by the person chairing the meeting.

ARTICLE IX

NEGOTIABLE INSTRUMENTS

Section 1. Checks, etc.: All checks, drafts, orders for payment of money and negotiable instruments shall be signed by such corporate officers and employees as the Board of Directors may by resolution or special order prescribe.

Section 2. Securities: Such officers as from time to time shall be designated by the Board of Directors shall have the power to control and direct the disposition of any securities or property of the corporation deposited in the custody of any financial institution and sign any endorsements or transfers thereof.

ARTICLE X

FISCAL YEAR & SEAL

Section 1. Fiscal Year: The Fiscal year of the Corporation shall be July 1st through June 30th, and may be changed by resolution of the Board.

Section 2. Seal: The Board may adopt a corporate seal, which shall be in the form of a circle and shall bear the full name of the Corporation and the year of its incorporation.

ARTICLE XI

INDEMNIFICATION AND INSURANCE

Section 1. Nonderivative Actions: Subject to all of the provisions of this Article, the Corporation shall have the power to indemnify any person who was or is a party to, or is threatened to be made party to, any threatened, pending or completed action, suit or proceedings by reason of the fact that the person is or was a Director, officer, employee, volunteer, or agent of the Corporation. This includes any civil, criminal, administrative or investigative proceedings, whether formal or informal, other than an action by or in the right of the Corporation. Such indemnification may also apply to a person who is or was serving at the request of the Corporation as a director, officer, employee, volunteer or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not for profit. The person may be indemnified and held harmless against

expenses (including attorney fees), judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding, if the person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation. With respect to any criminal action or proceeding, the person must have had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, settlement or conviction or on a plea of nolo contendere or its equivalent shall not itself create a presumption that (a) the person did not act in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Corporation, or (b) with respect to any criminal action or proceeding, the person had reasonable cause to believe that his or her conduct was unlawful.

Section 2. Derivative Actions: Subject to all of the provisions of this Article, the Corporation shall have the power to indemnify any person who was or is a party to, or is threatened to be made a party to, any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor because (a) the person was or is a Director, officer, employee, volunteer or agent of the Corporation, or (b) the person was or is serving at the request of the Corporation as a director, officer, employee, volunteer or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether or not for profit. The person may be indemnified and held harmless against expenses (including actual and reasonable attorney fees) and amounts paid in settlement incurred by the person in connection with such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Corporation. Indemnification shall not be made for any claim, issue or matter in which the person has been found liable to the Corporation, unless and only to the extent that the court in which such action or suit was brought has determined on application that, despite the adjudication of liability but in view of all circumstances of the case, the person is fairly and reasonably entitled to indemnification for the expenses that the court considers proper.

Section 3. Expenses of Successful Defense: To the extent that a person has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 1 or 2 of this Article, or in defense of any claim, issue or matter in the action, suit or proceeding, the person shall be indemnified against expenses (including actual and reasonable attorney fees) incurred in connection with the action and in any proceeding brought to enforce the mandatory indemnification provided by this Section 3.

a. **Determination that Indemnification is Proper:** Any indemnification under Sections 1 or 2 of this Article (unless ordered by a court), shall be made by the Corporation only as authorized in the specific case. The Corporation must determine that indemnification of the person is proper in the circumstances because the person has met the applicable standard of conduct set forth in Sections 1 or 2, whichever is applicable. Such determination shall be made in any of the following ways:

- (1) By a majority vote of a quorum of the Directors consisting of Directors who were not parties to such action, suit or proceeding.
- (2) If the quorum described in the clause (1) above is not obtainable, then by a committee of Directors who are not parties to the action.

(3) By independent legal counsel in a written opinion.

- b. **Proportionate Indemnity:** If a person is entitled to indemnification under Sections 1 or 2 of this Article for a portion of expenses, including attorney fees, judgments, penalties, fines and amounts paid in settlement, but not for the total amount, the Corporation shall indemnify the person for the portion of the expenses, judgments, penalties, fines or amounts paid in settlement for which the person is entitled to be indemnified.

Section 4. Expense Advance: Expenses incurred in defending a civil or criminal action, suit or proceeding described in Sections 1 or 2 of this Article may be paid by the Corporation in advance of the final disposition of the action, suit or proceeding, upon receipt of an undertaking by or on behalf of the person involved to repay the expenses, if it is ultimately determined that the person is not entitled to be indemnified by the Corporation. The undertaking shall be an unlimited general obligation of the person on whose behalf advances are made, but need not be secured.

Section 5. Nonexclusivity of Rights: The indemnification or advancement of expenses provided under this Article is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under a contractual arrangement with the Corporation. However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of the actual expenses incurred by the person seeking indemnification or advancement of expenses.

Section 6. Former Directors and Officers: The indemnification provided in this Article continues for a person who ceases to be a director, officer, employee, volunteer or agent and shall inure to the benefit of the heirs, executors and administrators of that person.

Section 7. Insurance: The Corporation may purchase and maintain insurance on behalf of any person who (a) was or is a director, officer, employee, volunteer or agent of the Corporation or (b) was or is serving at the request of the Corporation as a director, officer, employee, volunteer or agent of another corporation, partnership, joint venture, trust or other enterprise. Such insurance may protect against any liability asserted against the person and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Corporation would have power to indemnify against such liability under this Article or the laws of the State of Michigan.

Section 8. Changes in Michigan Law: If there are any changes in the Michigan statutory provisions applicable to the Corporation and relating to the subject matter of this Article, then the indemnification to which any person shall be entitled shall be determined by such changed provisions, but only to the extent that any such change permits the Corporation to provide broader indemnification rights than such provisions permitted the Corporation to provide before any such change.

ARTICLE XII

DISSOLUTION

Section 1. Dissolution of the Corporation: In the event of the dissolution of the Flint Cultural Center Corporation, the building contents and fixtures of those organizations governed by the FCCC, and any funds remaining in the FCCC's possession, shall be turned over to the Community Foundation of Greater Flint for management, investment, or distribution. Those assets thus provided to the Community Foundation of Greater Flint shall be used in a manner consistent with the original intentions of the incorporators of the FCCC, as determined by the Community Foundation of Greater Flint's Board of Directors. In addition, pursuant to the property transfer agreement signed between the School District of the City of Flint and the Corporation, the Cultural Center properties and buildings will revert to the Flint Board of Education.

ARTICLE XIII

AMENDMENTS AND PARLIAMENTARY AUTHORITY

Section 1. Amendment: These bylaws may be amended at any regular or special meeting by a two-thirds vote provided that the board has been given all amendments in writing at least two weeks before the meeting.

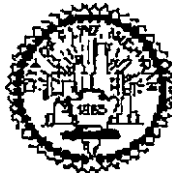
Section 2. Parliamentary Authority: The rules contained in the current edition of *Roberts Rules of Order Newly Revised* shall govern the Corporation in all cases in which they are applicable and in which they are not inconsistent with these bylaws, any special Rules of Order which the Corporation may adopt and Michigan law.

Authorizing Agent [Signature] Title Chief Operating Officer
Date 04/27/2015

Revised Bylaws Adopted: April 27, 2015

City of Flint, Michigan

*Third Floor, City Hall
1101 S. Saginaw Street
Flint, Michigan 48502
www.cityofflint.com*



Meeting Minutes 2 - Final

Monday, October 26, 2015

6:04 PM

RTAB SUMMARY

Council Chambers

CITY COUNCIL

*Joshua M. Freeman, President, Ward 4
Wantwaz D. Davis, Vice President, Ward 5*

Eric Mays, Ward 1

Kerry Nelson, Ward 3

Monica Galloway, Ward 7

Jacqueline Poplar, Ward 2

Herbert J. Winfrey, Ward 6

Victoria VanBuren, Ward 8

Scott Kincaid, Ward 9

Inez M. Brown, City Clerk

ROLL CALL

Present: Councilperson: Councilperson Poplar, Councilperson Nelson, Freeman, Davis, Councilperson Winfrey, Councilperson Galloway, Councilperson VanBuren and Councilperson Mays

Absent: Councilperson: Councilperson Kincaid

RESOLUTIONS

None

RESOLUTIONS - MAY BE REFERRED FROM COTW

150886 Brown & Sons Co./Annual Supply/Brake Parts, Bulbs, Breakers, Sprays and Filters

Resolution resolving that the Finance Department is hereby authorized to issue purchase orders for FY2016, FY2017, and FY2018 to Brown & Sons Co. for the annual supply of brake parts, bulbs, breakers, sprays, and filters, as requested by Fleet, in an annual amount NOT-TO-EXCEED \$140,000.00, for an aggregate amount of \$420,000.00 (pending adopting of the FY18 Budget), AND, resolving that the Finance Department has the discretion to spend an additional amount of NO-MORE-THAN 5% of the annual requested spend amount to Brown & Sons Co. for unanticipated requests that may be submitted during the next three years [Fleet/Central Garage Fund Acct. No. 661-000.000-110.400]. [City Administrator Submission No. CA1022015]

SEPARATED FROM MASTER RESOLUTION

150887 CO#1/Contract/Zito Construction/Water Main Cut-In Project

Resolution resolving that the Mayor and City Administrator do all things necessary to enter into change order #1 to the contract with Zito Construction to extend the contract into the current fiscal year and pay additional work that was needed to complete the project, as requested by the Water Plant, in an amount NOT-TO-EXCEED \$19,570.00, for a revised contractual amount of \$695,870.00 [Water Fund Acct. No. 591-536.100-801.000]. [City Administrator Submission No. CA1032015]

SEPARATED FROM MASTER RESOLUTION

150888 Contract/Stansley Industries/Biosolids Sludge Transportation-Hauling Services

Resolution resolving that the Mayor and City Administrator are authorized to enter into a three-year contract with Stansley Industries for [a] biosolids sludge cake transportation/hauling agreement, as requested by the Water Pollution Control, for a FY2016 amount of \$60,000.00, and pending adoption of FY2017 [Budget] of \$80,000.00, and FY2018 Budget amount of \$85,000.00, for a total award of \$225,000.00 [Sewer Fund Acct. No. 590-550.100-801.500]. [City Administrator Submission No. CA1042015]

This Matter was ADOPTED BY THE MASTER RESOLUTION on the Consent Agenda.

150889 Contract/Waste Management-Venice Park Landfill/Biosolids Sludge Disposal Services

Resolution resolving that the Mayor and City Administrator are authorized to enter into a three-year contract with Waste Management/Venice Park for the disposal of the biosolids sludge cake, as requested by the Water Pollution Control, for a FY2016 amount of \$150,000.00, and pending adoption of FY2017 and FY2018 Budget amounts of \$200,000.00 each year, for a total award of \$550,000.00 [Sewer Fund Acct. No. 590-550.100-801.500]. [City Administrator Submission No. CA1052015]

This Matter was ADOPTED BY THE MASTER RESOLUTION on the Consent Agenda.

150890 Budget Amendment/Department of Public Works (DPW)/Michigan Department of Transportation (MDOT) Contracts

Resolution resolving that the Department of Public Works' FY2016 Budget shall be amended with the transfer of \$189,301.57 from fund balance to Professional Services Line Item No. 202-441.702-801.000. [NOTE: In order to comply with the contractual agreement between MDOT and DPW for bridge work on I-69, and the contractual agreement between MDOT, the City of Flint, and Rowe Professional Services for the Leith Street-Stewart Avenue Bridge Project, it is necessary to replace funds liquidated during the year-end closing process and increase the FY2016 Budget with those remaining funds, for remaining project funding in the amounts of \$101,432.82 and \$87,868.75, respectively.] [City Administrator Submission No. CA1062015]

This Matter was ADOPTED BY THE MASTER RESOLUTION on the Consent Agenda.

150891 Contract/Fleis & Vandenbrink/Preliminary Design and Engineering Services/Fenton Road Project

Resolution resolving that the Mayor and City Administrator are authorized to enter into a contract with Fleis & Vandenbrink using TIP funds for the preliminary design and engineering services for the Fenton Road Project, as requested by Transportation, in an amount NOT-TO-EXCEED \$156,748.60 [Major Street Fund Acct. No. 202-441.702-801.000]. [City Administrator Submission No. CA1072015]

This Matter was ADOPTED BY THE MASTER RESOLUTION on the Consent Agenda.

150892 Contract/Wade Trim, Inc./Preliminary Design and Engineering Services/Kearsley Street Rehabilitation Project

Resolution resolving that the Mayor and City Administrator are authorized to enter into a contract with Wade Trim, Inc. using TIP funds for the preliminary

design and engineering services for the Kearsley Street Rehabilitation Project, as requested by Transportation, in an amount NOT-TO-EXCEED \$94,000.00 [Major Street Fund Acct. No. 202-441.702-801.000]. [City Administrator Submission No. CA1082015]

This Matter was ADOPTED BY THE MASTER RESOLUTION on the Consent Agenda.

Passed The Consent Agenda

A motion was made by Councilperson Mays, seconded by Councilperson Nelson, including all the preceding items marked as having been adopted on a Consent Agenda. The motion carried by the following vote:

Aye: 8 - Councilperson Poplar, Councilperson Nelson, Chairperson Freeman, Vice President Davis, Councilperson Winfrey, Councilperson Galloway, Councilperson VanBuren and Councilperson Mays

Absent: 1 - Councilperson Kincaid

150893 Charitable Gaming License/State of Michigan Lottery Charitable Gaming Division/Flint Cultural Center Corporation, Inc./Raffle

Resolution recognizing the Flint Cultural Center Corporation, Inc. as a non-profit organization operating in the City of Flint for the purpose of obtaining a charitable gaming license, issued by the Michigan Lottery Charitable Gaming Division, relative to conducting a raffle during their "Night at the Museum" event on November 14, 2015, as allowed by Act 382 of the Public Acts of 1972, as amended. [City Administrator Submission No. CA1092015]

SEPARATED FROM MASTER RESOLUTION

SEPARATED FROM MASTER RESOLUTION

150886 Brown & Sons Co./Annual Supply/Brake Parts, Bulbs, Breakers, Sprays and Filters

Resolution resolving that the Finance Department is hereby authorized to issue purchase orders for FY2016, FY2017, and FY2018 to Brown & Sons Co. for the annual supply of brake parts, bulbs, breakers, sprays, and filters, as requested by Fleet, in an annual amount NOT-TO-EXCEED \$140,000.00, for an aggregate amount of \$420,000.00 (pending adopting of the FY18 Budget), AND, resolving that the Finance Department has the discretion to spend an additional amount of NO-MORE-THAN 5% of the annual requested spend amount to Brown & Sons Co. for unanticipated requests that may be submitted during the next three years. [Fleet/Central Garage Fund Acct. No. 661-000.000-110.400]. [City Administrator Submission No. CA1022015]

A motion was made by Councilperson Mays, seconded by Councilperson Nelson, that this matter be Adopted. The motion carried by the following vote:

Aye: 7 - Councilperson Poplar, Councilperson Nelson, Vice President Davis, Councilperson Winfrey, Councilperson Galloway, Councilperson VanBuren and Councilperson Mays

Abstain, COI: 1 - Chairperson Freeman

Absent: 1 - Councilperson Kincaid

150887 CO#1/Contract/Zito Construction/Water Main Cut-In Project

*- Has this already
been approved?
Completed*

Resolution resolving that the Mayor and City Administrator do all things necessary to enter into change order #1 to the contract with Zito Construction to extend the contract into the current fiscal year and pay additional work that was needed to complete the project, as requested by the Water Plant, in an amount NOT-TO-EXCEED \$19,570.00, for a revised contractual amount of \$695,870.00 [Water Fund Acct. No. 591-536.100-801.000]. [City Administrator Submission No. CA1032015]

A motion was made by Councilperson Mays, seconded by Councilperson Nelson, that this matter be Adopted. The motion carried by the following vote:

Aye: 8 - Councilperson Poplar, Councilperson Nelson, Chairperson Freeman, Vice President Davis, Councilperson Winfrey, Councilperson Galloway, Councilperson VanBuren and Councilperson Mays

Absent: 1 - Councilperson Kincaid

150893 Charitable Gaming License/State of Michigan Lottery Charitable Gaming Division/Flint Cultural Center Corporation, Inc./Raffle

Resolution recognizing the Flint Cultural Center Corporation, Inc. as a non-profit organization operating in the City of Flint for the purpose of obtaining a charitable gaming license, issued by the Michigan Lottery Charitable Gaming Division, relative to conducting a raffle during their "Night at the Museum" event on November 14, 2015, as allowed by Act 382 of the Public Acts of 1972, as amended. [City Administrator Submission No. CA1092015]

A motion was made by Councilperson Mays, seconded by Councilperson Nelson, that this matter be Adopted. The motion carried by the following vote:

Aye: 8 - Councilperson Poplar, Councilperson Nelson, Chairperson Freeman, Vice President Davis, Councilperson Winfrey, Councilperson Galloway, Councilperson VanBuren and Councilperson Mays

Absent: 1 - Councilperson Kincaid

ADJOURNMENT

This regular City Council meeting was adjourned at 7:52 p.m.

Byrne, Randall (Treasury)

From: Dave N Sheeran <Dave.Sheeran@Meadowbrook.com>
Sent: Tuesday, October 27, 2015 8:24 AM
To: Byrne, Randall (Treasury)
Cc: Steven Smith
Subject: Darnell Earley - Professional Liability Coverage: Dec 18, 2014/ 2015

Hi Randy,

We have provided professional liability coverage for a few Emergency Managers. In the case of Mr. Ealey, the carrier did not renew his policy and there is concern about the potential claim related to the City of Flint water issues. Below is an email from our account manager discussing the renewal of the policy.

Question- does the State of Michigan provide any protection from liability for actions taken while the Emergency Manager? Can we discuss this question?

Thanks

David N. Sheeran, CPA | Executive Vice President
[o] 248.204.8544 [c] 248.361.0084 [f] 248.869.6045
26255 American Drive, Southfield MI 48034



From: Cathy Weil
Sent: Monday, October 26, 2015 9:31 AM
To: Dave N Sheeran
Cc: Steven Smith
Subject: Darnell Earley - Professional Liability Coverage: Dec 18, 2014/ 2015

Dave / Steve

I now have Mr. Earley's email address (below). As you know, ACE / Westchester has sent Notice of Non-Renewal on the \$1 Mil Primary layer of coverage due to a claim presented against Mr. Earley as EM of Detroit Public Schools. Although the case was closed, the carrier incurred \$3,000 of legal expenses. We are searching for a carrier to replace the primary limit of coverage, which will be needed in order to renew the excess \$2 mil layer currently with Ironshore. With the article in Sunday's Free Press and the mention of Mr. Earley as the EM of Flint who was allegedly involved in the decision to use the Flint Water Treatment Plant as an interim source until the Karegnodi pipeline is completed, we may have difficulty finding a replacement carrier.

Do you know if the State of Michigan would provide primary defense for Mr. Earley if a claim ensues against him as the EM of Flint? If so, this will certainly give us some hope of finding replacement coverage for Mr. Earley.

Cathy C. Weil, ARM
Account Manager
Meadowbrook Insurance Agency
26255 American Drive
Southfield MI 48034-6112
Phone: (248)204-8260 Fax: (248) 281-1704
Email: cathy.weil@meadowbrook.com

From: Valerie Mitchell [<mailto:valerie.mitchell@detroitk12.org>]
Sent: Friday, October 23, 2015 4:20 PM
To: Cathy Weil
Subject: Professional Liability Coverage

Cathy,

Darnell Earley's email address is darnell.earley@detroitk12.org.

Thank you. -vb

Message sent on behalf of Darnell Earley, Emergency Manager

*by Valerie Bush, Executive Administrative Assistant
Detroit Public Schools
Office of the Emergency Manager
3011 W. Grand Blvd., Fisher Bldg., 14th Floor
Detroit, MI 48202
Main Office Number: 313.873.3299 ~ Fax: 313.870.3726
Cell: 313.608.9764*

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Hudson, Deanna (TREASURY)

From: Heimann, Alexandr (TREASURY)
Sent: Wednesday, October 28, 2015 10:19 AM
To: Dostine, Patrick (TREASURY); Cline, Richard (Treasury); Hudson, Deanna (TREASURY)
Subject: Flint 10-28-15 Call Notes

Hello all,

Here are my call notes from the call we just had:

City of Flint

Weekly Call Notes – 10/28/15

Present:

Mayor Walling, N. Henderson, F. Headen, E. Cline, P. Dostine, A. Heimann, D. Hudson

Priorities

1. Crime/Safety

- Flint is preparing for this weekend (Halloween/Devil's Night) with an crime/arson prevention program that utilizes a volunteer citizen network
- Violence Reduction Network – National program to use analytics to help reduce crime by helping to identify individuals who are likely to accelerate crime. Had a press conference that was very well received to announce this partnership with the FBI
- Police Recruitment – Going well, have already hired some staff, and will be sending 5 people to the Police Academy. Also, will be using the KRAM (?) to hire some part-time community officers. The KRAM is a dedicated funding source and will have a net neutral impact on the budget.

Status of Water Situation

1. Revenues/Expenditures

- Flint is continuing to lose money, they are currently down about \$11Million this period, and even after the shut off notices are sent out, they anticipate that they will still have a roughly \$6-8 Million loss
- Will be amending the budget to show the revenue loss, will be sending along a spreadsheet that has their cash flow estimates

2. Litigation

- Flint is currently absorbing the entire cost of the litigation against the City, and they feel as though the state should pay for part of these costs considering that the State has "some responsibility on this". They say that the decisions that led to this litigation were made in part by Mike Brown and that the State should offer to help pay some of the extra litigation costs. She intends to discuss this further with the Treasury Department when she makes her visit to Lansing in November.

3. KWA Bond Payment

- N. Henderson was unclear when this payment was actually due. Does know that it is around \$6M, and that the payment will need to be made in this fiscal year. N. Henderson agreed to follow up with Eric when she comes across the due date for the payment.

Miscellaneous

1. Mayoral Election

- Mayor Walling stated that the elected Mayor will be sworn into office the Monday following the election (November 9th) and as such, this may be his last phone call with the group. He expressed that this group has developed a very positive working relationship, and that he has enjoyed working with the people on the call

Alexandr Heimann
Municipal Analyst
Local Government Financial Services Division
Michigan Department of Treasury
Office (517) 373-2434

From: Dostine, Patrick (TREASURY)

Sent: Tuesday, October 27, 2015 2:17 PM

To: Cline, Richard (Treasury) <cliner1@michigan.gov>; Heimann, Alexandr (TREASURY) <HeimannA@michigan.gov>; Hudson, Deanna (TREASURY) <HudsonD4@michigan.gov>

Subject: Final draft: 9 AM Flint call talking points

Flint – Oct. 28 – Mayor Walling, J. Freeman, N. Henderson, F. Headen, Wendy, E Cline, P Dostine

- Priorities
- Status of Water Situation
- Cash Flow Status
- KWA Bond Payment – When is this Due?
- Violence Reduction Network
- Miscellaneous

Patrick Dostine

State of Michigan
Department of Treasury
Local Government Financial Services Division,
Office of Fiscal Responsibility
Cadillac Place
3044 W Grand Blvd
Detroit, MI 48202
(office) 313.456.1772
dostinep@michigan.gov

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Schafer, Suzanne K. (Treasury)

From: Cline, Richard (Treasury)
Sent: Wednesday, October 28, 2015 12:21 PM
To: Schafer, Suzanne K. (Treasury)
Subject: FW: Water and Sewer Cash and Fund Balances Information
Attachments: FY16 First Quarter Budget Amendment Transmittal Memo.PDF; City of Flint Cash and Investment Summary 9-30-2015.pdf; City of Flint Budget to Actual Report 9-30-2015.pdf; Jody's Cash Flow FY16 Hayman.xls; Daily Receipt Summary.xlsx

FYI.

I thought you would want to look at this.

It has not yet been sent out of the Division. If you want me to move this to Wayne and/or Ed, please let me know.

Eric Cline | Department Manager | State of Michigan
Michigan Department of Treasury | Local Government Financial Services Division | Fiscal Responsibility Section
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: Natasha Henderson [mailto:nhenderson@cityofflint.com]
Sent: Wednesday, October 28, 2015 9:25 AM
To: Headen, Frederick (Treasury) <HeadenF@michigan.gov>; Cline, Richard (Treasury) <cliner1@michigan.gov>; Byrne, Randall (Treasury) <ByrneR1@michigan.gov>
Subject: Fwd: Water and Sewer Cash and Fund Balances Information

Thanks,

Natasha L. Henderson, City Administrator
City of Flint, Michigan
@Samsung Galaxy Note 4

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

From: "Jody Lundquist" <jlundquist@cityofflint.com>
Date: Oct 23, 2015 4:59 PM
Subject: Water and Sewer Cash and Fund Balances Information
To: "Natasha Henderson" <nhenderson@cityofflint.com>
Cc: "Dawn Steele" <dsteale@cityofflint.com>

Ms. Henderson:

In response to your request for additional information regarding the City's cash and fund balance positions in its Sewer and Water Funds, I have attached the 9/30/2015 RTAB Reports which include the City's cash balances and Budget to Actual Revenues and Expenditures. The 9/30 Report includes fund balance information with a comparison to the requirement as set forth by City Ordinance.

As of October 21, 2015 the City's Water and Sewer Fund Cash accounts were as follows:

Sewer Fund	29,770,766

Water Fund	18,953,346
Transfer to DWSD	(10,000,000)
<u>Reimbursement from</u>	
<u>Treasury</u>	<u>2,000,000</u>
Total Water Fund	10,953,346

Total Sewer/Water Funds	40,724,111

Please keep in mind that total cash balance does not reflect restricted amounts. For this purpose, I have included a summary of unrestricted fund balance information. The FY2016 budget information in the RTAB report only reflects budget amendments approved by both Council and RTAB through 9/30. It does not reflect the amendments passed in October. The unrestricted fund balance information below illustrates the impact of those amendments. The City has historically reviewed the financial position of the Water and Sewer Funds together as a Utility Services System. For instance, the budget adopted by EM Ambrose projected an operating deficit for FY16 in the Sewer Fund of \$1,091,873 and an operating surplus in the Water Fund of \$1,065,715.

FY2016 Beginning Sewer Unrestricted Fund Balance*	15,866,408
<u>Drawings Approved by Budget Amendment</u>	<u>(2,883,373)</u>
FY2016 Projected Ending Unrestricted Fund Balance	12,983,035

FY2016 Beginning Water Unrestricted Fund Balance*	5,789,448
Drawings Approved by Budget Amendment	(7,287,125)
<u>DWSD Budget Amendment</u>	<u>(2,000,000)</u>
FY2016 Projected Ending Unrestricted Fund Balance	(3,497,677)

Total COMBINED FY2016 Projected Ending Unrestricted Fund Balance	9,485,358

I believe that you had intended to provide the Memo regarding the first quarter budget amendments to RTAB with the RTAB packet for November. For ease of reference, if you would like to provide it to them to support the "Drawings Approved by Budget Amendment" as referenced above, I have attached it to this message.

A comprehensive 12-month cash flow that will more clearly outline the timing of revenue and expenditure items is under development. In the interim, I have attached the cash flow provided by the Treasury department on a monthly basis. As of today, Utility collections are down \$3,318,835 for the period August 10-October 20 compared to the same time last year. Foot traffic and online activity is down by approximately 138 transactions per day. This continues to be monitored closely.

In an effort to enforce collections and bolster cash flow, the City will be resuming shut off notices. We currently anticipate first mailings to occur at the end of October/beginning of November.

Please let me know if there is any additional information I may provide or if you have any additional questions.

Best regards,

Jody N. Lundquist
Chief Financial Officer
City of Flint
1101 S. Saginaw Street, 2nd Floor
Flint, MI 48502
jlundquist@cityofflint.com
(810) 766-7268 ext. 2301



Dayne Walling
Mayor

CITY OF FLINT, MICHIGAN

Department of Finance

Natasha L. Henderson
City Administrator

Jody N. Lundquist
Finance Director

Dawn Steels
Deputy Finance Director

DATE: October 2, 2015

TO: Natasha L. Henderson, City Administrator

FROM: Jody N. Lundquist, Chief Financial Officer

RE: City of Flint FY2016 First Quarter Budget Amendments

The attached FY2016 First Quarter Budget Amendments are being submitted for review and discussion at the City of Flint's Finance and Administration Committee meeting on October 7, 2015.

The City of Flint has adopted a biennial budget for fiscal years 2015 and 2016 and is committed to ongoing review of revenues and expenses in compliance with City Ordinance and Michigan's Public Act of 1968, Uniform Budgeting and Accounting Act. While much of the City's ongoing operations are aligned with budget projections for the fiscal year to date, the first quarter budget amendments being proposed attempt to adjust for the following items: reallocation of estimated expenditures, use of fund balance for projects and capital improvements outstanding at June 30, 2015, and reduction in revenue projections.

Attached is the City's Proposed First Quarter Budget Amendments for your review. For the purposes of review, discussion and approval, the amendments have been presented in two resolutions. The first resolution contains the General, Drug Enforcement and Public Improvement Funds. The second resolution contains the Sewer and Water Funds.

RESOLUTION I:

General Fund

The Police Department is partnering with the Crim Foundation to provide 5 part-time officers. The Crim Foundation will be reimbursing the City for all expenses associated with these officers. There is no Use of Fund Balance in the 101 Fund for these expenditures.

The Fire Department's budget reflects a budget amendment for the Charter Pension account and

an adjustment to the Pension Defined Benefit and Defined Contribution plans. The original budget had 3 firefighters in the Defined Contribution plan, however the positions are actually participants in the Defined Benefit plan. An adjustment is necessary to cover the additional defined benefit contribution expense. The additional expense will be offset by a reduction in Fleet charges to the department therefore the net impact is zero.

The Planning and Zoning budget reflects an increase in the revenue budget for fees already collected but not budgeted in the amount of \$20,000. This revenue was used to fund the increase in the Equipment budget for the purchase of lawn equipment for neighborhood weed abatement efforts.

Drug Enforcement Fund

The Police Department is requesting to add a full-time police officer to be funded with the Drug Enforcement Fund (265). This Officer is currently working at the DEA and his wages are eligible for Forfeiture funds. The City has confirmed that this position is eligible for up to 18 months. This budget amendment reflects the Use of Fund Balance of \$42,273 in the Drug Forfeiture Fund.

Permanent Public Improvement Fund

The Public Improvement Fund (402) is being amended to reflect a decrease in revenues and expenditures. The first item reflects a reduction in the revenue received from the DDA for the parking debt bond. The reimbursement revenue was recorded in a prior year with a corresponding account receivable. Receipt of payment will reduce the previously recorded receivable. At the time of adoption, the FY2016 budget included repayment of the long term liability owed to the Sewer Fund. This liability was subsequently repaid in its entirety through the receipt of an emergency loan in FY2015.

RESOLUTION II:

On August 7, 2015 Genesee County District Court Judge Archie Hayman issued a Preliminary Injunction Order (the "Order") against the City. Upon issuance of the Order, the City was immediately enjoined from charging and collecting water and sewer rates that include the September 16, 2011 35% rate increases and disconnecting water service for its delinquent water and sewer customers wherein the delinquency arose between September 16, 2011 and the date of the Order. This immediately resulted in a decrease in cash collections on outstanding and current water bills and a decrease in total billed revenue.

The following budget amendments reflect a decrease in revenue projections as a result of monthly billing activity for the period September 2015-June 2016. The first month of billing since the Order has confirmed preliminary estimates with \$670,000 less in billed usage from the same period in 2014. The City has assumed an average decrease of \$616,147.64 in monthly billed revenue, or \$6,161,476 by fiscal year end.

The City had total accounts receivable due of \$13,738,190 for all active and inactive accounts at August 7, 2015. It is highly probable that a large percentage of that balance will have to be written off as uncollectible without the ability to enforce payment. The proposed amendments

reflect an estimated uncollectible balance at this time of \$8,340,823.

The City is working diligently to review the FY2016 operating budgets for additional sources of savings. A spending and hiring freeze for all non-critical items is in effect. The City has redeveloped its FY2016 capital improvement plan and has now canceled or postponed many planned projects and purchases until financial stability can be regained.

Changes to appropriations reflect the carry forward of projects in progress but not completed at June 30, 2015 for the Sewer and Water Funds of \$41,796 and \$1,456,922, respectively. This carry forward is largely offset by decreases to the City's capital improvement plan.

The City's emphasis at this time continues to be on providing safe, clean water to the City's residents and moving forward with preparations for the KWA pipeline to come online. As a result of this re-prioritization, the budget amendments reflect a reduction to budget capital improvements of \$5,564,804.

Sewer Fund

The Sewer Fund budget (590) reflects a decrease in projected revenue of \$6,741,475 and increase in Use of Fund balance of \$2,883,373. The Sewer Fund was paid in full by the 101 fund at the end of FY2015, therefore the budgeted payment of \$800,000 from the Public Improvement Fund must be removed. As noted previously, the decrease in Charges for Services of \$5,941,475 is a result of the combined impact of inability to enforce collections on balance prior to August 7 and decrease in billed revenue per Court ordered rate reductions.

The roll forward of incomplete FY2015 projects of \$41,796 is reflected by a corresponding decrease in cancelled and postponed capital improvement projects of \$3,899,898.

Water Fund

The Water Fund budget (591) reflects a decrease in projected revenue of \$8,560,824 and increase in Use of Fund balance of \$7,287,125. Again, as noted previously, the decrease in Charges for Services are a result of the combined impact of inability to enforce collections on balance prior to August 7 and decrease in billed revenue per Court ordered rate reductions.

The roll forward of incomplete FY2015 projects of \$1,456,922 is reflected by a corresponding decrease in cancelled and postponed capital improvement projects of \$1,664,906. The City had just begun its much need meter replacement program at the end of FY2015. A significant portion of the roll forward reflects outstanding purchase orders and invoices related to this project prior to the spending freeze. The reduction in FY2016 budgeted improvements reflects the reprioritization of the KWA project and postponement of other significant projects such as the Dupont Street Pipeline Project and Hamilton Dam Sheet Piling.

CITY OF FLINT
1ST QUARTER BUDGET AMENDMENTS
FOR THE FISCAL YEAR ENDING JUNE 30, 2016

Department	Amended FY2016 Budget Adopted 4/28/2015	1st Quarter Proposed Amendments	Proposed Amended Budget 10/7/2015
<u>General Fund</u>			
Police			
Revenues - Reimbursements	-	145,803	145,803
Expenditures - Personnel Services	3,441,527	145,803	3,587,330
Net Change in Appropriations		-	
Fire			
Expenditures - Personnel Services	1,927,300	27,756	1,955,056
Expenditures - Supplies and Operating Expenses	800,000	(27,756)	772,244
Net Change in Appropriations		-	
Planning and Zoning			
Revenues - Charges for Services	3,500	20,000	23,500
Expenditures - Supplies and Operating Expenses	-	20,000	20,000
Net Change in Appropriations		-	
<u>Drug Law Enforcement Fund</u>			
Revenues - Use of Fund Balance	-	42,273	42,273
Expenditures - Personnel Services	-	42,273	42,273
Net Change in Appropriations		-	
<u>Public Improvement Fund</u>			
Revenues - Reimbursements	350,000	(300,000)	50,000
Expenditures - Transfers Out	800,000	(800,000)	-
Net Change in Appropriations		500,000	

CITY OF FLINT
1ST QUARTER BUDGET AMENDMENTS
FOR THE FISCAL YEAR ENDING JUNE 30, 2016

Department	Amended FY2016 Budget Adopted 4/28/2015	1st Quarter Proposed Amendments	Proposed Amended Budget 10/7/2015
<u>Sewer Fund</u>			
Revenues:			
Transfers In	800,000	(800,000)	-
Charges for Services	30,434,895	(5,941,475)	24,493,420
Other Revenue	11,000	-	11,000
Drawings From Fund Balance	1,091,873	2,883,373	3,975,246
Appropriations	32,337,768	(3,858,102)	28,479,666
Net Revenues/Appropriations	-	-	-
<u>Water Fund</u>			
Revenues:			
Charges for Services	36,943,802	(8,560,824)	28,382,978
Drawings From Fund Balance	-	7,287,125	7,287,125
All Other Revenue	112,000	-	112,000
Appropriations	35,990,087	(207,984)	35,782,103
Net Revenues/Appropriations	1,065,715	(1,065,715)	-

**CITY OF FLINT
CASH AND INVESTMENT ACCOUNT SUMMARY
FOR THE PERIOD ENDING SEPTEMBER 30, 2015**

Fund Account	Description	Beginning Balance 09/01/2015	Ending Balance 09/30/2015
Fund 101 General Fund			
001.000	Commercial Pooled Cash Account	6,796,053	6,338,556
001.450	Citizens - P/R Direct Deposit - 906-9766	(47,229)	(47,602)
004.000	Imprest Cash	9,300	9,300
	General Fund	<u>6,758,124</u>	<u>6,300,254</u>
Fund 202 Major Street Fund			
001.000	Commercial Pooled Cash Account	5,624,072	5,095,054
004.000	Imprest Cash	60	60
	Major Street Fund	<u>5,624,132</u>	<u>5,095,114</u>
Fund 203 Local Street Fund			
001.000	Commercial Pooled Cash Account	1,421,382	1,218,355
Fund 205 Public Safety			
001.000	Commercial Pooled Cash Account	7,610,474	7,139,815
Fund 207 Police Fund			
001.000	Commercial Pooled Cash Account	668,561	587,725
001.002	Bank 1 Commercial -Checks Only	-	-
	Police Fund	<u>668,561</u>	<u>587,725</u>
Fund 208 Park/Recreation Fund			
001.000	Commercial Pooled Cash Account	267,636	239,060
001.002	Bank 1 Commercial -Checks Only	-	-
	Park/Recreation Fund	<u>267,636</u>	<u>239,060</u>
Fund 219 Street Light			
001.000	Commercial Pooled Cash Account	1,794,374	1,616,757
001.002	Bank 1 Commercial -Checks Only	-	-
	Street Light	<u>1,794,374</u>	<u>1,616,757</u>

CITY OF FLINT
CASH AND INVESTMENT ACCOUNT SUMMARY
FOR THE PERIOD ENDING SEPTEMBER 30, 2015

Fund Account	Description	Beginning Balance 09/01/2015	Ending Balance 09/30/2015
Fund 226 Rubbish Collection Fund			
001.000	Commercial Pooled Cash Account	2,532,331	1,880,152
Fund 265 Drug Law Enforcement Fund			
001.000	Commercial Pooled Cash Account	1,130,894	1,135,766
Fund 274 HUD CDBG, ESG, & HOME GRANTS			
001.000	Commercial Pooled Cash Account	(1,106,210)	(855,171)
001.002	Bank 1 Commercial -Checks Only	-	-
001.100	Bank - Urban Renewal - 230006018089	154,768	392,708
	HUD CDBG, ESG, & HOME GRANTS	(951,442)	(462,463)
Fund 296 Other Grants Fund			
001.000	Commercial Pooled Cash Account	1,535,007	1,435,027
001.002	Bank 1 Commercial -Checks Only	-	-
	Other Grants Fund	1,535,007	1,435,027
Fund 402 Public Improvement Fund			
001.000	Commercial Pooled Cash Account	2,196,818	2,143,111
Fund 542 Building Inspection Fund			
001.000	Commercial Pooled Cash Account	1,899,261	1,880,684
001.002	Bank 1 Commercial -Checks Only	-	-
	Building Inspection Fund	1,899,261	1,880,684
Fund 590 Sewer Fund			
001.000	Commercial Pooled Cash Account	30,633,285	11,123,680
001.002	Bank 1 Commercial -Checks Only	-	-
003.000	Certificate Of Deposit	-	19,191,527
	Sewer Fund	30,633,285	30,315,206

**CITY OF FLINT
CASH AND INVESTMENT ACCOUNT SUMMARY
FOR THE PERIOD ENDING SEPTEMBER 30, 2015**

Fund Account	Description	Beginning Balance 09/01/2015	Ending Balance 09/30/2015
Fund 591 Water Fund			
001.000	Commercial Pooled Cash Account	15,145,473	1,282,764
001.001	Cash Reserve	5,848,116	5,848,116
003.000	Certificate Of Deposit	-	12,373,484
	Water Fund	20,993,589	19,504,364
	TOTAL - ALL FUNDS	84,114,425	80,028,928

CITY OF FLINT
BUDGET TO ACTUAL REVENUE AND EXPENDITURE REPORT
FOR THE PERIOD ENDING SEPTEMBER 30, 2015

ACCOUNT DESCRIPTION	2014-15 AMENDED BUDGET	YTD BALANCE 06/30/2015	2015-16 AMENDED BUDGET	YTD BALANCE 42,277	AVAILABLE BALANCE	% BDGT USED
Fund 101 - General Fund						
Property Taxes	4,970,000	4,699,113	4,900,000	4,497,531	402,469	91.79
Special assessment taxes	16,656	20,973	17,000	8,383	8,617	49.31
Income taxes	13,000,000	14,012,171	13,541,000	2,303,053	11,237,947	17.01
Interest and dividend income	366,100	568,822	470,000	91,121	378,879	19.39
State revenues	17,891,910	17,918,463	18,253,013	849,218	17,403,796	4.65
Charges for service rendered	7,636,721	7,846,452	8,023,942	2,237,247	5,786,694	27.88
Other revenues	534,603	867,092	385,864	218,209	167,654	56.55
Drawings from fund balance	(1,000,000)	-	(1,000,000)	-	(1,000,000)	0.00
Fines and forfeitures	1,633,539	1,583,496	1,805,731	191,584	1,614,147	10.61
License and Permits	1,200,300	1,144,949	1,225,000	53,626	1,171,374	4.38
Proceeds from sale of capital assets	4,577,998	4,577,998	3,777,998	944,500	2,833,498	0.00
Transfers in	500	500	-	-	-	0.00
Proceeds from loan	7,000,000	7,000,000	-	-	-	100.00
TOTAL REVENUES	57,828,326	60,240,028	51,399,547	11,394,472	40,005,076	22.17
General government	20,292,595	20,530,023	22,015,842	4,977,634	17,038,208	22.61
Legislative	429,775	414,085	618,802	107,447	511,355	17.36
Judicial	3,964,721	3,929,782	4,031,207	1,003,525	3,027,682	24.89
Police	13,132,959	12,961,412	15,897,752	3,142,706	12,755,046	19.77
Emergency dispatch	2,424,447	2,413,532	202,919	160,529	42,390	79.11
Fire	5,707,529	5,558,910	6,434,419	1,267,587	5,166,833	19.70
Community development	868,761	742,881	736,153	127,068	609,085	17.26
Facilities and Maintenance	1,453,322	1,332,445	1,462,452	245,585	1,216,867	16.79
Transfers out	99,140	149,206	-	-	-	0.00
TOTAL EXPENDITURES	48,373,249	48,032,276	51,399,547	11,032,082	40,367,464	21.46

NET OF REVENUES/EXPENDITURES	9,455,078	12,207,752	1	362,389	(362,389)

BEG. FUND BALANCE
END FUND BALANCE

(8,961,424)
3,246,328

3,246,328
3,608,718

FUND BALANCE AS % OF EXPENDITURES - ACTUAL
FUND BALANCE AS % OF EXPENDITURES - POLICY

1%
15%

7%
15%

6%
15%

DESIGNATED RESERVE PER POLICY (15%)
VARIANCE ACTUAL TO POLICY

7,255,987
(6,762,333)

7,255,987
(4,009,659)

7,709,932
(4,463,603)

CITY OF FLINT
BUDGET TO ACTUAL REVENUE AND EXPENDITURE REPORT
FOR THE PERIOD ENDING SEPTEMBER 30, 2015

ACCOUNT DESCRIPTION	2014-15 AMENDED BUDGET	YTD BALANCE 06/30/2015	2015-16 AMENDED BUDGET	YTD BALANCE 42,277	AVAILABLE BALANCE	% BDGT USED
Fund 202 - Major Street Fund						
State revenues	7,381,806	7,624,369	6,930,520	852,712	6,077,808	12.30
Charges for service rendered	23,506	13,081	31,506	29,403	2,103	93.32
Other revenues	209,610	290,700	184,354	41,948	142,406	22.75
Drawings from fund balance	1,181,572	-	1,476,334	-	1,476,334	0.00
Interest and Dividend income	-	29,010	-	-	-	0.00
Federal revenues	87,680	87,680	-	-	-	0.00
TOTAL REVENUES	8,884,174	8,044,841	8,622,714	924,063	7,698,651	10.72
General government	1,442,892	1,444,564	1,638,378	273,063	1,365,315	16.67
Transportation	6,478,147	4,958,253	6,297,010	526,161	5,770,849	8.36
Debt services - interest	8,551	8,550	8,000	-	8,000	0.00
Debt services - principal	110,072	110,070	110,622	-	110,622	0.00
Transfers out	-	-	568,703	94,784	473,919	16.67
TOTAL EXPENDITURES	8,039,662	6,521,438	8,622,713	894,008	7,728,705	10.37
NET OF REVENUES/EXPENDITURES	844,512	1,523,403	1	30,056	(30,055)	
BEG. FUND BALANCE	4,926,787	4,926,787	6,450,190	6,450,190		
END FUND BALANCE	4,589,727	6,450,190	4,973,857	6,480,246		
FUND BALANCE AS % OF REVENUES - ACTUAL	60%	84%	70%			
FUND BALANCE AS % OF REVENUES - POLICY	15%	15%	15%			
DESIGNATED RESERVE PER POLICY (15%)	1,155,390	1,155,390	1,071,957			
VARIANCE ACTUAL TO POLICY	3,434,337	5,294,800	3,901,900			

CITY OF FLINT
BUDGET TO ACTUAL REVENUE AND EXPENDITURE REPORT
FOR THE PERIOD ENDING SEPTEMBER 30, 2015

ACCOUNT DESCRIPTION	2014-15 AMENDED BUDGET	YTD BALANCE 06/30/2015	2015-16 AMENDED BUDGET	YTD BALANCE	AVAILABLE BALANCE	% BDGT USED
Fund 203 - Local Street Fund						
State revenues	1,941,703	1,942,017	2,016,514	199,693	1,816,821	9.90
Other revenues	618,343	117,135	630,677	338,465	292,212	53.67
Interest and dividend income	-	5,993	-	-	-	0.00
Transfers in	-	-	568,703	142,176	-	25.00
Drawings from fund balance	288,513	-	421,863	-	421,863	0.00
TOTAL REVENUES	2,848,559	2,065,146	3,637,757	680,334	2,530,896	18.70
Fund 203 - Local Street Fund						
General government	314,770	314,770	402,087	100,522	301,565	25.00
Transportation	2,476,948	1,993,800	3,235,670	550,604	2,685,066	17.02
TOTAL EXPENDITURES	2,791,717	2,308,570	3,637,757	651,126	2,986,631	17.90
NET OF REVENUES/EXPENDITURES	56,842	(243,424)	(0)	29,208	(455,736)	
BEG FUND BALANCE	1,610,712	1,610,712	1,367,288	1,367,288		
END FUND BALANCE	1,379,041	1,367,288	945,425	1,396,496		
FUND BALANCE AS % OF REVENUES - ACTUAL	54%	53%	29%			
FUND BALANCE AS % OF REVENUES - POLICY	15%	15%	15%			
DESIGNATED RESERVE PER POLICY (15%)	384,007	384,007	482,384			
VARIANCE ACTUAL TO POLICY	995,034	983,281	463,041			

CITY OF FLINT
BUDGET TO ACTUAL REVENUE AND EXPENDITURE REPORT
FOR THE PERIOD ENDING SEPTEMBER 30, 2015

ACCOUNT DESCRIPTION	2014-15 AMENDED BUDGET	YTD BALANCE 06/30/2015	2015-16 AMENDED BUDGET	YTD BALANCE 42,277	AVAILABLE BALANCE	% BDGT USED
Fund 205 - Public Safety						
Property Taxes	3,688,275	3,842,853	3,700,000	3,776,292	(76,292)	102.06
Interest and dividend income	-	30,798	-	-	-	0.00
Other revenues	-	5,462	-	-	-	0.00
Drawings from fund balance	4,690,318	-	2,481,948	-	2,481,948	0.00
TOTAL REVENUES	8,378,593	3,879,113	6,181,948	3,776,292	2,405,656	61.09
Police	2,705,773	2,684,119	1,902,722	445,935	1,456,787	23.44
Fire	3,675,510	3,633,122	4,279,226	958,556	3,320,670	22.40
TOTAL EXPENDITURES	6,381,283	6,317,241	6,181,948	1,404,491	4,777,457	22.72
NET OF REVENUES/EXPENDITURES	1,997,310	(2,438,128)	-	2,371,800	(2,371,800)	
BEG. FUND BALANCE	8,457,278	8,457,278	6,019,150	6,019,150		
END FUND BALANCE	5,764,270	6,019,150	3,537,202	8,390,950		
FUND BALANCE AS % OF REVENUES - ACTUAL	156%	163%	96%			
FUND BALANCE AS % OF REVENUES - POLICY	10%	10%	10%			
DESIGNATED RESERVE PER POLICY (10%)	368,827	368,827	370,000			
VARIANCE ACTUAL TO POLICY	5,395,442	5,650,322	3,167,202			

CITY OF FLINT
BUDGET TO ACTUAL REVENUE AND EXPENDITURE REPORT
FOR THE PERIOD ENDING SEPTEMBER 30, 2015

ACCOUNT DESCRIPTION	2014-15 AMENDED BUDGET	YTD BALANCE 06/30/2015	2015-16 AMENDED BUDGET	YTD BALANCE 42,277	AVAILABLE BALANCE	% BDGT USED
Fund 207 - Police Fund						
Property Taxes	1,250,306	1,293,783	1,255,000	1,260,588	(5,588)	100.45
Interest and dividend income	-	445	-	-	-	0.00
Other revenues	93,180	1,740	-	-	-	0.00
Drawings from fund balance	42,502	-	68,944	-	68,944	0.00
TOTAL REVENUES	1,385,988	1,295,968	1,323,944	1,260,588	63,356	95.21
Fund 207 - Police Fund						
Police	1,358,912	1,311,361	1,323,944	258,321	1,065,623	19.51
TOTAL EXPENDITURES	1,358,912	1,311,361	1,323,944	258,321	1,065,623	19.51
NET OF REVENUES/EXPENDITURES	27,076	(15,392)	-	1,002,267	(1,002,267)	
BEG. FUND BALANCE	19,656	19,656	4,264	4,264		
END FUND BALANCE	4,230	4,264	(64,680)	1,006,530		
FUND BALANCE AS % OF REVENUES - ACTUAL	0%	0%	-5%			
FUND BALANCE AS % OF REVENUES - POLICY	10%	10%	10%			
DESIGNATED RESERVE PER POLICY (10%)	134,349	134,349	125,500			
VARIANCE ACTUAL TO POLICY	(130,118)	(130,085)	(190,180)			

CITY OF FLINT
BUDGET TO ACTUAL REVENUE AND EXPENDITURE REPORT
FOR THE PERIOD ENDING SEPTEMBER 30, 2015

ACCOUNT DESCRIPTION	2014-15 AMENDED BUDGET	YTD BALANCE 06/30/2015	2015-16 AMENDED BUDGET	YTD BALANCE 42,277	AVAILABLE BALANCE	% BDGT USED
Fund 208 - Park/Recreation Fund						
Property Taxes	312,546	323,951	315,000	315,054	(54)	100.02
Interest and dividend income	-	718	-	-	-	0.00
Other revenues	4,930	16,954	4,825	1,060	3,765	21.97
Drawings from fund balance	97,000	-	87,146	-	87,146	0.00
Transfers in	99,413	99,140	-	-	-	0.00
TOTAL REVENUES	513,889	440,762	406,971	316,114	90,856	77.67
Fund 208 - Park/Recreation Fund						
Community development	513,889	459,475	406,971	55,346	351,625	13.60
TOTAL EXPENDITURES	513,889	459,475	406,971	55,346	351,625	13.60
NET OF REVENUES/EXPENDITURES	-	(18,712)	-	260,769	(260,769)	
BEG. FUND BALANCE	99,941	99,941	81,229	81,229		
END FUND BALANCE	2,941	81,229	(5,917)	341,997		
FUND BALANCE AS % OF REVENUES - ACTUAL	1%	19%	-2%			
FUND BALANCE AS % OF REVENUES - POLICY	10%	10%	10%			
DESIGNATED RESERVE PER POLICY (10%)	41,689	41,689	31,983			
VARIANCE ACTUAL TO POLICY	(38,748)	39,540	(37,899)			

CITY OF FLINT
BUDGET TO ACTUAL REVENUE AND EXPENDITURE REPORT
FOR THE PERIOD ENDING SEPTEMBER 30, 2015

ACCOUNT DESCRIPTION	2014-15 AMENDED BUDGET	YTD BALANCE 06/30/2015	2015-16 AMENDED BUDGET	YTD BALANCE 42,277	AVAILABLE BALANCE	% BDGT USED
Fund 219 - Street Light						
Special assessment taxes	2,738,986	2,415,368	2,718,986	2,616,226	102,760	96.22
Interest and dividend income	-	5,272	-	-	-	0.00
Drawings from fund balance	-	-	105,218	-	-	0.00
TOTAL REVENUES	2,738,986	2,420,640	2,824,204	2,616,226	102,760	92.64
Fund 219 - Street Light						
General government	91,210	91,210	128,895	32,224	56,671	25.00
Transportation	2,463,195	2,381,159	2,695,308	399,480	2,295,828	14.82
TOTAL EXPENDITURES	2,554,405	2,472,369	2,824,203	431,704	2,392,499	15.29

NET OF REVENUES/EXPENDITURES	184,581	(51,729)	1	2,184,522	(2,289,739)	

BEG. FUND BALANCE	709,204	709,204	657,475	657,475		
END FUND BALANCE	893,785	657,475	552,258	2,841,997		

FUND BALANCE AS % OF REVENUES - ACTUAL	33%	24%	20%			
FUND BALANCE AS % OF REVENUES - POLICY	15%	15%	15%			

DESIGNATED RESERVE PER POLICY (15%)	410,848	410,848	407,848			
VARIANCE ACTUAL TO POLICY	482,937	246,627	144,410			

CITY OF FLINT
BUDGET TO ACTUAL REVENUE AND EXPENDITURE REPORT
FOR THE PERIOD ENDING SEPTEMBER 30, 2015

ACCOUNT DESCRIPTION	2014-15	2015-16	YTD BALANCE 06/30/2015	YTD BALANCE 42,277	AVAILABLE BALANCE	% BDGT USED
	AMENDED BUDGET	AMENDED BUDGET				
Fund 226 - Rubbish Collection Fund						
Property Taxes	5,517,813	4,829,002	4,909,128	4,624,305	204,697	95.76
Charges for service rendered	11,093	-	10,877	-	-	0.00
Other revenues	-	-	6,958	-	-	0.00
Drawings from fund balance	-	1	-	-	1	0.00
License and Permits	1,660	500	1,840	740	(240)	148.00
TOTAL REVENUES	5,530,566	4,829,503	4,928,803	4,625,045	204,458	95.77
General government	173,143	250,958	182,710	62,740	188,218	25.00
Transportation	49,755	100,000	52,546	-	100,000	0.00
Public works	4,551,320	4,478,544	4,380,260	1,092,443	3,386,101	24.39
TOTAL EXPENDITURES	4,774,218	4,829,502	4,615,516	1,155,182	3,674,320	23.92
NET OF REVENUES/EXPENDITURES	756,348	1	313,287	3,469,862	(3,469,861)	

BEG. FUND BALANCE	277,049	590,336	277,049	590,336		
END FUND BALANCE	1,033,397	590,337	590,336	4,060,198		
FUND BALANCE AS % OF REVENUES - ACTUAL	19%	12%	11%			
FUND BALANCE AS % OF REVENUES - POLICY	15%	15%	15%			
DESIGNATED RESERVE PER POLICY (15%)	829,585	724,425	829,585			
VARIANCE ACTUAL TO POLICY	203,812	(134,088)	(239,249)			

CITY OF FLINT
BUDGET TO ACTUAL REVENUE AND EXPENDITURE REPORT
FOR THE PERIOD ENDING SEPTEMBER 30, 2015

ACCOUNT DESCRIPTION	2014-15 AMENDED BUDGET	YTD BALANCE 06/30/2015	2015-16 AMENDED BUDGET	YTD BALANCE 42,277	AVAILABLE BALANCE	% BDGT USED
Fund 265 - Drug Law Enforcement Fund						
Other revenues	16,500	3,818	-	2,528	(2,528)	0.00
Interest and dividend income	-	5,170	-	-	-	0.00
Drawings from fund balance	374,063	-	169,674	-	169,674	0.00
Fines and forfeitures	101,000	50,299	2,500	28,007	(25,507)	1,120.29
TOTAL REVENUES	491,563	59,287	172,174	30,536	141,638	17.74
Police	477,563	298,452	172,174	7,450	164,724	4.33
TOTAL EXPENDITURES	477,563	298,452	172,174	7,450	164,724	4.33
NET OF REVENUES/EXPENDITURES	14,000	(239,165)	-	23,085	(23,085)	

BEG FUND BALANCE
END FUND BALANCE

529,807
552,893

FUND BALANCE AS % OF EXPENDITURES - ACTUAL
FUND BALANCE AS % OF EXPENDITURES - POLICY

209%
100%

DESIGNATED RESERVE PER POLICY (100%)
VARIANCE ACTUAL TO POLICY

172,174
187,959

CITY OF FLINT
BUDGET TO ACTUAL REVENUE AND EXPENDITURE REPORT
FOR THE PERIOD ENDING SEPTEMBER 30, 2015

ACCOUNT DESCRIPTION	2014-15	2015-16	YTD BALANCE 06/30/2015	AMENDED BUDGET	YTD BALANCE 42,277	AVAILABLE BALANCE	% BDGT USED
	AMENDED BUDGET	AMENDED BUDGET					
Fund 274 - HUD CDBG, ESG, & HOME GRANTS							
Transfer in from 296 fund	-	-	250,540	-	-	-	0.00
Drawings from Fund Balance	-	-	-	-	-	-	0.00
Federal revenues	11,834,239	8,532,130	4,148,623	8,532,130	389,207	8,142,924	4.56
TOTAL REVENUES	11,834,239	8,532,130	4,399,163	8,532,130	389,207	8,142,924	4.56
General government	215,350	58,681	165,972	58,681	29,424	29,257	50.14
Fire	14,766	2,918	11,847	2,918	-	2,918	0.00
Community development	10,551,674	7,158,841	3,814,611	7,158,841	212,624	6,946,217	2.97
Transportation	204,964	204,952	-	204,952	-	204,952	0.00
Facilities and Maintenance	35,000	35,000	-	35,000	-	35,000	0.00
Building inspections	812,485	631,255	204,349	631,255	124,864	506,392	19.78
TOTAL EXPENDITURES	11,834,239	8,091,648	4,196,779	8,091,648	366,912	7,724,736	4.53
NET OF REVENUES/EXPENDITURES	-	440,483	202,385	440,483	22,295	418,187	

Fund 296 - Other Grants Fund

Federal revenues	2,227,809	1,467,199	784,366	1,467,199	-	1,467,199	0.00
State revenues	4,350,528	3,671,050	1,108,595	3,671,050	1,570,883	2,100,167	0.00
Other revenues	354	-	483	-	-	-	0.00
Local grants	1,082,063	110,996	663,225	110,996	544,610	(433,614)	490.66
Fines and forfeitures	4,214	-	4,214	-	-	-	0.00
Drawings from fund balance	-	-	-	-	-	-	0.00
Interest and dividend income	-	-	-	-	-	-	0.00
TOTAL REVENUES	7,664,968	5,249,245	2,560,883	5,249,245	2,115,493	3,133,752	40.30
Fund 296 - Other Grants Fund							
General government	19,662	12,192	7,506	12,192	-	12,192	0.00
Police	3,249,069	1,114,902	2,172,819	1,114,902	34,785	1,080,117	3.12
Community development	1,880,784	1,682,484	456,370	1,682,484	55,286	1,627,198	3.29
Transportation	1,642,144	1,568,541	73,603	1,568,541	1,235	1,567,306	0.08
Facilities and Maintenance	773,310	710,973	165,748	710,973	25,326	685,647	3.56
Public works	50,000	270	49,730	270	-	270	0.00
Transfer out to 274 fund	50,000	50,000	-	50,000	-	50,000	0.00
Utilities	-	2,000,000	332,919	2,000,000	109,507	1,890,493	0.00
TOTAL EXPENDITURES	7,664,968	7,139,361	3,258,696	7,139,361	226,139	6,913,223	3.17
NET OF REVENUES/EXPENDITURES	-	(1,890,116)	(697,813)	(1,890,116)	1,889,355	(9,779,471)	

CITY OF FLINT
BUDGET TO ACTUAL REVENUE AND EXPENDITURE REPORT
FOR THE PERIOD ENDING SEPTEMBER 30, 2015

ACCOUNT DESCRIPTION	2014-15 AMENDED BUDGET	YTD BALANCE 06/30/2015	2015-16 AMENDED BUDGET	YTD BALANCE 42,277	AVAILABLE BALANCE	% BDGT USED
Fund 402 - Public Improvement Fund						
Property Taxes	1,703,000	1,609,072	1,703,000	1,575,778	127,222	92.53
Other revenues	380,000	38,358	350,000	-	350,000	0.00
Interest and dividend income	-	7,613	-	-	-	0.00
Drawings from fund balance	767,957	-	775,967	-	775,967	0.00
TOTAL REVENUES	2,850,957	1,655,042	2,828,967	1,575,778	1,253,189	55.70
Facilities and Maintenance						
Transfers out	721,900	688,774	700,000	-	700,000	0.00
Debt services - interest	1,526,953	1,526,953	1,526,213	181,738	1,344,475	11.91
Debt services - principal	407,104	400,191	392,754	-	392,754	0.00
TOTAL EXPENDITURES	195,000	200,000	210,000	-	210,000	0.00
	2,850,957	2,815,918	2,828,967	181,738	2,647,229	11.91
NET OF REVENUES/EXPENDITURES	-	(1,160,875)	-	1,394,040	(1,394,040)	

BEG. FUND BALANCE
END FUND BALANCE

FUND BALANCE AS % OF EXPENDITURES - ACTUAL
FUND BALANCE AS % OF EXPENDITURES - POLICY

DESIGNATED RESERVE PER POLICY
VARIANCE ACTUAL TO POLICY

8,335,339
9,335,339

N/A
N/A

2,928,267
5,246,197

9,335,339
8,174,464

N/A
N/A

8,174,464
8,174,464

8,174,464
9,568,504

N/A
N/A

8,174,464
8,174,464

CITY OF FLINT
BUDGET TO ACTUAL REVENUE AND EXPENDITURE REPORT
FOR THE PERIOD ENDING SEPTEMBER 30, 2015

ACCOUNT DESCRIPTION	2014-15 AMENDED BUDGET	YTD BALANCE 06/30/2015	2015-16 AMENDED BUDGET	YTD BALANCE 42,277	AVAILABLE BALANCE	% BDGT USED
Fund 542 - Building Inspection Fund						
Charges for service rendered	50,579	45,592	-	11,388	(11,388)	0.00
Drawings from fund balance	236,763	-	341,717	-	341,717	0.00
Interest and dividend income	-	9,114	-	-	-	0.00
License and Permits	2,563,164	2,609,751	1,625,000	495,806	1,129,194	30.51
TOTAL REVENUES	2,850,506	2,664,457	1,966,717	507,194	1,459,523	25.79
General government	504,425	504,209	619,180	154,741	464,439	24.99
Building inspections	1,361,108	1,069,570	1,347,536	243,528	1,104,008	18.07
TOTAL EXPENDITURES	1,865,533	1,573,779	1,966,716	398,268	1,568,448	20.25

NET OF REVENUES/EXPENDITURES	984,973	1,090,678	1	108,925	(108,925)

BEG FUND BALANCE	643,476	643,476	1,734,154	1,734,154
END FUND BALANCE	1,391,686	1,734,154	1,392,438	1,843,079

FUND BALANCE AS % OF REVENUES - ACTUAL
FUND BALANCE AS % OF REVENUES - POLICY

53%	66%	86%
15%	15%	15%

DESIGNATED RESERVE PER POLICY (15%)
VARIANCE ACTUAL TO POLICY

392,061	243,750
999,625	1,148,688

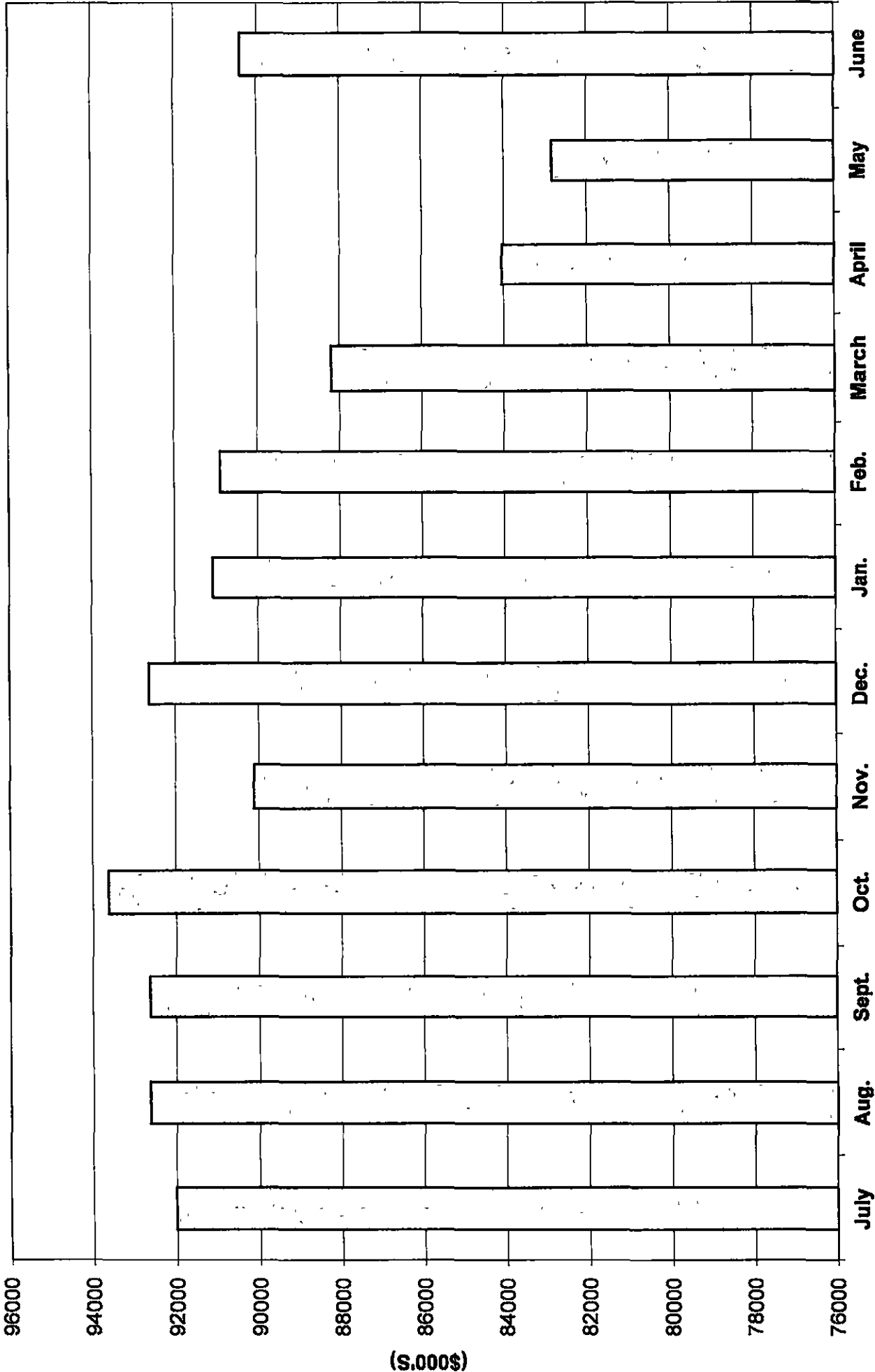
CITY OF FLINT
BUDGET TO ACTUAL REVENUE AND EXPENDITURE REPORT
FOR THE PERIOD ENDING SEPTEMBER 30, 2015

ACCOUNT DESCRIPTION	2014-15 AMENDED BUDGET	YTD BALANCE 06/30/2015	2015-16 AMENDED BUDGET	YTD BALANCE 42,277	AVAILABLE BALANCE	% BDGT USED
Fund 590 - Sewer Fund						
Interest and dividend income	-	147,488	-	-	-	0.00
Charges for service rendered	30,410,163	30,435,699	30,434,895	5,184,142	25,250,753	17.03
Other revenues	91,646	92,073	11,000	2,371	8,629	21.55
Drawings from fund balance	5,189,855	-	1,091,873	-	1,091,873	0.00
Transfers in	800,000	800,000	800,000	-	800,000	0.00
TOTAL REVENUES	36,491,663	31,475,259	32,337,768	5,186,513	27,151,255	16.04
General government	3,765,455	3,747,098	4,786,371	1,196,593	3,589,778	25.00
Debt services - interest	695	90	695	481	214	69.27
Debt services - principal	6,571	6,571	6,016	629	5,387	10.45
Transfers out	2,660,000	2,660,000	1,860,000	465,000	1,395,000	25.00
Public works	1,990,000	744,175	1,999,898	424,119	1,575,779	21.21
Utilities	22,971,502	20,139,989	23,694,788	3,738,279	19,956,509	15.78
TOTAL EXPENDITURES	31,394,224	27,257,923	32,347,768	5,825,102	26,522,666	18.01
NET OF REVENUES/EXPENDITURES	5,097,439	4,177,336	(10,000)	(638,589)	628,589	
BEG. FUND BALANCE	12,790,945	12,790,945	16,968,281	16,968,281		
END FUND BALANCE	12,698,530	16,968,281	15,866,408	16,329,692		
FUND BALANCE AS % OF EXPENDITURES - ACTUAL	40%	54%	49%			
FUND BALANCE AS % OF EXPENDITURES - POLICY	25%	25%	25%			
DESIGNATED RESERVE PER POLICY (25%)	7,848,556	7,848,556	8,086,942			
VARIANCE ACTUAL TO POLICY	4,849,974	9,119,725	7,779,466			

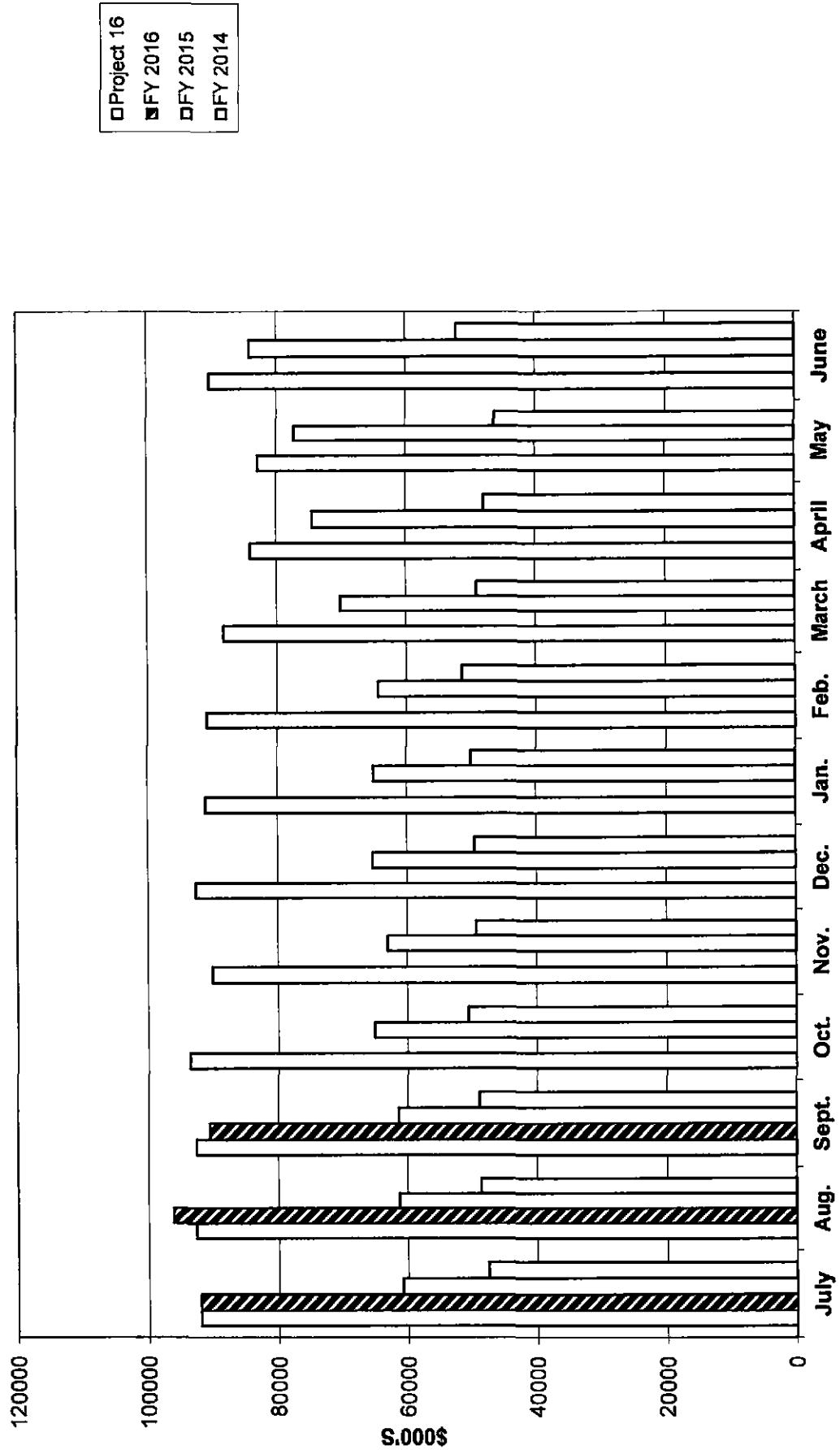
CITY OF FLINT
BUDGET TO ACTUAL REVENUE AND EXPENDITURE REPORT
FOR THE PERIOD ENDING SEPTEMBER 30, 2015

ACCOUNT DESCRIPTION	2014-15 AMENDED BUDGET	YTD BALANCE 06/30/2015	2015-16 AMENDED BUDGET	YTD BALANCE 42,277	AVAILABLE BALANCE	% BDGT USED
Fund 591 - Water Fund						
Charges for service rendered	33,136,041	33,777,559	36,943,802	5,475,780	31,468,022	14.82
Other revenues	35,000	31,151	12,000	13,374	(1,374)	111.45
Interest and dividend income	-	100,232	-	-	-	0.00
Drawings from fund balance	4,865,245	-	-	-	-	0.00
Fines and forfeitures	-	-	-	416	-	100.00
Gain on sale of fixed assets	252,337	225,465	100,000	58,400	41,600	58.40
TOTAL REVENUES	38,288,623	34,134,507	37,055,802	5,547,970	31,508,248	14.97
General government	4,255,508	4,293,842	5,319,386	1,329,847	3,989,539	25.00
Transfers out	1,660,571	5,960,469	3,224,259	806,065	2,418,194	25.00
Public works	2,760,000	341,630	2,690,000	955,953	1,734,047	35.54
Utilities	26,810,605	19,585,578	24,746,442	4,410,193	20,336,249	17.82
TOTAL EXPENDITURES	35,486,684	30,181,519	35,980,087	7,502,057	28,478,030	20.85
NET OF REVENUES/EXPENDITURES	2,801,940	3,952,988	1,075,715	(1,954,086)	3,030,217	
BEG. FUND BALANCE	760,745	760,745	4,713,733	4,713,733		
END FUND BALANCE	(1,302,560)	4,713,733	5,789,448	2,759,647		
FUND BALANCE AS % OF EXPENDITURES - ACTUAL	-4%	13%	16%			
FUND BALANCE AS % OF EXPENDITURES - POLICY	25%	25%	25%			
DESIGNATED RESERVE PER POLICY (25%)	8,871,671	8,871,671	8,995,022			
VARIANCE ACTUAL TO POLICY	(10,174,231)	(4,157,938)	(3,205,574)			

**POOLED CASH BALANCE
END OF THE MONTH**



POOLED CASH BALANCE



Pooled
Cash
Balance

	Project 16	FY 2016	FY 2015	FY 2014
July	92012	92012	60789	47532
Aug.	92639	96179	61288	48648
Sept.	92627	90595	61400	48857
Oct.	93629		65054	50534
Nov	90117		62997	49334
Dec.	92634		65288	49561
Jan.	91087		65136	50082
Feb.	90896		64361	51330
March	88205		70197	49094
April	84044		74468	47883
May	82832		77207	46254
June	90403		84172	52129

Cash Receipting Activity

2015

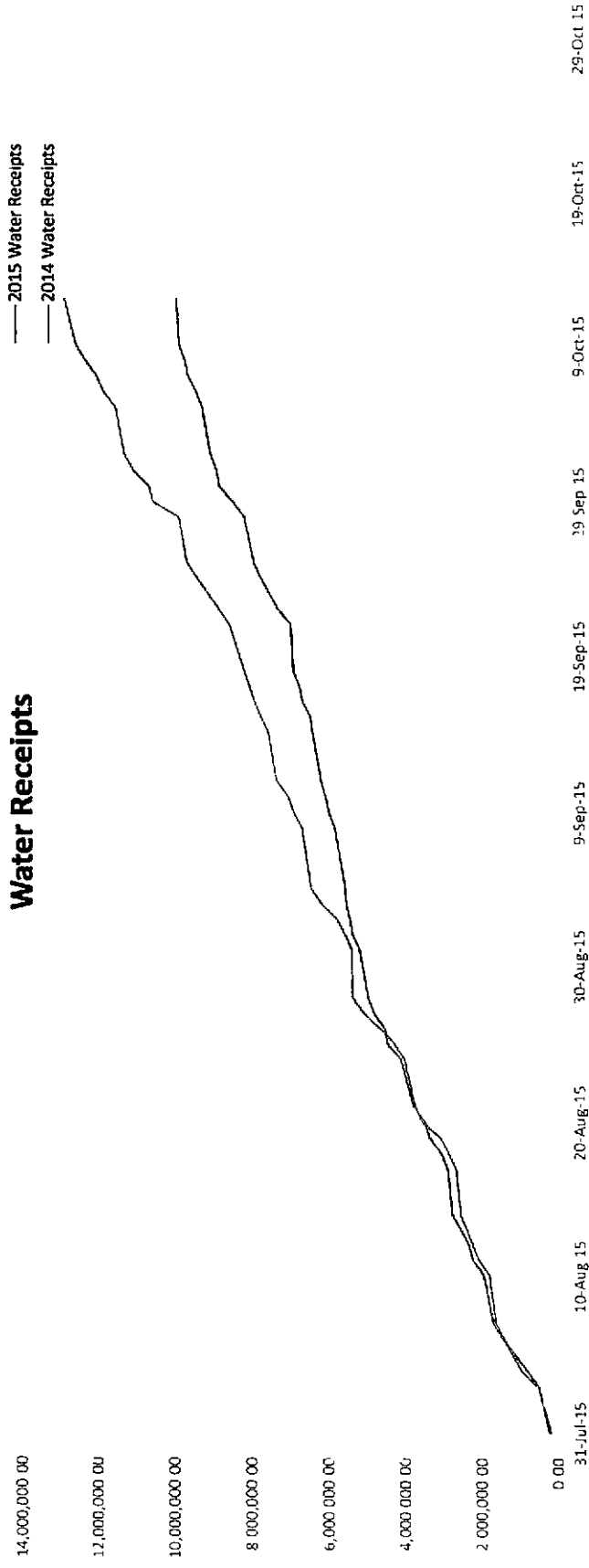
2014

Date	2015 Water		2015 Tax		Misc		2015 Total		Date	2014 Water		2014 Tax		Misc		2014 Total	
	Receipts		Receipts		Receipts		Receipts			Receipts		Receipts		Receipts		Receipts	
1-Jul-15	659		2		28		689		1-Jul-14	519		1		19		539	
2-Jul-15	469		4		19		492		2-Jul-14	374		3		27		404	
3-Jul-15	0		0		0		0		3-Jul-14	0		0		2		2	
6-Jul-15	0		0		0		0		7-Jul-14	751		210		35		996	
7-Jul-15	1076		17		46		1139		8-Jul-14	553		168		49		770	
8-Jul-15	618		27		59		704		9-Jul-14	368		73		44		485	
9-Jul-15	475		20		28		523		10-Jul-14	266		69		12		347	
10-Jul-15	573		226		43		842		11-Jul-14	649		188		64		901	
13-Jul-15	461		215		41		717		14-Jul-14	520		204		32		756	
14-Jul-15	366		163		16		545		15-Jul-14	436		160		26		622	
15-Jul-15	342		117		70		529		16-Jul-14	323		242		14		579	
16-Jul-15	384		132		14		530		17-Jul-14	330		189		22		541	
17-Jul-15	556		219		30		805		18-Jul-14	477		156		23		656	
20-Jul-15	480		238		29		747		21-Jul-14	485		281		64		830	
21-Jul-15	309		279		25		613		22-Jul-14	341		233		9		583	
22-Jul-15	439		184		9		632		23-Jul-14	461		344		9		814	
23-Jul-15	343		299		66		708		24-Jul-14	430		491		40		961	
24-Jul-15	479		386		25		890		25-Jul-14	553		320		77		950	
27-Jul-15	411		580		16		1007		28-Jul-14	416		629		14		1059	
28-Jul-15	275		333		29		637		29-Jul-14	311		1057		52		1420	
29-Jul-15	312		487		13		812		30-Jul-14	285		466		21		772	
30-Jul-15	210		900		11		1121		31-Jul-14	320		1643		48		2011	
31-Jul-15	558		1307		32		1897		1-Aug-14	644		226		40		910	196,629.96
3-Aug-15	690		466		34		1190		4-Aug-14	806		227		30		1063	525,746.30
4-Aug-15	578		413		56		1047		5-Aug-14	487		114		17		618	973,097.82
5-Aug-15	402		94		24		520		6-Aug-14	457		154		16		627	1,197,648.07
6-Aug-15	458		63		33		554		7-Aug-14	434		66		22		522	1,427,375.90
7-Aug-15	576		88		18		682		8-Aug-14	679		99		23		801	1,642,613.84
10-Aug-15	470		89		20		579		11-Aug-14	463		68		34		565	1,810,338.27
11-Aug-15	354		337		46		737		12-Aug-14	530		156		66		752	2,088,103.92
12-Aug-15	530		122		54		706		13-Aug-14	466		155		24		645	2,248,018.88
13-Aug-15	353		43		17		413		14-Aug-14	317		47		13		377	2,396,521.84

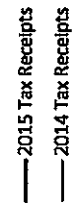
14-Aug-15	377	66	23	466	2,772,687.07	15-Aug-14	550	44	13	607	2,557,082.09
17-Aug-15	472	60	14	546	2,889,355.63	18-Aug-14	382	67	47	496	2,673,348.84
18-Aug-15	323	72	13	408	3,049,204.00	19-Aug-14	406	44	26	476	2,862,278.60
19-Aug-15	209	41	9	259	3,368,297.54	20-Aug-14	366	78	13	457	3,080,031.21
20-Aug-15	293	46	19	358	3,493,216.91	21-Aug-14	280	51	5	336	3,562,244.51
21-Aug-15	355	32	28	415	3,789,288.67	22-Aug-14	441	43	37	521	3,746,623.29
24-Aug-15	387	48	24	459	4,115,198.30	25-Aug-14	581	47	16	644	4,022,861.88
25-Aug-15	351	24	25	400	4,463,503.66	26-Aug-14	410	37	18	465	4,275,297.24
26-Aug-15	347	112	48	507	4,529,411.52	27-Aug-14	390	35	66	491	4,631,918.33
27-Aug-15	153	37	42	232	4,808,582.89	28-Aug-14	504	45	29	578	5,065,975.37
28-Aug-15	407	69	27	503	4,961,372.26	29-Aug-14	594	46	29	669	5,366,003.42
31-Aug-15	269	75	14	358	5,187,180.21	9/2/2014	516	38	21	575	5,386,390.09
9/1/2015	364	91	25	480	5,368,259.47	9/3/2014	456	36	11	503	5,561,274.33
9/2/2015	189	32	14	235	5,433,542.51	9/4/2014	510	73	24	607	5,779,643.68
9/3/2015	177	56	20	253	5,533,146.45	9/5/2014	599	69	34	702	6,174,095.96
9/4/2015	377	57	27	461	5,547,936.42	9/8/2014	467	52	29	548	6,433,447.07
9/8/2015	387	53	26	466	5,818,265.27	9/9/2014	467	21	23	511	6,670,376.97
9/9/2015	284	59	9	352	5,967,693.47	9/10/2014	397	45	45	487	6,886,376.18
9/10/2015	284	49	62	395	6,066,890.34	9/11/2014	336	164	41	541	7,035,706.59
9/11/2015	419	61	45	525	6,186,763.81	9/12/2014	465	51	31	547	7,338,565.39
9/14/2015	418	41	20	479	6,399,355.42	9/15/2014	406	53	31	490	7,540,705.72
9/15/2015	395	37	13	445	6,450,864.67	9/16/2014	330	31	57	418	7,732,290.15
9/16/2015	282	100	65	447	6,655,731.14	9/17/2014	376	50	21	447	7,896,076.96
9/17/2015	187	39	18	244	6,726,165.33	9/18/2014	281	102	44	427	8,028,144.02
9/18/2015	346	40	25	411	6,888,496.26	9/19/2014	428	54	35	517	8,154,245.62
9/21/2015	522	52	30	604	6,953,579.71	9/22/2014	381	35	31	447	8,543,913.76
9/22/2015	245	17	14	276	7,292,571.00	9/23/2014	476	33	22	531	8,825,799.04
9/23/2015	209	94	47	350	7,513,308.61	9/24/2014	366	46	48	460	9,105,315.03
9/24/2015	283	30	6	319	7,738,327.74	9/25/2014	460	52	18	530	9,384,908.98
9/25/2015	451	38	30	519	7,916,049.93	9/26/2014	497	50	23	570	9,646,039.02
9/28/2015	295	28	29	352	8,159,469.30	9/29/2014	550	63	22	635	9,850,753.37
9/29/2015	272	53	41	366	8,455,152.24	9/30/2014	310	38	42	390	10,522,085.10
9/30/2015	433	16	25	474	8,801,255.40	10/1/2014	587	80	18	685	10,631,281.98
10/1/2015	218	26	35	279	8,875,021.97	10/2/2014	406	73	15	494	11,025,667.91
10/2/2015	468	67	48	583	9,029,691.82	10/3/2014	746	100	33	879	11,266,677.06
10/5/2015	482	70	58	610	9,247,248.78	10/6/2014	661	88	20	769	11,503,876.05
10/6/2015	393	55	23	471	9,405,718.73	10/7/2014	490	55	13	558	11,817,474.31
10/7/2015	190	81	15	286	9,611,567.74	10/8/2014	569	95	30	694	12,005,445.90
10/8/2015	258	14	41	313	9,693,693.04	10/9/2014	508	42	34	584	12,297,881.70

10/9/2015	365	73	51	489	9,844,722.04	10/10/2014	608	88	18	714	12,536,772.74
10/12/2015	193	30	27	250	9,907,919.33	10/13/2014					12,841,270.57
10/13/2015						10/14/2014					
10/14/2015						10/15/2014					
10/15/2015						10/16/2014					
10/16/2015						10/17/2014					
10/19/2015						10/20/2014					
10/20/2015						10/21/2014					
10/21/2015						10/22/2014					
10/22/2015						10/23/2014					
10/23/2015						10/24/2014					
10/26/2015						10/27/2014					
10/27/2015						10/28/2014					
10/28/2015						10/29/2014					
10/29/2015						10/30/2014					
10/30/2015						10/31/2014					

Water Receipts

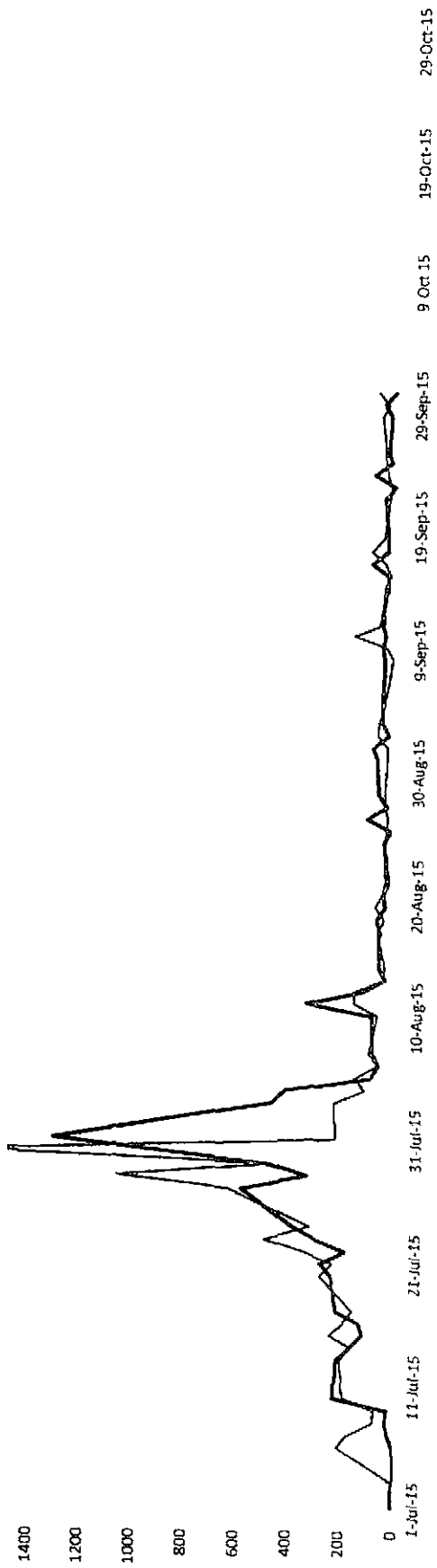


Tax Receipts



1800

1600



2015

2014

<u>Date</u>	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>	<u>Date</u>	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>
8/3/2015	217,518.01	21,943.50	239,461.51	8/1/2014	181,307.86	15,322.10	196,629.96
8/4/2015	207,888.45	72,131.66	280,020.11	8/4/2014	230,053.71	99,062.63	329,116.34
8/5/2015	161,972.88	133,833.19	295,806.07	8/5/2014	240,686.30	206,665.22	447,351.52
8/6/2015	109,144.18	206,685.69	315,829.87	8/6/2014	170,404.23	54,146.02	224,550.25
8/7/2015	201,057.86	123,007.73	324,065.59	8/7/2014	166,602.41	63,125.42	229,727.83
8/10/2015	240,269.00	17,120.89	257,389.89	8/8/2014	182,888.75	32,349.19	215,237.94
8/11/2015	95,783.08	152,891.43	248,674.51	8/11/2014	163,018.71	4,705.72	167,724.43
8/12/2015	165,747.45	120,734.31	286,481.76	8/12/2014	157,638.37	120,127.28	277,765.65
8/13/2015	77,025.51	22,472.72	99,498.23	8/13/2014	147,159.90	12,755.06	159,914.96
8/14/2015	131,400.93	67,127.86	198,528.79	8/14/2014	144,634.18	3,868.78	148,502.96
8/17/2015	178,456.51	48,474.23	226,930.74	8/15/2014	155,680.33	4,879.92	160,560.25
8/18/2015	102,190.59	14,477.97	116,668.56	8/18/2014	109,130.01	7,136.74	116,266.75
8/19/2015	97,127.52	62,720.85	159,848.37	8/19/2014	171,167.98	17,761.78	188,929.76
8/20/2015	62,428.59	256,664.95	319,093.54	8/20/2014	118,145.80	99,606.81	217,752.61
8/21/2015	111,622.36	13,297.01	124,919.37	8/21/2014	98,206.79	384,006.51	482,213.30
8/24/2015	138,872.28	157,199.48	296,071.76	8/22/2014	122,554.11	61,824.67	184,378.78
8/25/2015	95,842.24	230,067.39	325,909.63	8/25/2014	146,319.48	129,919.11	276,238.59
8/26/2015	78,555.34	269,750.02	348,305.36	8/26/2014	126,061.01	126,374.35	252,435.36
8/27/2015	42,359.15	23,548.71	65,907.86	8/27/2014	110,370.30	246,250.79	356,621.09
8/28/2015	93,050.63	186,120.74	279,171.37	8/28/2014	119,212.89	314,844.15	434,057.04
8/31/2015	85,032.38	67,756.99	152,789.37	8/29/2014	167,262.82	132,765.23	300,028.05
Totals	2,693,344.94	2,268,027.32	4,961,372.26		3,228,505.94	2,137,497.48	5,366,003.42

2015

2014

2015							2014								
Date	Water		Tax		Misc		Total	Date	Water		Tax		Misc		Total
	Receipts	Receipts	Receipts	Receipts	Receipts	Receipts			Receipts	Receipts	Receipts	Receipts	Receipts	Receipts	
3-Aug-15	690	466	34	1190	644	226	910	1-Aug-14	644	226	40	910	40	910	
4-Aug-15	578	413	56	1047	806	227	1063	4-Aug-14	806	227	30	1063	30	1063	
5-Aug-15	402	94	24	520	487	114	618	5-Aug-14	487	114	17	618	17	618	
6-Aug-15	458	63	33	554	457	154	627	6-Aug-14	457	154	16	627	16	627	
7-Aug-15	576	88	18	682	434	66	522	7-Aug-14	434	66	22	522	22	522	
10-Aug-15	470	89	20	579	679	99	801	8-Aug-14	679	99	23	801	23	801	
11-Aug-15	354	337	46	737	463	68	565	11-Aug-14	463	68	34	565	34	565	
12-Aug-15	530	122	54	706	530	156	752	12-Aug-14	530	156	66	752	66	752	
13-Aug-15	353	43	17	413	466	155	645	13-Aug-14	466	155	24	645	24	645	
14-Aug-15	377	66	23	466	317	47	377	14-Aug-14	317	47	13	377	13	377	
17-Aug-15	472	60	14	546	550	44	607	15-Aug-14	550	44	13	607	13	607	
18-Aug-15	323	72	13	408	382	67	496	18-Aug-14	382	67	47	496	47	496	
19-Aug-15	209	41	9	259	406	44	476	19-Aug-14	406	44	26	476	26	476	
20-Aug-15	293	46	19	358	366	78	457	20-Aug-14	366	78	13	457	13	457	
21-Aug-15	355	32	28	415	280	51	336	21-Aug-14	280	51	5	336	5	336	
24-Aug-15	387	48	24	459	441	43	521	22-Aug-14	441	43	37	521	37	521	
25-Aug-15	351	24	25	400	581	47	644	25-Aug-14	581	47	16	644	16	644	
26-Aug-15	347	112	48	507	410	37	465	26-Aug-14	410	37	18	465	18	465	
27-Aug-15	153	37	42	232	390	35	491	27-Aug-14	390	35	66	491	66	491	
28-Aug-15	407	69	27	503	504	45	578	28-Aug-14	504	45	29	578	29	578	
31-Aug-15	269	75	14	358	594	46	669	29-Aug-14	594	46	29	669	29	669	
Total	8,354	2,397	588	11,339	516	38	575	9/2/2014	516	38	21	575	21	575	
					10,703.00	1,887.00	605.00	13,195.00							

2015

2014

<u>Date</u>	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>	<u>Date</u>	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>
9/1/2015	76,163.48	149,644.47	225,807.95	9/1/2014	19,916.72	469.95	20,386.67
9/2/2015	61,296.86	119,782.40	181,079.26	9/2/2014	161,762.04	13,122.20	174,884.24
9/3/2015	51,044.48	14,238.56	65,283.04	9/3/2014	166,403.62	51,965.73	218,369.35
9/4/2015	90,984.13	8,619.81	99,603.94	9/4/2014	167,044.13	227,408.15	394,452.28
9/7/2015	14,789.97	0.00	14,789.97	9/5/2014	240,925.12	18,425.99	259,351.11
9/8/2015	99,720.58	170,608.27	270,328.85	9/8/2014	224,568.61	12,361.29	236,929.90
9/9/2015	65,775.35	83,652.85	149,428.20	9/9/2014	111,500.44	104,498.77	215,999.21
9/10/2015	88,050.45	11,146.42	99,196.87	9/10/2014	106,929.15	42,401.26	149,330.41
9/11/2015	100,379.93	19,493.54	119,873.47	9/11/2014	134,512.17	168,346.63	302,858.80
9/14/2015	203,941.65	8,649.96	212,591.61	9/12/2014	177,628.34	24,511.99	202,140.33
9/15/2015	44,262.47	7,246.78	51,509.25	9/15/2014	169,461.20	22,123.23	191,584.43
9/16/2015	179,346.03	25,520.44	204,866.47	9/16/2014	100,721.48	63,065.33	163,786.81
9/17/2015	52,978.49	17,455.70	70,434.19	9/17/2014	95,757.86	36,309.20	132,067.06
9/18/2015	129,585.63	32,745.30	162,330.93	9/18/2014	102,915.24	23,186.36	126,101.60
9/21/2015	62,805.97	2,277.48	65,083.45	9/19/2014	148,872.24	240,795.90	389,668.14
9/22/2015	88,202.96	250,788.33	338,991.29	9/22/2014	180,440.65	101,444.63	281,885.28
9/23/2015	77,296.55	143,441.06	220,737.61	9/23/2014	132,806.91	146,709.08	279,515.99
9/24/2015	56,583.70	168,435.43	225,019.13	9/24/2014	114,926.46	164,667.49	279,593.95
9/25/2015	90,041.57	87,680.62	177,722.19	9/25/2014	116,981.02	144,149.02	261,130.04
9/28/2015	121,669.54	121,749.83	243,419.37	9/26/2014	134,410.84	70,303.51	204,714.35
9/29/2015	67,252.80	228,430.14	295,682.94	9/29/2014	178,203.84	493,127.89	671,331.73
9/30/2015	84,935.92	261,167.24	346,103.16	9/30/2014	95,545.62	13,651.26	109,196.88
Totals	1,907,108.51	1,932,774.63	3,839,883.14		3,082,233.70	2,183,044.86	5,265,278.56

2015

2014

2015				2014			
Date	Water		Total	Water		Total	
	Receipts	Misc		Receipts	Misc		
	Receipts	Misc	Total	Receipts	Misc	Total	
9/1/2015	364	91	455	456	36	492	
9/2/2015	189	32	221	510	73	583	
9/3/2015	177	56	233	599	69	668	
9/4/2015	377	57	434	467	52	519	
9/8/2015	387	53	440	467	21	488	
9/9/2015	284	59	343	397	45	442	
9/10/2015	284	49	333	336	164	500	
9/11/2015	419	61	480	465	51	516	
9/14/2015	418	41	459	406	53	459	
9/15/2015	395	37	432	330	31	361	
9/16/2015	282	100	382	376	50	426	
9/17/2015	187	39	226	281	102	383	
9/18/2015	346	40	386	428	54	482	
9/21/2015	522	52	574	381	35	416	
9/22/2015	245	17	262	476	33	509	
9/23/2015	209	94	303	366	46	412	
9/24/2015	283	30	313	460	52	512	
9/25/2015	451	38	489	497	50	547	
9/28/2015	295	28	323	550	63	613	
9/29/2015	272	53	325	310	38	348	
9/30/2015	433	16	449				
Total	6,819	1,043	7,862	8,558	1,118	9,676	

Residential 2015

Date	Residential	Commercial	Total
9/1/2015	76,163.48	149,644.47	225,807.95
9/2/2015	61,296.86	119,782.40	181,079.26
9/3/2015	51,044.48	14,238.56	65,283.04
9/4/2015	90,894.13	8,619.81	99,513.94
9/7/2015	14,789.97	0.00	14,789.97
9/8/2015	99,720.58	170,608.27	270,328.85
9/9/2015	65,775.35	83,652.85	149,428.20
9/10/2015	88,050.45	11,146.42	99,196.87
9/11/2015	100,379.93	19,493.54	119,873.47
9/14/2015	203,941.65	8,649.96	212,591.61
9/15/2015	44,262.47	7,446.78	51,709.25
9/16/2015	179,346.03	25,520.44	204,866.47
9/17/2015	52,978.49	17,455.70	70,434.19
9/18/2015	129,585.63	32,745.30	162,330.93
9/21/2015	62,805.97	2,277.48	65,083.45
9/22/2015	88,202.96	250,788.33	338,991.29
9/23/2015	77,296.55	143,441.06	220,737.61
9/24/2015	56,583.10	168,435.43	225,018.53
9/25/2015	90,041.57	87,680.62	177,722.19
9/28/2015	121,669.54	121,749.83	243,419.37
9/29/2015	67,252.80	228,430.14	295,682.94
9/30/2015	84,935.92	261,167.24	346,103.16
Totals	1,907,108.51	1,852,774.63	3,859,883.14

Residential 2014

Date	Residential	Commercial	Total
9/1/2014	19,916.72	489.95	20,386.67
9/2/2014	161,762.04	13,122.20	174,884.24
9/3/2014	166,403.62	51,965.73	218,369.35
9/4/2014	167,044.13	227,408.15	394,452.28
9/5/2014	240,925.12	18,425.99	259,351.11
9/8/2014	224,568.61	12,361.29	236,929.90
9/9/2014	111,500.44	104,498.77	215,999.21
9/10/2014	106,929.15	42,401.26	149,330.41
9/11/2014	134,512.17	169,346.63	303,858.80
9/12/2014	177,628.34	24,511.99	202,140.33
9/15/2014	169,461.20	22,123.23	191,584.43
9/16/2014	100,721.48	63,065.33	163,786.81
9/17/2014	95,757.86	36,309.20	132,067.06
9/18/2014	102,915.24	23,188.36	126,103.60
9/19/2014	148,872.24	240,795.90	389,668.14
9/22/2014	180,440.65	101,444.63	281,885.28
9/23/2014	132,806.91	146,709.08	279,515.99
9/24/2014	114,926.46	164,667.49	279,593.95
9/25/2014	116,981.02	144,149.07	261,130.04
9/26/2014	134,410.84	70,303.51	204,714.35
9/29/2014	178,203.84	493,127.89	671,331.73
9/30/2014	95,545.62	13,651.26	109,196.88
Totals	3,092,233.70	2,183,044.86	5,265,278.56

Water 2015

Date	Water	Misc	Total
9/1/2015	364	91	455
9/2/2015	189	32	221
9/3/2015	177	56	233
9/4/2015	377	57	434
9/8/2015	387	53	440
9/9/2015	284	59	343
9/10/2015	284	49	333
9/11/2015	419	61	480
9/12/2015	418	41	459
9/15/2015	395	37	432
9/16/2015	282	100	382
9/17/2015	187	39	226
9/18/2015	346	40	386
9/21/2015	522	52	574
9/22/2015	245	17	262
9/23/2015	209	94	303
9/24/2015	283	30	313
9/25/2015	451	38	489
9/28/2015	295	28	323
9/29/2015	272	53	325
9/30/2015	433	16	449
Total	6,819	1,043	7,862

Water 2014

Date	Water	Misc	Total
9/3/2014	456	36	492
9/4/2014	510	73	583
9/5/2014	599	69	668
9/8/2014	467	52	519
9/9/2014	467	21	488
9/10/2014	397	45	442
9/11/2014	336	164	500
9/12/2014	465	51	516
9/15/2014	406	53	459
9/16/2014	330	31	361
9/17/2014	376	50	426
9/18/2014	281	102	383
9/19/2014	428	54	482
9/22/2014	381	35	416
9/23/2014	476	33	509
9/24/2014	366	46	412
9/25/2014	460	52	512
9/26/2014	497	50	547
9/29/2014	550	63	613
9/30/2014	310	38	348
Total	8,598	1,118	9,716

Misc 2014

Date	Misc	Total
9/3/2014	11	11
9/4/2014	24	24
9/5/2014	34	34
9/8/2014	29	29
9/9/2014	23	23
9/10/2014	45	45
9/11/2014	41	41
9/12/2014	31	31
9/15/2014	53	53
9/16/2014	50	50
9/17/2014	21	21
9/18/2014	44	44
9/19/2014	35	35
9/22/2014	31	31
9/23/2014	22	22
9/24/2014	48	48
9/25/2014	18	18
9/26/2014	23	23
9/29/2014	22	22
9/30/2014	42	42
Total	632	632

2015

2014

2015

2014

Date	Residential	Commercial	Total	Date	Residential	Commercial	Total	Date	Receipts	Receipts	Receipts	Date	Receipts	Receipts	Receipts	
10/1/2015	52,766.18	20,997.39	73,766.57	10/1/2014	158,293.98	236,091.95	394,385.93	10/1/2015	218	26	35	279	10/1/2014	587	80	18
10/2/2015	136,945.28	17,724.57	154,669.85	10/2/2014	146,662.69	94,346.46	241,009.15	10/2/2015	468	67	48	583	10/2/2014	406	73	15
10/5/2015	190,357.56	27,199.40	217,556.96	10/5/2014	221,907.16	15,291.83	237,198.99	10/5/2015	482	70	53	610	10/3/2014	746	100	33
10/6/2015	125,839.81	32,630.14	158,469.95	10/6/2014	292,523.73	21,074.53	313,598.26	10/6/2015	393	55	23	471	10/6/2014	661	88	20
10/7/2015	127,858.49	77,990.52	205,849.01	10/7/2014	179,039.14	8,932.45	187,971.59	10/7/2015	190	81	15	286	10/7/2014	490	95	13
10/8/2015	62,605.71	19,519.59	82,125.30	10/8/2014	117,594.70	174,841.10	292,435.80	10/8/2015	258	14	41	313	10/8/2014	569	95	30
10/9/2015	138,616.46	12,412.54	151,029.00	10/9/2014	168,371.59	70,519.45	238,891.04	10/9/2015	365	73	51	489	10/9/2014	508	42	34
10/12/2015	55,902.88	7,294.41	63,197.29	10/10/2014	238,287.22	66,210.61	304,497.83	10/12/2015	193	30	27	250	10/10/2014	608	88	18
10/13/2015	150,865.02	19,228.86	170,093.88	10/13/2014	84,015.87	18,559.65	102,575.52	10/13/2015	286	60	83	429	10/13/2014	380	51	21
10/14/2015	95,441.41	17,578.59	113,020.00	10/14/2014	233,662.38	20,437.06	254,099.44	10/14/2015	243	52	42	337	10/14/2014	475	58	26
10/15/2015	110,408.74	30,503.10	140,912.84	10/15/2014	189,685.63	17,146.94	206,832.57	10/15/2015	151	35	23	209	10/15/2014	514	84	17
10/16/2015	79,498.20	46,064.67	125,562.87	10/16/2014	102,464.68	42,210.88	144,675.57	10/16/2015	381	89	26	496	10/16/2014	321	101	13
10/19/2015	158,737.47	10,135.33	168,872.80	10/17/2014	169,360.71	42,694.13	212,054.84	10/19/2015	262	118	31	411	10/17/2014	583	128	14
10/20/2015	84,398.04	18,051.80	102,449.84	10/20/2014	172,109.96	86,381.03	258,490.99	10/20/2015	298	37	31	366	10/20/2014	459	88	19
10/21/2015			0.00	10/21/2014			0.00	10/21/2015				0	10/21/2014			0
10/22/2015			0.00	10/22/2014			0.00	10/22/2015				0	10/22/2014			0
10/23/2015			0.00	10/23/2014			0.00	10/23/2015				0	10/23/2014			0
10/26/2015			0.00	10/24/2014			0.00	10/26/2015				0	10/24/2014			0
10/27/2015			0.00	10/27/2014			0.00	10/27/2015				0	10/27/2014			0
10/28/2015			0.00	10/28/2014			0.00	10/28/2015				0	10/28/2014			0
10/29/2015			0.00	10/29/2014			0.00	10/29/2015				0	10/29/2014			0
10/30/2015			0.00	10/30/2014			0.00	10/30/2015				0	10/30/2014			0
Totals	1,570,185.25	357,330.91	1,927,516.16	2,473,979.44	914,538.08	3,388,517.52	4188	807	534	5529	7307	1131	291	8729		

73,768 57

Cash Receipting Activity

Date	2015				2014			
	2015		2015		2014		2014	
	<u>Water</u>	<u>2015 Tax</u>	<u>Misc</u>	<u>Total</u>	<u>Water</u>	<u>2014 Tax</u>	<u>Misc</u>	<u>Total</u>
	<u>Receipts</u>	<u>Receipts</u>	<u>Receipts</u>	<u>Receipts</u>	<u>Receipts</u>	<u>Receipts</u>	<u>Receipts</u>	<u>Receipts</u>
1-Jul-15	659	2	28	689	519	1	19	539
2-Jul-15	469	4	19	492	374	3	27	404
3-Jul-15	0	0	0	0	0	0	2	2
6-Jul-15	0	0	0	0	751	210	35	996
7-Jul-15	1076	17	46	1139	553	168	49	770
8-Jul-15	618	27	59	704	368	73	44	485
9-Jul-15	475	20	28	523	266	69	12	347
10-Jul-15	573	226	43	842	649	188	64	901
13-Jul-15	461	215	41	717	520	204	32	756
14-Jul-15	366	163	16	545	436	160	26	622
15-Jul-15	342	117	70	529	323	242	14	579
16-Jul-15	384	132	14	530	330	189	22	541
17-Jul-15	556	219	30	805	477	156	23	656
20-Jul-15	480	238	29	747	485	281	64	830
21-Jul-15	309	279	25	613	341	233	9	583
22-Jul-15	439	184	9	632	461	344	9	814
23-Jul-15	343	299	66	708	430	491	40	961
24-Jul-15	479	386	25	890	553	320	77	950
27-Jul-15	411	580	16	1007	416	629	14	1059
28-Jul-15	275	333	29	637	311	1057	52	1420
29-Jul-15	312	487	13	812	285	466	21	772
30-Jul-15	210	900	11	1121	320	1643	48	2011
31-Jul-15	558	1307	32	1897				

Koryzno, Edward (Treasury)

From: Workman, Wayne (TREASURY)
Sent: Wednesday, October 28, 2015 1:18 PM
To: Koryzno, Edward (Treasury); Schafer, Suzanne K. (Treasury); Cline, Richard (Treasury); Vandegrift, Drew (TREASURY)
Subject: Fwd: New reports on Flint and local government issued by MSU
Attachments: beyond state takeovers.pdf; ATT00001.htm; flint EM years.pdf; ATT00002.htm

Can someone read these right away and do a summary quickly. Thanks

Sent from my iPhone

Begin forwarded message:

From: "Scorsone, Eric" <scorsone@anr.msu.edu>
To: "Amrhein, John" <amrhein@anr.msu.edu>, "Arnold Weinfeld" (Arnold.Weinfeld@primacivitas.org) <Arnold.Weinfeld@primacivitas.org>, "Adrienne Lu" (alu@pewtrusts.org) <alu@pewtrusts.org>, "Khouri, Claire (GOV)" <KhouriC@michigan.gov>, "Alicia Kitsuse" (akitsuse@mott.org) <akitsuse@mott.org>, "Andy Dillon" (adillon@conwaymackenzie.com) <adillon@conwaymackenzie.com>, "Anne Blankenhorn" (ABlankenhorn@senate.michigan.gov) <ABlankenhorn@senate.michigan.gov>, "Alan Mallach" <amallach@comcast.net>, "Allen Bass" <gabass@pobox.com>, "avanderberg@miottawa.org" <avanderberg@miottawa.org>, "Amanda Wright" (amandawright529@gmail.com) <amandawright529@gmail.com>, "Anne Marie Langan" <Anne@detroitmi.gov>, "fwd_schmid" <schmid@msu.edu>, "blarkin@flintandgenesee.org" <blarkin@flintandgenesee.org>, "Beyea, Wayne" <beyea@anr.msu.edu>, "Brian McGrain" (mcgrain@cedam.info) <mcgrain@cedam.info>, "Ballard, Charles" <ballard@msu.edu>, "Bernstein, Douglas" (DBernstein@plunkettcooney.com) <DBernstein@plunkettcooney.com>, "Bill Mathewson" (wmathewson@mml.org) <wmathewson@mml.org>, "Beecher, Janice" <beecher@msu.edu>, "Brent Hartzell" (brentco2000@yahoo.com) <brentco2000@yahoo.com>, "Bruce A Pietrykowski" (bpie@umd.umich.edu) <bpie@umd.umich.edu>, "bstibitz@michigan.gov" <bstibitz@michigan.gov>, "Chris DeRose" (CDeRose@mersofmich.com) <CDeRose@mersofmich.com>, "CKINNS@osc.state.ny.us" <CKINNS@osc.state.ny.us>, "Cudney, Patrick" <cudney@anr.msu.edu>, "Kyle, Cynthia" <Cynthia.Kyle@ssc.msu.edu>, "Coffey, Ryan" <coffeyry@anr.msu.edu>, "Carol O'Cleireacain" (coc315@gmail.com) <coc315@gmail.com>, "cthiel@crcmich.org" <cthiel@crcmich.org>, "Christina Plerhoples" <tinaplerhoples@yahoo.com>, "Dave Hollister" <d.hollister@sbcglobal.net>, "Debra Horner" <dhorner@umich.edu>, "Dennis Muchmore" (dennis_muchmore@yahoo.com) <dennis_muchmore@yahoo.com>, "Delgado, Vincent" <delgado1@msu.edu>, "Debra Pospiech" (pospiechd@detroitmi.gov) <pospiechd@detroitmi.gov>, "Wilson, Diane" <wilsondi@msu.edu>, "David B. Schweikhardt" <schweikh@msu.edu>, "Roberts, Douglas" <Douglas.Roberts@ssc.msu.edu>, "Eric Lupher" <elupher@crcmich.org>, "Emanuele Padovani" <emanuele.padovani@unibo.it>, "ftoboso@uv.es" <ftoboso@uv.es>, "Jerry Ambrose" (gambrose49@gmail.com) <gambrose49@gmail.com>, "Graebert, Mary" <lakemary@landpolicy.msu.edu>, "Gibb, Terry" <gibb@anr.msu.edu>, "Nolan, Genevieve" (Genevieve.Nolan@moodys.com) <Genevieve.Nolan@moodys.com>, "Haas, Virginia" <haasv@msu.edu>, "Hannan, Randy" <Randy.Hannan@lansingmi.gov>, "Hollins, Harvey (GOV)" <hollinsh@michigan.gov>,

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Subject: New reports on Flint and local government issued by MSU

Good Morning,

Please find attached some new reports from MSU regarding the Flint EM years (2011-2014) which is a follow-up to our 2011 report on Flint.

Find here the original Flint report:

https://www.cityofflint.com/wp-content/uploads/Reports/MSUE_FlintStudy2011.pdf

The second report documents the role of state government in the fiscal affairs of Local Government. In particular, you will note:

- Page 9, figure 4 that Michigan escalated its local tax limitations more than almost any state except Colorado
- Page 11, figure 5, Michigan is a stick state in regards to local aid
- Page 14, figure 6, MI is ranked as being high cost and high revenue pressure (meaning revenue restrictions) which is the worst of both worlds

Our research points to the fact that Michigan policies are a major part of the cause of local fiscal distress, not the only cause but a major contributing factor. This is the first time we are aware of being able to quantify this conventional wisdom and place it in the fifty state context.

Thank you

Eric

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Beyond State Takeovers: Reconsidering the Role of State Government in Local Financial Distress, with Important Lessons for Michigan and its Embattled Cities

MSU Extension White Paper



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(8/31/2015)

Executive Summary	3
Introduction	4
Section 1: Assessing How States Set the Context for Local Fiscal Distress: Revenue Squeezes and Expenditure-side Pressures	5
(1) Squeezing Local Revenue Capacity: Thin and Fragile State Aid; Escalating Local Tax Limits.....	6
Mapping the Revenue Squeeze Revenue “Carrot” and Revenue “Stick” States	10
(2) Expenditure-side Pressures: Labor Costs and State Regulation of Local Public Employee Collective Bargaining.....	12
(3) The State Context for Local Fiscal Distress: Tension Between Revenue and Expenditure Pressures	13
Section 2: If Takeover Is the Solution, then what is the Problem? What Michigan Can Learn from the Ways in Which Other States Tackle Problems of Local Fiscal Distress	16
(1) Michigan’s Local Financial Stability and Choice Act: A Brave New World for State Intervention.....	17
(2) The Limited Applicability of “Best Practices”: Why Adoption of North Carolina’s Policies Won’t Work for Michigan.....	19
(3) Rebuilding State-Local Partnerships: Key Insights from Rhode Island, New Jersey, Pennsylvania, New York and Ohio	20
New Jersey and Pennsylvania: A More Comprehensive View of Local Financial Failure	20
New York and Ohio: The Benefits of Monitoring	21
Section 3: Conclusions and Recommendations.....	24
(1) Conclusions.....	24
(2) Recommendations.....	24
Appendix	25
Works Cited.....	28

Executive Summary

One provocative pattern to emerge from the Great Recession is that instances of acute local fiscal distress have clustered in certain states and not others. As recently as last year in Michigan, a state appointed Emergency Manager was operating in each of 17 local governments and school districts. A recent California Policy Center report suggests that more than a dozen cities and counties in California – a state that has already experienced three recent, high-profile municipal bankruptcies and a near-bankruptcy in San Jose, the “capital of Silicon Valley” – are on the cusp of defaulting on general obligation bonds.

With the generous support of the C.S. Mott Foundation and Michigan State University, we have engaged in a multi-pronged, multi-method research program to assess the crucial but often overlooked role of state governments in shaping the ways in which cities respond to financial difficulties. This report, based on our analysis of a unique, nearly half-century-long dataset of state and local financial and policy information and correspondence with state officials, analysts and legal experts involved in state-local fiscal affairs, elaborates several key findings:

- **Municipal fiscal distress is not simply a *local* problem.** State laws and policies provide state governments with extraordinary influence over the ability of cities to balance revenue and expenditure flows. The common perception that critical taxing and spending decisions are largely within a city government’s control tends to conceal this fundamental detail about American state-local fiscal relations.
- **The ways in which state lawmakers act on this influence varies from state to state and over time.** We refer to the complex mix of laws and policies that prescribe the powers, rights and capacities of local lawmakers to respond to their financial conditions as the state context for local fiscal distress. Section 1 of this report assesses key elements of this state context for the lower 48 states since 1970.
- **Some states incubate local financial stress by simultaneously driving up spending pressures on their cities while curtailing their capacity to raise critical revenue.** Since the 1970s, the proliferation of state-imposed tax revenue limitations, coupled with recurring cuts to state aid, has fostered a system that limits a city’s ability to fund critical services. Some state governments further undermine the fiscal capacity

of their cities via state laws and policies that engender steep expenditure-side pressures (e.g., devolving program responsibilities or driving up labor costs). We classify these states as **incubators of fiscal distress**.

- **Michigan incubates financial stress among its local governments.** Michigan’s particular mix of stringent limitations on local revenue and its relatively low level of financial assistance to cities, coupled with spending pressures stemming from spiking local service burdens and increased labor costs, creates conditions that drive up the potential for local fiscal distress.
- **Because state governments can foster dramatically different state contexts for local fiscal stress, there is no single model policy for state intervention in distressed cities or for prevention of local fiscal distress.** A policy that does not address a state’s unique context is unlikely to help cities escape financial trouble over the long term. State lawmakers must decide which legal and political tradeoffs they are willing to make to support city fiscal health. Michigan lawmakers, for instance, must recognize that the state context contributes to the problem of local fiscal distress. An aggressive intervention policy does little to curtail the consequences of this state-imposed context. Section 2 of this report draws policy lessons from comparable states in an effort to illustrate alternative approaches to state involvement in local fiscal affairs.

This report’s practical recommendations are aimed at assisting the C.S. Mott Foundation, state and local officials, and Michigan residents in identifying a more effective policy and legal approach to local fiscal crises. These are not overly startling recommendations, yet they are easy to neglect because policymakers tend to focus more on short-term political gain rather than the histories and unintended consequences of policies that, over time, become increasingly difficult to alter. Some key recommendations:

- **Creating a state agency that coordinates services to local governments and offers technical support and fiscal monitoring.**
- **Raising awareness among citizens and state decision makers that the causes of fiscal distress are not solely at the local level.** Though state governments are certainly part of the solution, they can be a big part of the problem as well.

Introduction

A recent spate of research and media reports suggest that as the fiscal consequences of the Great Recession continue to subside, state and local fiscal conditions are on the upswing. American cities and locales, however, are not yet out of the woods. A recent analysis from the National League of Cities strikes the proper tone of caution when reporting that, though indeed *state* governments have recovered (albeit slowly), “...*local* fiscal health has not yet fully returned to pre-recession levels. ... While tax revenues continue to improve, increases in service costs, long-term infrastructure needs, employee wages, and pension and healthcare obligations, along with decreased levels of state and federal aid, continue to constrain the [local] fiscal outlook” (McFarland and Pagano, 2014, p. 1, emphasis added).

One thought-provoking pattern to emerge from the aftermath of the Great Recession is that the fiscal outlook seems to be particularly bleak among local governments in certain states. The city of Detroit’s bankruptcy proceedings may have indicated that Michigan is something of a hotbed for local financial disaster. Yet a far more damning indicator is the prevalence of financial distress among the state’s other local governments. As recently as last year, 17 local governments and school districts were operating under the control of a state-appointed emergency financial manager. Recently, Michigan’s most populous county, Wayne, was recently designated for financial emergency status as well. Michigan does not stand alone. News from California, a state that has already seen four cities enter the municipal bankruptcy process since 2008, is equally discouraging. The authors of a recent report conducted for the California Policy Center argue that more than a dozen cities and counties in California are statistically far more likely than “a typical U.S. city or county” to enter bankruptcy proceedings or default on general obligation bonds, with several cities – such as Compton, King City, Sutter Creek and Lone – are a whopping 20 to 40 times more likely to experience acute financial crisis (Joffe and Larkedring, 2015).

What is it with local governments in these states? When it comes to urban fiscal problems, there is much blame to go around. Some blame a mixture of national and global economic forces beyond the control of state and local policymakers. Others contend that the cities facing severe budget crises have only themselves to blame. The goal of this report is to refocus attention on the crucial but often overlooked role of state governments in determining the ways in which cities respond to financial difficulties. How and in what specific ways do state governments structure this local response? Is it possible to assess the fiscal value that all states – via their mix of policies, laws and institutions – may add to or take away from local fiscal decision making? Is it truly more challenging to gain and maintain fiscal sustainability in certain

states than it is in others? And in light of this consideration of the role that state governments play in structuring local fiscal decision making, in what ways do state governments choose to – or choose not to – internalize their role in the design and administration of their fiscal distress intervention policy? In other words, can we identify policy self-awareness among state governments that place particularly onerous fiscal pressures on their local lawmakers?

To respond to these important questions, we, with the generous support of the C.S. Mott Foundation and Michigan State University, set out on a multi-pronged, multi-method research program at a critical time in which a new era seems to be dawning for state-local fiscal relations. This report summarizes the findings of the first stage of this ongoing project.

Section 1 of this report develops an indicator for the state context for local fiscal distress based on the mix of state laws and policies that directly influence the revenue and spending decisions of local governments. This section uncovers a number of compelling patterns in the state imposition of revenue and spending pressures over the past quarter-century. Chief among these patterns is that, although a number of states have taken measures to severely limit the revenue capacity of their local governments (thus reducing the resources available to maintain critical services) and several states have devolved greater service responsibilities (and higher spending burdens) to their local governments, only a small handful of states simultaneously drive up spending pressures while aggressively curtailing local governments’ capacity to raise revenue. Taken independently, state-imposed revenue- and expenditure-side pressures can play a determinative role in local fiscal decision making. Taken together, as in states such as Michigan and California, they incubate local fiscal distress and can serve to foster fundamental budgetary imbalances that more fiscally challenged local communities are ill-equipped to overcome.

In Section 2, we draw on interpersonal communications with key personnel in several states to assess key elements of state policies for intervening in fiscally distressed local governments. We set out to identify similarities in intervention policies – of which Michigan’s is the poster child – and to learn how other states approach local fiscal crises differently. From our work with the state officials, we illustrate how state governments can more effectively align policy with the nature of the problems faced by cities in distress, as well as how state-imposed constraints hamper cities’ abilities to balance revenues and expenditures over the long-term. In Section 3, we combine the lessons from Sections 1 and 2 to outline recommendations that can assist the C.S. Mott Foundation, state and local officials, and Michigan residents in identifying a more effective approach to local fiscal crises.

Section 1: Assessing How States Set the Context for Local Fiscal Distress: Revenue Squeezes and Expenditure-side Pressures

Two essential powers that local officials enjoy are their authority to raise revenues and their power to allocate those revenues as they see fit via public expenditures. In local media and policy research, city officials are sometimes lauded for what are perceived as exciting local policy outcomes, such as when a city makes a significant move up the “America’s Greenest Cities” or “Child Well-being and Health” rankings. More commonly, they are chastised for decisions deemed detrimental to the city’s future, such as providing generous benefits to the municipal workforce, slashing essential services, enacting a rigid historical preservation agenda or raising licensing fees. Yet the common perception that critical taxing and spending decisions – and, by extension, the apportionment of blame and credit associated with the outcomes of such decisions – are largely within a city government’s control conceals a fundamental detail about American state-local fiscal relations: state laws and policies provide state governments with extraordinary influence over nearly every aspect of city budgeting. From the type and level of financial assistance that state governments deliver to state-imposed controls over local revenues; to the growing practice and use of state mandates, preapproval and preemption; to minimum service standards; to the formal or informal consultations, advice or technical assistance that state governments may (or may not) provide, local governments in America, in the words of influential legal scholars Gerald Frug and David Barron (2008, p. 75), simply “do not have anything like the kind of local fiscal autonomy often attributed to them.”

States influence local governments’ capacity to balance revenue and expenditure flows in a variety of ways. In this report, we focus on two core dimensions of this state context for local financial distress.¹ The first is the degree to which states participate in adding or reducing local revenue capacity via the policy balance between the buoyancy of state-granted aid and shared revenue, and the severity of state-imposed controls over city tax revenues. Although most states exhibit a relatively balanced policy approach to local revenue capacity, some state governments have responded to local revenue challenges by granting greater access to state intergovernmental aid while mostly suppressing financial controls over local taxes. These are revenue “carrot” states. Another group – revenue

“stick” states, of which Michigan is a prime example – have responded to local revenue challenges by ratcheting financial controls while offering thin or uncertain compensatory aid. Simply put, we expect it to be far more challenging to maintain a sustainable fiscal outlook in states that simultaneously suppress own-source revenue capacity and transfer very little aid to municipalities, particularly during national or state economic downturns.

State policies and actions also burden the opposite end of local budgetary processes: decisions over public expenditures. Few, if any, local spending responsibilities exist because cities choose to take them on. The state decides.² Spending pressures can be subtler. For instance, local labor costs, which account for a large slice of most cities’ budgets, are heavily influenced by state policies and regulations concerning municipal employees’ wages and level of retirement and health care benefits.³ This basic fact should give pause to those who instinctively attribute chronic local fiscal distress to “profligate spending on public employees” (Greenhut, 2012, pp. 1-2) or “spiraling labor and pension costs” (Rozansky, 2012). To borrow again from Frug and Barron’s seminal work (2008, p. 199), “Although cities are often criticized for granting overly generous pensions and health care to their employees, sometimes they become supporters of municipal employees’ benefits because the state requires them to do so.” Our more general argument here is that it is foolish to claim to correctly diagnose the causes of local fiscal distress without careful examination of the spending context in which states place their cities. In this paper, we aim to capture a large slice of this expenditure-side context by assessing state public sector collective bargaining policies (specifically, those covering municipal police, firefighters, teachers and other local employees) and public employee union membership coverage.

2 Via specific provisions (or the absence of such provisions) regarding local statutory authorization, budgetary constraints or more general interpretations of local governments’ home rule authority.

3 For instance, Michigan, even after the adoption of right-to-work legislation in late 2012, mandates binding arbitration for public safety officers in the event that involved parties in a labor contract dispute cannot reach an agreement. Massachusetts pays out benefits to local employees through the State-Boston Retirement System via formulas established by state law. Illinois law does not mandate city or employee benefit or contribution levels, instead favoring local flexibility in the control over pension costs.

1 Formally defined as the complex, multidimensional, legal-policy frameworks that prescribe the powers, rights and capacities of local lawmakers to respond to their financial conditions.

The final segment of this section considers how these revenue- and expenditure-side pressures interact within and across all U.S. state governments. As one might expect (or at least hope), these two competing dimensions tend to work against one another. States that are more revenue stick (meaning local tax limitation increases outpace the distribution of state aid) tend not to impose equally exacting expenditure-side pressures, at least in relation to local labor costs. For many states that do drive up labor and service costs via their mixture of policies, these costs are at least partially offset via a more resilient and vibrant aid environment, coupled with limited own-source revenue restrictions. A few states, such as Michigan and California, place strict limits on local own-source revenues while at the same time providing only meager intergovernmental aid and imposing costly labor and service obligations. We contend that these states have structured local fiscal policymaking in a way that effectively incubates local financial distress. These state contexts are the most egregious in hampering the exercise of local fiscal power; yet the nature of the problem for cities may be much worse – state-imposed budgetary imbalances can engender recurring structural deficits and diminished local service capacity, particularly among the states’ older, industrial urban areas.

(1) Squeezing Local Revenue Capacity: Thin and Fragile State Aid; Escalating Local Tax Limits

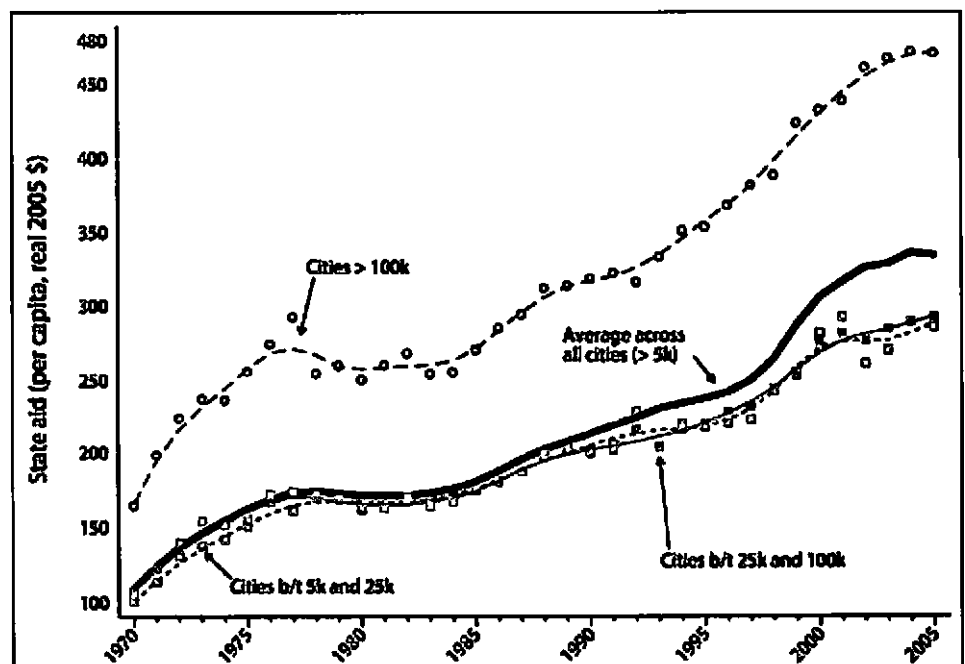
State governments, by virtue of their superior constitutional position, have sweeping legal powers to regulate local finance. Central to our assessment of the state’s role in local fiscal distress are state controls over the two dominant sources of city revenue: state aid and local

taxes. Local governments occupy a weak position in the American federal system, causing local officials to rely heavily on, in the words of one analyst, “whatever sources of income the states are willing to let them tap into” or “whatever financial assistance” the states are willing to provide (Berman, 2003, p. 89). Sbragia (1983) aptly refers to the condition of American federalism as “the municipal money chase,” and in the absence of a vibrant federal aid environment in the United States, state aid – in the form of shared taxes (typically sales, income and gasoline) and restricted or unrestricted grants – continues to be a major source of local government revenue, accounting for roughly a third of local revenue, on average, during the past two decades (Berman, 2003; Urahn et al., 2012).⁴

The importance of a well-designed state aid system is hard to overstate. It allows local officials greater flexibility in responding to economic pressures and the service needs of residents. This flexibility is particularly valuable during periods of economic downturn. Because local governments vary widely in their tax bases and in their ability to raise critical own-source revenues, influential research illustrates the equalizing potential of state aid, particularly in helping to smooth out revenue gaps between wealthier and poorer local jurisdictions (Pelissero, 1984; Stein and Hamm, 1987). In the past few decades, very few states target aid to local governments as a function of local need (Stein and Hamm,

4 Though formulas for the distribution of local aid can vary significantly across states (as well as within states over time), all states provide some form of aid to local governments – often from a historical exchange in which cities would forgo the right to collect certain taxes in exchange for the states returning revenues from those taxes in some form. States typically allocate shared revenue for specific purposes or link it to particular functions of local government. Some shared revenue, however, is unhindered by such state restrictions and can be spent as local lawmakers see fit.

Figure 1. Mapping the Average State Aid Environment Since 1970

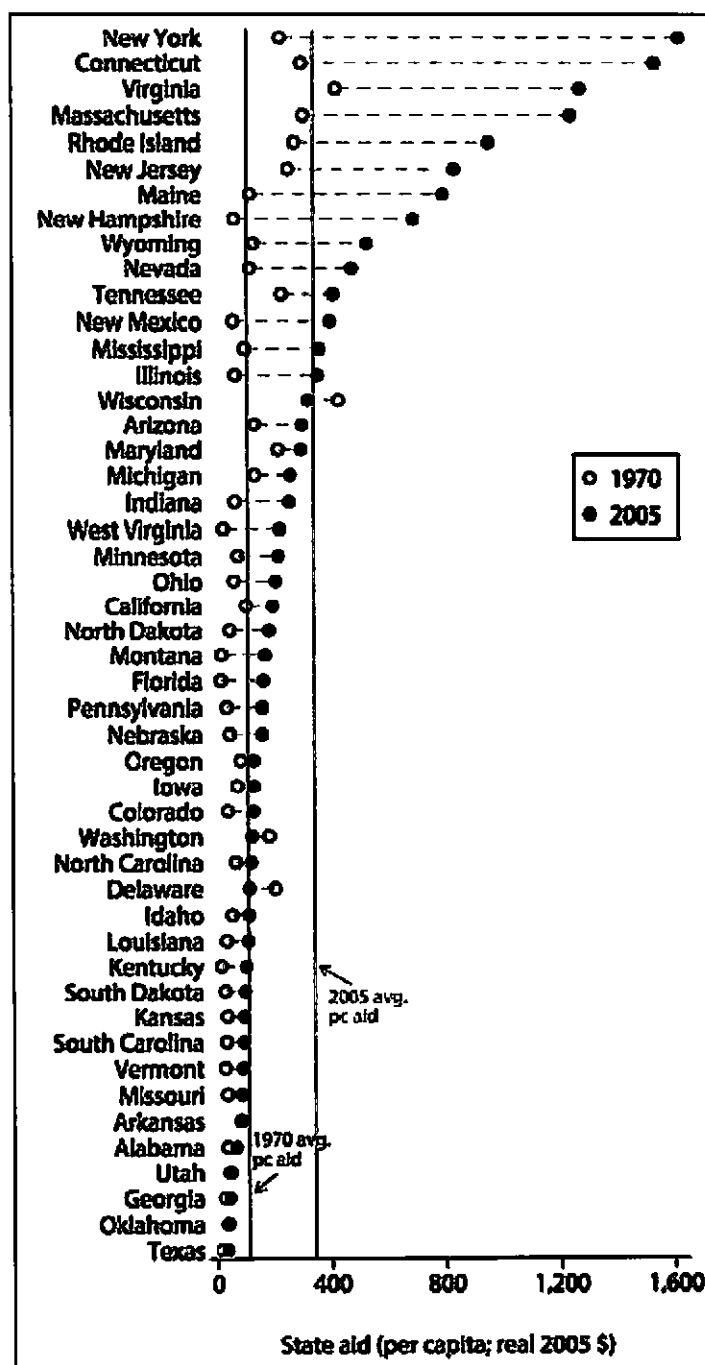


1994). The level of state aid that is available can make it possible for certain jurisdictions – for instance, older, industrial cities experiencing significant job loss coupled with a much reduced tax base – to at least afford minimum levels of services and possibly respond to growing service demands on the heels of a crippling state or national recession (see Ladd and Yinger, 1994).

How then can we characterize the critical state aid portion of the state-controlled revenue environment for American cities? Figure 1, which illustrates trends in per capita state aid to three classes of city governments, shows a steady upward trend in transfers (per capita) received from state governments. Though it is beyond the scope of this project to analyze specific revenue-sharing rules and aid formulas over time and across state contexts, our city financial data allow us to compare important trends in what the Census of Governments classifies as “Total Intergovernmental Revenue from the State Government.”⁵ In other words, we plot data indicating the fiscal outputs of these rules and decisions. As Figure 1 illustrates, the positive trend over time is particularly strong for cities with populations over 100,000.⁶ On average, it would seem that state governments have helped at least larger cities meet increasingly difficult financial conditions through the extension of intergovernmental transfers.

Figure 2, which compares levels and growth of per capita state aid across the contiguous 48 states, paints a bleaker portrait. Consistent with the findings presented in Figure 1, 43 of the 48 states exhibit positive growth rates, meaning that roughly 90 percent of the lower 48 states provided higher levels of aid in the current era than in the early 1970s (mean increase = 256 percent). Figure 1, however, masks the considerable unevenness with which state governments deliver aid. This unevenness is on display in Figure 2, where fewer states provide above average levels of aid, and most states exhibit relatively flat growth in the distribution of state aid.⁷

Figure 2. The Uneven Development of State Aid Environments



5 This includes state grants-in-aid, regardless of basis of distribution; local share of state-collected taxes; payments in lieu of taxes on state property; and reimbursement for services performed for state government (e.g., care of state prisoners in local jails, construction or maintenance of state highway facilities, etc.) (U.S. Bureau of the Census, 2006).

6 In 1970, these cities received roughly \$160 per capita (in real 2005 dollars) in state intergovernmental revenue; in 2005, the most recent year in our time series, average per capita aid was \$470. Though the growth rate for small and medium-sized cities is not as steep, the steady uptick in average per capita state aid exemplifies a healthier state aid environment than in the past.

7 As is indicated by the maroon-colored vertical line, the average per capita aid provided to local governments in 2005 was just over \$340. Texas, Oklahoma, Georgia and Utah provided around \$40 per person, on average. New York, Connecticut, Virginia, Massachusetts and Rhode Island, on the other hand, distributed intergovernmental revenue at an annual rate at or around \$1,000 per resident.

One key reason for this unevenness is that state aid tends to ebb and flow with changing state-level economic conditions (Berman, 2003, pp. 100-102). More generally, state intergovernmental aid – particularly those discretionary resources distributed via statutory aid policies and unprotected by state constitutions – is inextricably linked to state legislative budget battles. State legislatures and governors, scrambling to balance their own budgets, are simply more likely to risk citizen backlash from significant aid cuts during periods of widespread budget shortfalls. What is more, state lawmakers across the country seem to be looking with decreasing favorability on the idea of, in the derisive words of one Wisconsin legislator, “being an ATM machine for local governments” (Rinard, 1999, p. 1).

Figure 2, however, illustrates that not all states have chosen to respond to their revenue difficulties by making cuts to intergovernmental aid. A study from Pew’s American Cities Project reports that Connecticut, which provides one of the more vibrant aid environments in the country, chose to slightly bolster intergovernmental aid to its local governments on the heels of the Great Recession (in fiscal year 2010) and has not reported a cut since then. Nebraska, on the other hand, canceled all funding to its local governments in 2011; Maryland, California, Arizona, Nevada, Minnesota, Texas, Virginia and Wyoming made 5 to 6 percent cuts that same year. All else being equal, we would expect it to be far less onerous to balance revenue and expenditure flows in city governments in states such as Connecticut, New York or Massachusetts – i.e., states where key state decision makers seem less inclined to shift service costs to local governments via cuts in state aid during times of state financial stress – than in cities

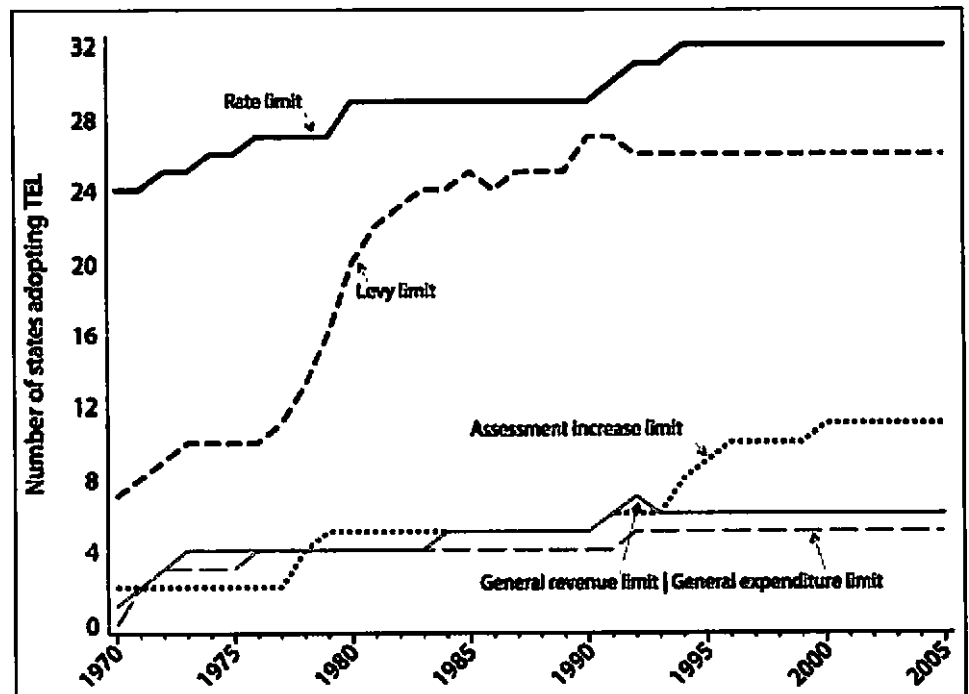
facing similar sets of environmental, political or managerial conditions in states that provide lower or more volatile levels of intergovernmental aid.

State policies regarding levels and delivery of state aid are but one piece of an increasingly complex set of structures that govern local revenue capacity. In a classic textbook on American intergovernmental relations, Stephens and Wikstrom (2006, p. 196) remark, “Without doubt, the most important mechanism that the state has for influencing the political behavior of local officials involves financial assistance.” This may have been true in the 1970s or 1980s, and to be sure it is a fundamental tenet of traditional models of fiscal federalism, but the most important mechanism for controlling local fiscal behavior in the past quarter-century is the tax and expenditure limit (TEL) – a label that broadly captures state attempts to limit the taxing and/or spending authority of its local governments through constitutional amendment or legislative enactment.

State governments have long imposed some manner of TEL.⁸ Figure 3 tracks the adoption of TELs since 1970 across the four most common categories: *rate limits* – which are overall or specific tax rate limits that set the ceiling on the aggregate tax rate, which cannot be exceeded without a vote of the electorate; *property tax levy limits*, which constrain the total amount of revenue that can be raised from the property tax (independent of the property tax rate); *assessment increase limits*, which cap the growth rate of assessed values and is intended to control the ability of local government to raise revenue either by reassessment of property or through escalation of property values; and

8 For instance, the first states to establish property tax rate limits were Rhode Island (1870), Nevada (1895), Oklahoma (1907) and Ohio (1911).

Figure 3. Proliferation and Layering of TELs Since 1970

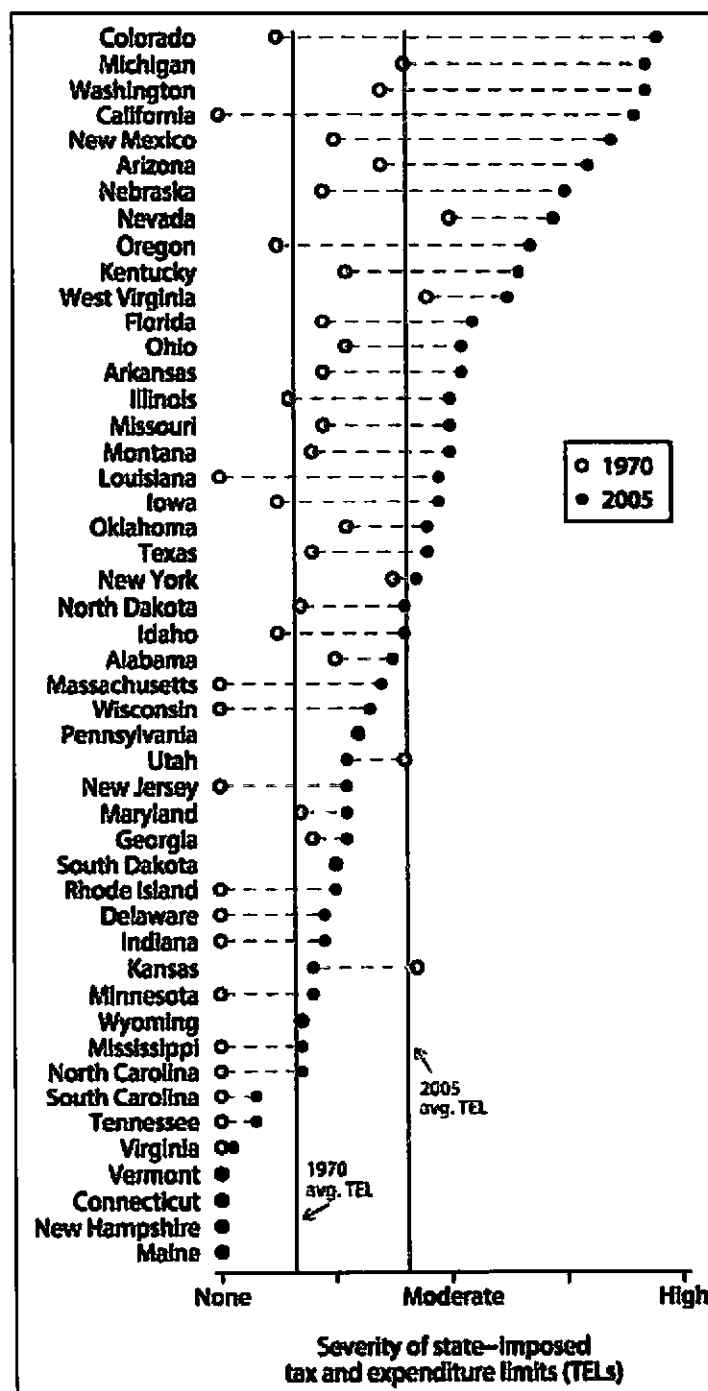


limits on *general revenue* or *general expenditure* increases, which set the maximum growth rate of total revenue or total spending.

Whereas a great deal of research has shown that the appearance of even a single TEL constrains the capacity of local officials to generate revenues on their own (see Poterba and Rueben, 1995; Shadbegian, 1996, 1999; it is the accumulation or layering of fiscal constraints that can be particularly damaging to the revenue capacity of local lawmakers.⁹ In single-TEL states, for instance, raising assessments might be employed to circumvent property tax rate limits and vice versa; in states that impose only an assessment cap, this single limitation could potentially be overcome by adopting a higher rate. These methods of circumvention were common early in the 1970s, when 24 of the 29 states adopting some form of TEL imposed only one constraint (mostly rate limits), and a mere five states imposed two revenue TELs. Today, at least 27 of the contiguous 48 states impose multiple revenue TELs. Nineteen states impose two, and eight states – Arizona, California, Colorado, Michigan, Nebraska, Nevada, New Mexico and Washington – apply three local tax limitations.

The number of TELs in a state does not necessarily capture the severity of the limitation(s), though it is reasonable to expect a higher frequency of TELs to create a more restrictive local tax environment. Figure 4 displays a measure of TEL severity (see appendix regarding our research approach beginning on page 25), with the open point illustrating the severity of the state's TEL in 1970, the closed (maroon) point plotting restrictiveness in 2005, and the dashed horizontal line representing the change in severity of the state's tax limitations.¹⁰ Figure 4 reveals some noteworthy patterns that illustrate the reality of state policy choices regarding local tax structures. Michigan, a state that imposes one of the more onerous sets of revenue restrictions, achieved this status via a one-two punch of major constitutional amendments enacted by voters: the Headlee Amendment in 1978 and Proposal A in 1994.¹¹ The Headlee Amendment capped local property tax millage rates to the rate of inflation. Proposal A – a constitutional amendment quite similar to Proposition 13 in California, a state with a similarly restrictive fiscal relationship with its locales – further limited local property tax revenue growth

Figure 4. TEL Escalations by State



9 Rising adoption rates are on display in Figure 3. So, too, is the increasingly common phenomenon of TEL layering, meaning the imposition of state-imposed controls on multiple elements of the local tax structure. And those controls are growing: in 1970, 29 of the contiguous 48 states had at least one revenue TEL; today, some 41 of 48 states have at least one local revenue limit.

10 The measure of TEL severity, initially proposed by Amiel, Deller and Stallmann (2009), indexes six key characteristics: the type of TEL (see discussion above), if the TEL is statutory or constitutional, growth restrictions, method of TEL approval, TEL overrides and exemptions, and method of override. For a more detailed discussion of this measure, see Amiel, Deller, and Stallmann (2009) and Maher and Deller (2013).

11 Constitution of the State of Michigan, Sections 25-33.

by changing the system of assessment to cap individual property values and prohibiting cities from “rolling up” a millage to the rate of inflation if actual property value growth was lower than inflation.¹² Taken together, these two large TEL ratchets, which came 17 years apart and layered on top of an already aggressive property tax rate limit, placed tremendous pressure on local lawmakers’ ability to generate critical revenue (Brunori et al., 2008). Contrast Michigan’s approach to that of Massachusetts’s Prop 2½, a similarly infamous state-imposed TEL, which was passed by referendum in 1980 and effectively caps local property tax levies at 2.5 percent of real property value. Massachusetts’s relatively moderate position on the severity index owes much to the state’s choice to apply no corresponding rate, revenue or assessment limits on local lawmakers.

TELS, taken alone, are neither inherently good nor bad. They have been alternately portrayed as necessary evils for taming “Leviathan” city governments (Brennan and Buchanan, 1979; Craw, 2008; Downes and Figlio, 1999), or as just plain evils that stifle cities’ abilities to pursue innovative visions for their futures (Frug and Barron, 2008).¹³ However, over three decades after the tax revolt movement took hold in a major way in states such as California and Michigan, the widespread adoption of local TELS depicted in Figures 1 and 2 has had two overarching effects: the first is the loss of local revenues; the second is decreasing local reliance on property taxes.¹⁴ There is little evidence to suggest that TELS, however, promote local fiscal sustainability. The reason is that local spending mostly goes unaffected by revenue limits (Dye and McGuire, 1997), particularly in the absence of state-imposed spending lids, which exist in only a small handful of states.¹⁵

In sum, the proliferation of state-imposed TELS has helped to create a national state-local fiscal system that is simply less conducive to local governments’ abilities to fund their own activities.¹⁶ States with more aggressive local TELS – such as Michigan, Colorado and California

– hinder the revenue capacity of their local governments. This capacity is vital during even the most moderate of economic downturns because service demands tend to rise and state aid tends to drop. Revenue slack, however, was particularly vital during the most recent recession. In previous downturns, home prices mostly remained stable, thus steadying property tax revenues (particularly in relation to sales and income taxes). In the 2009 recession, property tax revenues, already slowed in certain states via state-imposed TELS, plummeted in simultaneity with state aid. The good news, as we illustrate below, is that a relatively small number of states impose such crippling revenue constraints from both ends: meaning states that both limit own-source revenue capacity while also providing far from vibrant levels of state aid. The bad news is that, for local officials who must operate within those state environments, even small declines in revenues can present tremendous budgetary challenges.

Mapping the Revenue Squeeze: Revenue “Carrot” and Revenue “Stick” States

As property tax revenues continue to erode as a function of state-imposed TELS and local governments have become more reliant on state aid, some observers have suggested that state governments have responded to their expanding role in local fiscal affairs by providing greater levels of intergovernmental revenues (Berman, 2003; Sokolow, 2000; Dye and McGuire, 1997b).¹⁷ This reading of state-local fiscal dynamics is somewhat supported by comparing trends in average levels of state aid to local governments exhibited in Figure 1 and total revenue limit adoptions depicted in Figure 3. However, our data allow for a far more detailed look at how local revenue capacity is being affected by state policies for local governments within each of the lower 48 states.

Figure 5 depicts a rough state-level indicator of the severity of state restrictions on local revenue capacity. States for which our standardized measure of per capita state aid far exceeds our standardized measure of the severity of local revenue limits – such as Connecticut, New York, Massachusetts, New York, Rhode Island and New Jersey – are depicted in orange and labeled revenue carrot states. All else being equal, we would expect the revenue capacity of local governments in these states to be buttressed by their state context. As was pointed out above, a well-structured state aid environment increases the overall fiscal capacity of local governments and, according to Pagano and Hoene (2010, p. 260), can provide “a level of equalization and base support for municipalities that may lack other resources.” Additional value to local revenue capacity stems from the fact that critical own-source revenues are

12 Many other provisions of both the Headlee Amendment and Proposal A are related to other parts of the state finance system, and a detailed examination of the depth of both laws would be a paper unto itself. We will discuss the impacts of these types of laws, generally and in Michigan, later in the paper.

13 To be sure, they are a frequent source of local consternation, particularly as fixed costs occupy a larger share of local budgets and demand for services – driven by postrecession unemployment rates, population changes and other factors – continues to rise.

14 Indeed, in many state contexts, forgone property tax revenues have at least partially been recovered via more regressive revenue sources – such as fees and, where allowed, sales taxes.

15 This is an important point that is often obscured by the frequent reliance on the TEL acronym (Tax and Expenditure Limits).

16 Amidst the national clamor for government austerity and fiscal responsibility, it is important to point out that these activities – particularly in the states that impose the most formidable set of revenue constraints, such as Michigan, California and Colorado – include essential local services such as public safety and infrastructure maintenance, which are critical functions of local government.

17 Greater local reliance on state aid does not necessarily mean that state officials have “anteed up,” a point that, mainly because of data constraints, is too often overlooked.

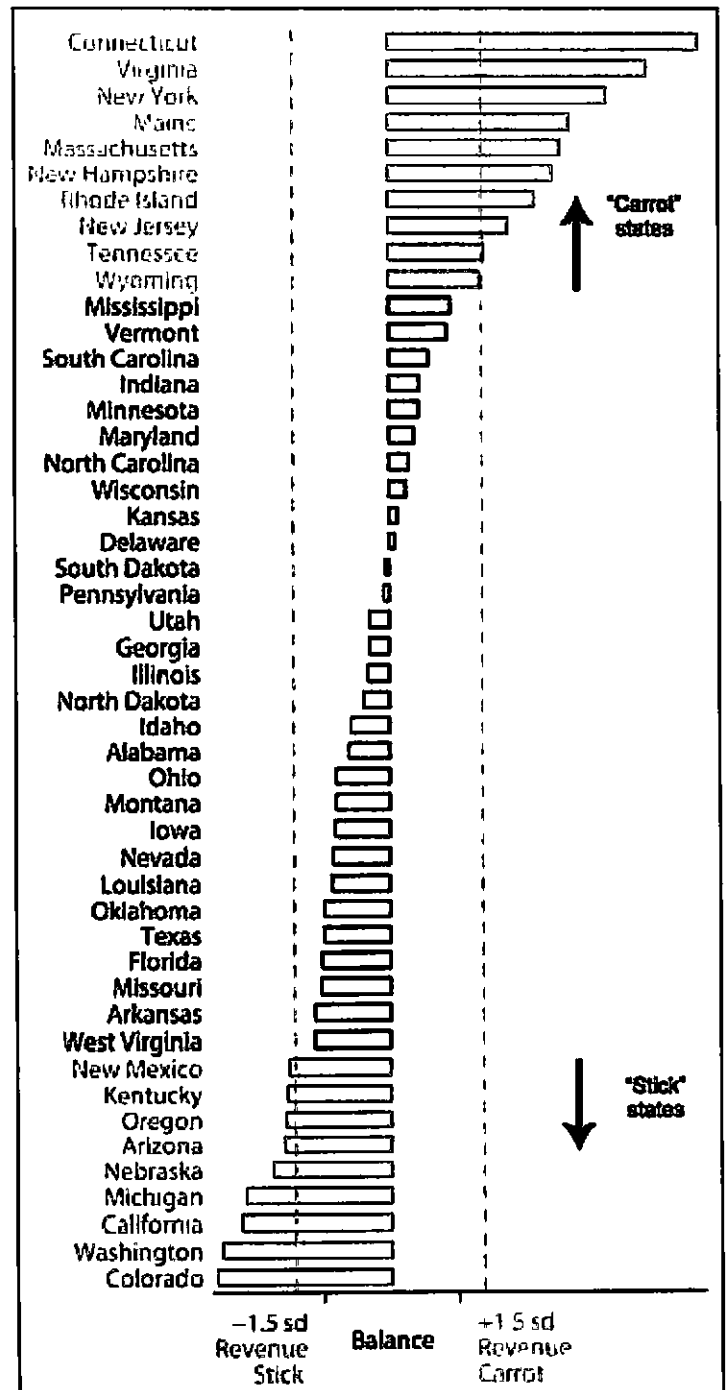
either altogether unencumbered by the absence of state TELs, as in Connecticut; limited only on the margins, as in Rhode Island or Tennessee; or limited via more aggressive TELs offset via significant funding from the state, as in Massachusetts.

Revenue stick states – such as Michigan, Colorado, Washington and California – are depicted in brown. These state governments (or state citizens via the referendum or initiative process) constrain the fiscal autonomy of local government officials rather than buttress it via state aid. An extensive body of research on the local effects of state-imposed TELs strongly suggests that revenue limits have worked: local own-source revenues have been reduced in the states that impose such limitations. Though there is some historical evidence that state legislatures in certain states have offset these limitations via state aid (Mullins and Joyce, 1996), revenue stick states tend to be far less generous in the allocation of intergovernmental revenue. All else being equal, we would expect the revenue capacity of local governments in these states to be constrained by their state context.

Michigan, for instance, has a TEL score well above the most recent annual state average, coupled with slightly below average state aid. The problem with local fiscal sustainability in revenue stick states such as Michigan stems from local governments' heightened reliance on state revenues, which in Michigan is a function of two large TEL ratchets and, in the post-Great Recession period, sharply declining property tax revenues. This high degree of dependency remains in place today. Yet, much like the way that Michigan's Proposition A has exposed critical local education funding to state budgetary battles (Cullen and Loeb, 2004), the state's unyielding property tax rate limits, coupled with special features of the Headlee Amendment that forbid the use of some alternative revenue sources employed in other states (e.g., income, sales and motor fuel taxes), have had the unfortunate side effect of essentially entwining local fiscal health with state legislative politics. As the state economy faltered under a one-state recession throughout much of the 2000s (Darga, 2011), the past decade has seen both clear declines in statutory revenue sharing and heightened levels of uncertainty over revenue-sharing rules (Lavelle, 2014, pp. 2-3).

Michigan's is a precarious fiscal context even for the most well-managed city government. It is particularly onerous for lawmakers in older, industrial cities such as Flint, which has been dealing for some time with sustained job and population loss, waning bureaucratic capacity, and increasingly daunting economic, social and physical challenges (see Doidge et al., 2015). In the words of one local official, if aid is reduced, "It's not rocket science ... pretty much raise taxes or cut services. That's what it boils down to" (McDermott and Powers, 2002, p. 12). Local lawmakers in a state such as Michigan, where they operate

Figure 5. Revenue "Carrot" and Revenue "Stick" States



with very limited discretion over revenue capacity, can boil it down even further: reduce or eliminate services or face the prospects of possible financial meltdown. All cities face political constraints on raising tax revenue. And certainly, some cities have managed their financial affairs in the face of economic decline better than others. However, for those seeking to fully grasp the nature of local fiscal health, we must continue to focus on ways in which states effectively create a mismatch between fiscal needs and available resources into their cities' local fiscal decision-making environment.

(2) Expenditure-side Pressures: Labor Costs and State Regulation of Local Public Employee Collective Bargaining

In addition to the revenue squeeze that some states impose on their local governments, state governments also impose a range of expenditure-side pressures that can drive up local costs.¹⁸ As state governments continue to streamline bureaucracies and downsize operations, service burdens have been shifted onto local governments, often “without careful consideration whether this was the correct course” (Gold and Wallin, 1999, p. 73). As one prominent National League of Cities report argues (2003, p. 23), the transference of “program responsibilities from state and federal government, as well as the imposition of state and federal mandates, increase the roles and responsibilities of municipal governments, often without corresponding fiscal capacity or authority.” Observers and analysts interested in the expenditure-side burdens that state policies place on local officials typically focus on the effects that costly mandates in areas such as health care and pollution abatement have on local government budgets (see Berman, 2003, pp. 77-83). Far less attention is paid to what we might call *de facto* spending pressures – the hidden but potentially damaging state-level decisions, policies and institutions that can destabilize local governments' fiscal capacity.

Consider, as we do in this report, local governments' large and increasing burden to pay for previously obligated labor costs. Labor costs, including wages and benefits for current employees as well as pensions and other postemployment benefits (OPEB) such as retiree healthcare, currently make up the largest category of operating costs for local governments. As pointed out in a recent MSU white paper (Scorsone and Bateson, 2013), municipalities were not required to measure the total costs of OPEB until an accounting standard was issued in 2004, with implementation beginning in 2007. Now that local governments have calculated and accounted for OPEB,

many are faced with a massive commitment. Indeed, MSU's review of Michigan cities facing severe fiscal stress revealed that each city was confronted with a substantial unfunded OPEB liability (Scorsone and Bateson, 2013).

Though local government employee pensions and OPEB are seemingly always in the headlines, few seem to be asking why observers are more able to link labor costs to local fiscal distress in certain states than in others. Why do we hear so much about Michigan, Pennsylvania, California, Rhode Island and New Jersey? The answer, not surprisingly, is that, although city lawmakers are often criticized for overly cozy relationships with public employee labor unions (see, for instance, Gillette, 2014a; Rozansky, 2012; Greenhut, 2012), critical elements of employee benefit costs are structured by state law. State law may require bargaining by the employer, may provide only for a bargaining forum without requiring it or, alternatively, may simply prohibit collective bargaining altogether. State laws vary in the coverage of certain types of local employees. These rules address the types of items that may be bargained over, such as work rules, pay and benefits. Finally, the collective bargaining laws may include a process for dealing with impasses, such as binding arbitration rules. In line with the framework proposed at this report's outset, we view the mix of these rules as a set of processes and constraints that directly influence a municipality's fiscal capacity.

Table 1 places the local public employee collective bargaining environment of the contiguous 48 states into a five-category classification scheme ranging from very weak to very strong. (See the research approach appendix for a more detailed explanation of this measure.) As Table 1 makes plain, states vary with respect to the collective bargaining environment for local public employees. Not surprisingly, states with strong and very strong collective bargaining environments (e.g., those that impose a duty to bargain with strong union security provisions) have comparatively high union membership rates as well, with New York, Rhode Island, New Jersey, Connecticut, Massachusetts, California, Illinois, Oregon, Minnesota, Pennsylvania and Michigan each holding union membership rates in excess of 50 percent of state public employees. Unionization rates in weak and very weak states, such as Mississippi, South Carolina, North Carolina, New Mexico, Wyoming, Utah, Georgia and Virginia, on the other hand, tend to fall around 10 percent.¹⁹

State laws concerning pensions and health benefits illustrate, in part, how state-imposed structures affect city expenditure choices. Yet recent attention to employee compensation, pension system funding/underfunding and, especially, the cumulative impact of local government employee costs on current municipal cash flows have

¹⁸ This general phenomenon has been termed “second-order devolution” – meaning the transfer of program administration and/or substantive policy powers from the federal and state governments to America's cities and municipalities (see Bowman and Kearney, 2011).

¹⁹ Statistics from Union Membership and Coverage Database (see Hirsch and Macpherson, 2003)

brought these issues, in particular, into national focus. To be clear, we do not suggest that a non-unionized workforce is the key to a fiscally sustainable city. City governments must compete with other employers for workers, and rules governing bargaining are part of a state's larger labor culture. Our simple argument is that, in light of the sizeable role for local labor costs in local budgeting as well the implementation of new accounting standards, city governments operating within states with more permissive collective bargaining provisions are more likely to face budgetary constraints. It is easy to pin these constraints on lousy decision making, yet these constraints owe much to higher labor costs and the cumulative costs of payment decisions that are, to a large degree, governed by state policy.

(3) The State Context for Local Fiscal Distress: Tension Between Revenue and Expenditure Pressures

Analysis of the interplay of revenue and expenditure pressures allows for a more detailed assessment of the nature of the fiscal context in which states place their

local lawmakers. We offer this analysis as something of a corrective to the typical perception that a city's financial destiny is either entirely within or entirely outside of its control. When assessing why certain local governments seem to respond more effectively to their financial problems than others, our research suggests that identifying on Figure 6 (see page 14) the state in which the city is located is a good place to start. The state's coordinates represent an empirical measure of the state context for local fiscal distress – meaning the tension for local lawmakers between state-imposed revenue-side pressures (captured on the horizontal axis) and state-imposed expenditure-side pressures (captured on the vertical axis).²⁰

²⁰ More technically, the horizontal axis captures our measure of the revenue pressures that states inflict upon their local governments (standardized TEL severity score minus standardized average per capita aid score). The vertical axis represents a standardized measure of public employee union coverage, an approximation of the severity of the average city's relatively fixed labor costs. The light gray shading represents the distance between one quartile above and one quartile below the median; thus states that appear outside these two intersecting ranges are quite different from average on both elements of the state context. Dark shaded points indicate state governments that authorize state intervention in financially distressed local governments.

Table 1. State Collective Bargaining Environments for Local Public Sector Employees

Collective bargaining environment	States		Brief description
Very strong	Illinois Minnesota Montana Ohio	Oregon Pennsylvania Vermont Wisconsin	Duty to bargain Strong union security provisions Strikes are permitted with qualifications
Strong	California Connecticut Delaware Maine Massachusetts Michigan	New Hampshire New Jersey New York Rhode Island Washington	Duty to bargain Strong union security provisions Strikes are prohibited
Moderate-mix	Florida Idaho Iowa Kentucky	Nebraska Nevada Oklahoma South Dakota	Some bargaining rights Weak union security Strikes are prohibited
Weak	Arizona Arkansas Indiana Kansas Louisiana Missouri	New Mexico South Carolina Texas Utah West Virginia Wyoming	Limited collective bargaining rights Right to work Strikes are prohibited
Very weak	Alabama Colorado Georgia Maryland Mississippi	North Carolina North Dakota Tennessee Virginia	Collective bargaining is prohibited Right to work Strikes are prohibited

Figure 6. Assessing the State Context for Local Fiscal Distress

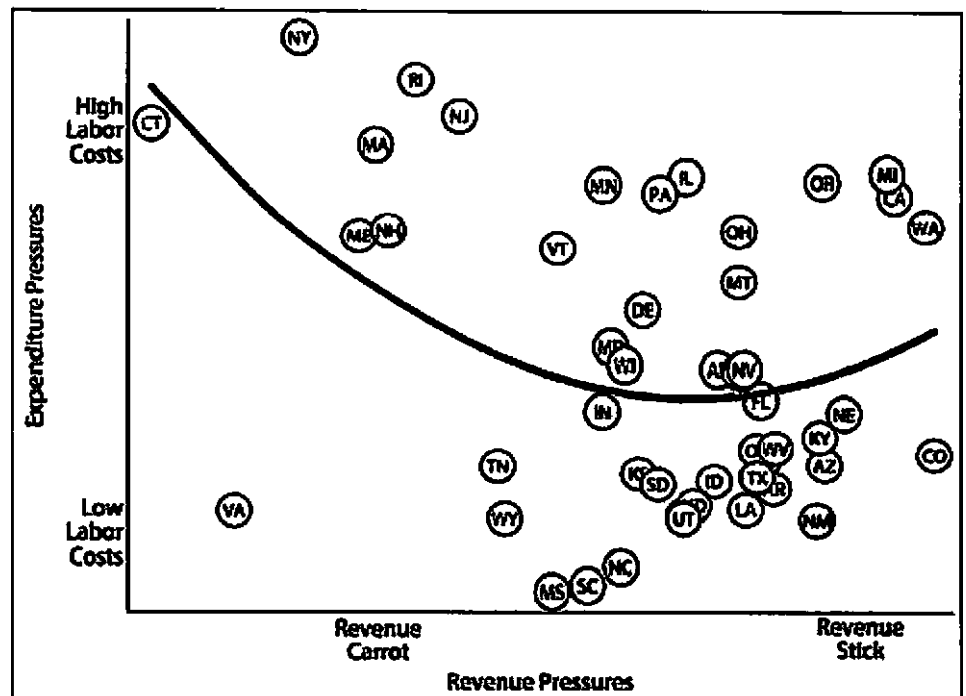


Table 2. Tabulating the State Context for Local Fiscal Distress

State-Imposed Expenditure Pressures	State-Imposed Revenue Pressures		
	Carrot	Balance	Stick
High	Connecticut Massachusetts New Jersey New York Rhode Island	Illinois Minnesota Pennsylvania	California Michigan Oregon Washington
Moderate	Maine New Hampshire Tennessee Vermont	Alabama Delaware Florida Indiana Iowa Kansas Maryland Montana Nevada Ohio Oklahoma Wisconsin	Arizona Colorado Kentucky Missouri Nebraska West Virginia
Low	Mississippi Virginia Wyoming	Georgia Idaho Louisiana North Carolina North Dakota South Carolina South Dakota Texas Utah	Arkansas New Mexico

If state-imposed revenue pressures increased with the severity of expenditure pressures, or vice versa, we would expect a positive “best fit” line (the dark curving line in Figure 6) moving from the lower left-hand quadrant to the upper right. As one might expect (or at least hope), these two elements of the state context tend to offset each other. States such as Colorado and New Mexico – i.e., more revenue stick states (local tax limitation increases outpace growth in the distribution of state aid) – avoid equally exacting expenditure-side pressures, at least when it comes to local labor costs. For states that do structure local collective bargaining in a way that favors higher local labor costs – such as New York, Connecticut and Rhode Island – these costs are at least partially offset by a more resilient and vibrant aid environment, coupled with limited own-source revenue restrictions.

The relationship between these two elements of the state context is negative, but it is not a purely linear relationship. Figure 6’s most striking feature is its illustration that states placing extreme limitations on local revenue capacity (meaning they are more than one standard deviation above the state average on the horizontal axis) also tend to impose costly labor and service obligations (more than one standard deviation above the state average on the vertical axis). This relationship between revenue and expenditure pressures creates a best-fit line that resembles a backwards “J”. This small handful of states that pull the line upward – which include Michigan and California – cluster in the upper right-hand quadrant of Figure 6. It is no surprise that acute financial emergencies have clustered in these states. We contend that they have structured local fiscal policymaking in a way that effectively incubates financial distress. Table 2 classifies the states in an effort to clearly represent the position of each of the lower 48 states along these two dimensions.

The threat of recurring structural deficits is “baked in” to the state-imposed legal and policy context in which local governments choose how to respond to fiscal problems. For lawmakers in America’s older, industrial cities who must operate within these states, that choice is often not theirs to make. As we point out above, these states apply revenue and expenditure pressures on the front end, while also fostering a fiscal environment that exacerbates fiscal stress, links local fiscal health to budgetary battles, and all in all restricts the policy “space” for local fiscal policymaking. Michigan, however, is the only state among the incubators in the top right quadrant of Table 2 and Figure 6 that also intervenes “on the back end” by assertively implementing one of the nation’s most powerful fiscal distress intervention policies (Anderson, 2011; Scorsone, 2014).

In light of the clustering of distressed localities within Michigan’s borders, it comes as little surprise that Michigan lawmakers would value a policy that allows state officials to help struggling local governments meet conditions of chronic fiscal stress (Scorsone and Bateson, 2011; Doidge et al., 2015). However, as we discuss below, what is quite striking is the relationship between the policy’s goals and design – which favors state takeover of local government – and the nature and underlying causes of the problem of acute fiscal distress. The financial consequences of deep-rooted economic and social forces are unlikely to be fully alleviated via temporary suspension of local self-government. Neither are the often overlooked but critically important state-imposed causes analyzed above. In what follows, we survey the state governments with more holistic and self-aware views of local financial distress in an effort to draw important lessons for Michigan lawmakers as they continue to struggle with chronic fiscal stress among the state’s localities.

Section 2: If Takeover is the Solution, then what is the Problem? What Michigan Can Learn from the Ways in Which Other States Tackle Problems of Local Fiscal Distress

In the previous section, we make the case that state governments influence how local officials meet their financial problems via a combination of laws and policies that add or take away intergovernmental or own-source revenue capacity and drive up expenditure pressures via the allocation of policy authority over government functions and labor costs. In certain instances, such as when a state government caps property tax revenue and sets near insurmountable override standards, the effects of certain elements of the state context may be more or less direct. A city facing a near identical set of political, institutional, economic and social circumstances that operates in a neighboring state with no such revenue cap at least has the potential to capitalize on this capacity, assuming local political and economic constraints allow for the imposition of a property tax increase. But mostly the effects of this state context are more indirect. The policy balance between revenue restrictions and state aid, for instance, is not so much a direct measure of state policy choice as it is an outcome of a variety of state policy choices – e.g., revenue-sharing rules and formulae, the outcomes of citizen initiatives involving local TELs, legislative-executive budgetary processes, bureaucratic turf battles and so on.

Since as far back as the late 19th century, when the proliferation of railroad bankruptcies prompted states to take action to assist struggling localities (see Dimock, 1935 and 1940), state lawmakers, for fear that “a failing municipality will lower the credit rating of other localities and the state itself” (Berman, 2003, p. 113), have played a far more direct role in responding to local financial distress. The current menu of state policy options for intervening in distressed communities has been reviewed in two recent reports, one by Pew Charitable Trust researchers (Atwell et al., 2013) and a second by one of the authors of this report (Scorsone, 2014). One key shortcoming of these reports is the absence of detailed consideration of state context. Simply put, some states are part of the problem – they incubate financial distress via stringent restrictions on local revenue capacity and state policies precipitating local spending pressures. In other states, local policy options regarding the balance of revenue and expenditure flows are less encumbered by state policies and institutions. This diversity among state contexts is particularly important when reflecting on “best practices” for states dealing with

acute local fiscal distress. For instance, close followers of issues of local finance often hear and read about North Carolina’s strong oversight and monitoring mechanisms as standards to which state governments should aspire (see, for instance, Mattoon, 2014). But does it make sense for a state such as Michigan or New Jersey, for instance, to adhere to similar policy principles when local fiscal policymaking is structured in such dramatically different ways?

A second shortcoming of these reports is the dearth of detailed comparison among the 18 state governments that currently have an intervention policy. We refer readers to these reports for their quality in cataloguing the formal policy powers of state lawmakers on paper. Neither, however, is as useful at considering these policies in practice. This is a key tension in policy analysis generally and in instances of intervention in particular. The choice of the state’s appointed and elected officials to employ the power they have at their disposal and intervene in a distressed community (often meaning the temporary suspension of democratic processes) presents a particular type of implementation dilemma imbued with questions of racial bias, social and economic imbalances, and the legal and political culture that guides state-local relations.

To fully assess the role of state governments in financial distress, we held a workshop for state government officials, analysts and experts with deep knowledge of state operations in local financial affairs. The Workshop on State Intervention in Distressed Communities, held in the fall of 2014 in Detroit, ultimately brought together a diverse group of 28 practitioners and policy experts from six states facing similar sets of local fiscal problems: Michigan, Rhode Island, New Jersey, Pennsylvania, New York and Ohio.²¹ The appendix provides a detailed overview of the structure of the event and the types of discussions that were held.

Our primary goal was to provide a venue facilitating the open exchange of ideas and techniques for approaching the complicated problems facing cities in fiscal crisis. Indeed, as we discuss below, one recommendation of this research

²¹ This portion of the process focused specifically on how states approach intervention. Though many of the participants in the workshop were intimately involved in making decisions at the city level, we intentionally chose participants representing the state perspective rather than that of local decision makers.

report is to continue to advance this and similarly minded endeavors as a means of facilitating what Peter May (1992) refers to as “instrumental policy learning,” which can improve state officials’ understanding of the benefits and limitations of particular policy approaches or administrative designs. A second goal centers on learning more about the states’ implementation processes for deciding whether to designate a city in distress, take it over temporarily or, in the most extreme cases, help shepherd its path to municipal bankruptcy. Our final goal was to investigate the types of “causal stories” (Stone, 2011) that state officials and experts used when considering the fiscal conditions facing their local governments. We held structured discussions about how the problem of local fiscal distress is defined (i.e., who or what bears the responsibility) and the ways in which state governments enshrine this problem definition via the design and implementation of financial emergency policies.

In what follows, we begin with a brief outline of Michigan’s approach to local financial emergencies, paying special attention to linkages between the state’s policy solutions, the nature of fiscal stress in Michigan’s municipalities and the “front-end” context identified in Section 1. We then turn to alternative approaches employed in other key states. We begin with North Carolina, a state whose Local Government Commission, which administers the policy for dealing with financially challenged communities, has received a great deal of national credit. We then move to states facing more comparable sets of local conditions – i.e., with many older, industrial and fiscally vulnerable local governments suffering from population and job loss – that also have a history of state intervention in fiscally distressed communities. The goal here is not comprehensive overview. Rather, we set out to identify key dissimilarities with the new generation of intervention policies – of which Michigan’s current policy is the poster child – and to illustrate how state governments facing similar sets of challenges can more effectively align their policy regarding direct involvement in fiscally distressed communities with the nature of problems that these communities face, as well as with state-imposed constraints that hamper their capacity to balance revenue and expenditure flows.

We designed Table 3 (see page 18) to help guide this discussion. The first two columns summarize the state context analyzed in Section 1 of this report. The four rightmost columns depict information summarizing the design and administration of the state’s local financial emergency policy. The column labeled “causal story” reflects our assessment of how a state government, via its legislation of state intervention, comes down on the debate over the causes of local financial failure. For some states, the focal point is internal causes – poor management, the incompetence of local leaders, political corruption, the dominance over policymaking by narrow interests, and/or

“antidemocratic” structures and processes that favor the whims of local officials over the needs of local residents (Gillette, 2014b). Other states focus on forces external to local management – i.e., socioeconomic conditions that are at once causes and symptoms of diminishing local service capacity and resources (see Kimhi, 2008), such as high and concentrated poverty, older building stocks, residential vacancies, high crime, deep-rooted regional changes, population loss and job loss. The column labeled “policy approach” captures the gist of the state’s approach to financially distressed communities and reinforces the causal theory behind the policy’s design. We also include information on the administration of the states’ policies. Here the focus is on the powers of key administrative actors and their bureaucratic location. In line with a great deal of research on policy analysis and the policymaking process, we structure Table 3 in a way that suggests that key state decisions on goals, administration and implementation flow from how responsibility for the problem is assigned – i.e., the causal story (see Stone, 2011, p. 206). This information is provided for the six states that were represented at the Detroit workshop – Michigan, Rhode Island, New Jersey, Pennsylvania, New York and Ohio – as well as for North Carolina, a state that frequently gains attention for the effectiveness of its intervention policy.

(1) Michigan’s Local Financial Stability and Choice Act: A Brave New World for State Intervention

The tenets of Michigan’s intervention policy have been well-documented in research reports and news media. After the governor declares a fiscal emergency,²² four possible courses of action are available to a municipality,²³ though local takeover by an emergency manager (EM) is the most common course of action. This allows a state-appointed manager to “act for and in the place and stead of the governing body and the office of chief administrative officer of the local government” and effectively grants this individual powers beyond those available to local officials.²⁴ Not only does he or she become responsible for all local fiscal decisions, including development and implementation of a recovery plan (which must be approved by the state treasurer), but the EM can also modify existing collective bargaining agreements, negotiate new union contracts and make personnel changes. The EM can also explore the option of consolidating services with another government entity, sell municipal assets and ask voters to increase the tax rate. The EM remains in this role until the city reaches certain benchmarks within its recovery plan, and a

22 A series of triggers are in place and one must occur – e.g., failure by the local unit of government to pay creditors or make timely pension contributions – prior to a state review of a local unit’s finances

23 Consent agreement, emergency management, neutral evaluation or municipal bankruptcy.

24 141.1549, Sec. 9.

Table 3. Intervention Policy in the Context of State-Local Fiscal Relations

STATE	STATE CONTEXT		LOCAL FINANCIAL EMERGENCY POLICY	
	REVENUE PRESSURES	EXPENDITURE PRESSURES	DESIGN	ADMINISTRATION
			"CAUSAL" STORY	POLICY APPROACH
Michigan	Revenue stuck (top 5%)	High (top 20%)	Management (Internal)	State-appointed manager furnished with broad tools to restore solvency (mostly on spending side) once distress occurs. Michigan typically does not intervene in local fiscal affairs until a fiscal emergency is recognized. There is no program of prevention.
New Jersey	Revenue carrot (bottom 10%)	High (top 5%)	Socioeconomic factors (external) Management (Internal)	Governor Department of Treasury (Office of Fiscal Responsibility) Department of Community Affairs (Division of Local Govt Services)
New York	Revenue carrot (bottom 5%)	High (top 1%)	City specific	Legislature Office of the State Comptroller
North Carolina	Balance/lean carrot (bottom half)	Low (bottom 5%)	Management (Internal)	Governor Department of Treasury (Local Government Commission)
Ohio	Balance/lean stick (top 40%)	High (top 25%)	Management (Internal)	Governor State Auditor (Local Government Services Division)
Pennsylvania	Balance (bottom half)	High (top 20%)	Socioeconomic factors (external) Management (Internal)	Dept. of Community/Econ Development (Center for Local Government Services)
Rhode Island	Revenue carrot (bottom 15%)	High (top 5%)	Management (Internal)	Department of Revenue (Division of Municipal Finance)

Restore solvency and prevent further decline once distress is imminent. Rhode Island has a strong receivership policy. It also offers additional assistance to cities approaching distress to help prevent full-fledged crisis.

receivership transition board is appointed by the governor to assist in transition until the official termination of receivership.

The structure of Michigan's successive intervention laws and the powers granted to the emergency manager point to a particular type of causal story – local government mismanagement as the chief barrier to fiscal solvency. The state's solutions and assistance all center on correcting local decisions that led to chronic budget shortfalls, and the main focus of Michigan's law, which is administered by the Department of Treasury, is to ensure a balanced budget. Efforts to achieve short-term fiscal solvency typically center on reductions in cities' financial obligations – e.g., cutting pension obligations, making personnel cuts and contracting out services traditionally provided by local governments. EMs and other state officials have little leeway to affect the revenue side of local governments' ledgers. As Anderson (2011, p. 620) argues, the viewpoint being expressed by the design and implementation of Michigan's policy is "that the current revenue picture of the city is adequate to provide for public safety, debt service, and other core expenses—if only .. the city had competent management." Indeed, little or no financial support accompanies state takeover. This is a telling feature of the state law that sheds considerable light on both the degree to which the policy oversimplifies the causes of local fiscal distress and the mismatch between the administrator's toolkit and the nature of the problem.

To respond to the question at the outset of this section: if takeover is the solution, the problem is mismanagement. Michigan codifies this causal story in a way that is less adulterated than in any other state we have surveyed. In other words, the state has adopted and codified a vastly oversimplified story. Even Rhode Island, which granted similarly sweeping powers to its state-appointed emergency managers, offers additional assistance to cities approaching distress to help prevent full-fledged crises. The state has also seen EMs (called "receivers") raise local taxes to generate more local revenue. This less than favorable assessment of Michigan's policy is buttressed by the absence of emergency bailout funding, a traditional feature of the more aggressively implemented state intervention policies (Berman, 1995; Anderson, 2011), as well as meager revenue-raising powers. EMs are empowered to tackle city expenditures as a means of bringing local budgets into equilibrium, but revenue-raising powers are effectively more limited than the powers normally afforded a city's mayor or council member. As has been pointed out elsewhere, for cities such as Flint, Ecorse, Benton Harbor and Pontiac, this is a gross oversimplification of the structural barriers to fiscal sustainability (Doidge et al., 2015). Our aim in this report is not to disprove the notion that mismanagement is the cause. We merely point out that the policy's design and implementation features devalue the considerable constraints that the state places on the revenue capacity of local officials.

(2) The Limited Applicability of "Best Practices": Why Adoption of North Carolina's Policies Won't Work for Michigan

The reentry of Michigan's cities into emergency management and the number of local governments and school districts in trouble have led to suggestions that Michigan should look elsewhere for answers.²⁵ A Pew Center on the States report suggests that North Carolina's monitoring system has prevented fiscal distress despite a history of crises during the Great Depression and some of the highest unemployment rates in the country (Pew Charitable Trusts, 2013).

The Local Government Commission, a division of the North Carolina Treasury Department, reviews cities' independent audits on key fiscal health indicators, particularly the level of fund balance. If a locality fails to meet a specific threshold, it is placed on the commission's watch report and required to submit a plan of improvement. If local officials are unable to return the municipality to an acceptable level on their own, the commission assumes control of all local financial decisions, including taxing issues, until the problem is corrected. Additionally, the commission approves and sells all local bonds for public structure investments, which both increases the level of state oversight and reduces the potential for local mismanagement of debt. Bond agencies assign a premium to this monitoring system, considering it a model system (Coe, 2007).

Features of North Carolina's approach provide intriguing options for Michigan lawmakers, such as a codified, professional state office and extensive front-end monitoring to identify potential crises. However, evaluating these policies in isolation – i.e., in the absence of key contextual factors – is likely to overstate the potential success of North Carolina's policies if they were to be enacted in Michigan.

For instance, according to the U.S. Census Bureau, in 2007, North Carolina had 548 municipalities, no other local general-purpose governments and 100 counties; Michigan had 533 cities and villages (municipalities), 1,242 townships and 83 counties. A consequence of Michigan having three times as many local governments as North Carolina is that the volume of reports that would need to be reviewed for monitoring purposes would be three times as great.²⁶ Certainly this would require more resources devoted to oversight at the state level, thus putting additional stress on the state budget.

The states differ greatly on other dimensions of the elements of state context identified in Section I. North

²⁵ <http://www.crcmich.org/PUBLICAT/2000s/2000/memo1053.pdf>.

²⁶ This does not include the additional resources that would be required to monitor school districts, special districts or other governmental units.

Carolina has an obligatory state pension system; Michigan does not. In 1947, North Carolina declared it illegal for local governments to bargain with unions.²⁷ Conversely, Michigan's local governments have a strong history of collective bargaining and excluded police and fire unions from 2012's right-to-work legislation. Tax and expenditure limits, when averaged from 1970 through 2005, rank Michigan as the third most restrictive state in limits placed on local governments. North Carolina is 38th – a property tax rate limit on counties and municipalities, set in 1973, has remained its only TEL.

The differences in the state policy context between the two states suggest that Michigan should be cautious when drawing lessons from North Carolina as its model for intervention policies. We attribute North Carolina's success in preventing municipalities from entering distress not to the design of its specific intervention policy but rather to a much tighter link between its policy approach and the state-imposed context for fiscal distress.

(3) Rebuilding State-Local Partnerships: Key Insights from Rhode Island, New Jersey, Pennsylvania, New York and Ohio

One of the more striking findings to emerge from our workshop and subsequent research is the difference between Michigan's approach to local fiscal distress and the approaches of comparably situated state governments. These differences are laid bare in Table 3. Plainly put, state policies and institutions effectively incubate budgetary imbalances; yet lawmakers and administrators have ignored potential front-end damage when designing the policy aimed at helping communities in distress. Rhode Island, the state most comparable to Michigan in the priorities of its intervention policy and the powers granted to state receivers, also provides financial assistance to municipalities most in need, targeting aid to communities with a high property tax burden relative to taxpayer wealth through the state's Distressed Communities Relief Fund thus buttressing the revenue capacity of its local governments.²⁸ With respect to this specific aspect of state context, Rhode Island generally provides higher levels of state aid.

New Jersey and Pennsylvania: A More Comprehensive View of Local Financial Failure

Beyond Rhode Island, Michigan lawmakers have a variety of states from which to learn about the viability of policy

alternatives. New Jersey and Pennsylvania have enacted receivership laws that are quite different than Michigan and Rhode Island. Internal mismanagement is not eschewed entirely; rather it is considered alongside the external, structural dynamics with which local lawmakers must contend. This more holistic causal story both reinforces and is reinforced by choices that these states have made regarding implementation and administration.

New Jersey's policy of assisting cities during times of financial crisis originated in the Great Depression. Since that time, the state has built support within its bureaucracy to review and approve city budgets and offer financial and technical assistance as needed to prevent cities from entering bankruptcy. Rather than appointing a state-level official to take charge of a city's finances (such as an emergency manager in Michigan),²⁹ New Jersey seeks to assist local officials in alleviating distress. This partnership is reflected in the mission statement of the New Jersey Division of Local Government Services (DLGS), a division of the Department of Community Affairs. It states that the DLGS "serves as an advocate for local Government interests," provides assistance and is responsible for "financial integrity." The DLGS provides advisory services to local governments, both once the community is identified as distressed and on request of the municipality, and also licenses and educates local officials.

Not surprisingly, these two services help establish a partnership between state and local officials independent of the financial position of the municipality. The state requires that all local government budgets and certain financing and purchases be approved by state agencies.³⁰ The budget review is conducted by department staff members (many hired short-term annually) and is made easier for local units of government by state-provided training and consistent reporting requirements. When these preventive actions fail to ward off systemic financial issues, the state begins a more involved intervention. The community is first placed on a watch list, at which point the state generally channels additional monetary aid to the struggling government. The state also uses its Qualified Bond Act Program, which requires state approval to bond or make capital expenditures, to ensure stability and prevent default. This program can capture and stall state aid for payment of debt services. At the same time, DLGS offers technical assistance to cities to help them solve underlying problems that contribute to fiscal distress.

The most notable example is the consolidation of the Camden police force in 2010. The mayor terminated the entire city police force and contracted with the county to provide those services, with the guidance and support

27 N.C. Gen. Stat. 95-78 to 84 (<http://www.nrtw.org/right-work-states-north-carolina>).

28 Established in 1990. Municipalities that fall in the bottom 20 percent of three of the law's four indices qualify to receive state aid under the law. In the 2014 fiscal year, seven municipalities received funding through this legislation, a total of \$10.4 million

29 Until recently, when Atlantic City was declared to be in fiscal distress and an emergency manager was appointed.

30 Procurements over \$5 million must be reviewed by the comptroller, and those over \$10 million must be directly approved.

of state officials.³¹ Camden illustrates the cooperative efforts of various levels and sectors of the state and local governments. It highlights that preventive efforts to maintain or restore fiscal sustainability are not always sufficient, but that a collaborative approach can assist cities and the state through difficult political decisions. New Jersey's approach indicates that the state views itself in partnership with local governments, with a responsibility to provide a check on risky financial decisions but also to provide ongoing financial assistance to struggling communities.

In contrast to New Jersey's hesitance to use direct state control, Pennsylvania's Act 47 allows the state to place fiscally distressed communities in receivership under the direction of the Center for Local Government Services in the Department of Community and Economic Development. Once a municipality has been placed under receivership, local government officials must have the majority of their decisions confirmed by the receiver, and the receivership board may implement cost-saving or revenue-raising strategies unavailable to local officials. The board has the ability to raise taxes above the legal maximum but has no additional powers in collective bargaining. Principally, the receiver acts as a liaison between the local government and others to improve the financial integrity of the city and is typically able to broker additional state funding for the distressed community. In Harrisburg's recent financial descent, for instance, the receiver was able to facilitate \$25 million of revenue to fund a non-profit that would provide infrastructure and economic development.

Receivers in Pennsylvania tend to take a comprehensive view of local financial difficulties as they work with the state to look for alternative partnerships and unique revenue-enhancing and cost-sharing schemes. Proposed financial recovery plans often include recommendations that will improve local governments' economic positions in the future. This approach extends through the process of recovery. It requires more research, more interactions and coordination between parties, and more time to allow for business adjustments and industrial reorganization. Furthermore, it includes a period of weaning cities off the additional funding to which they had access during their most trying times. To officially exit Act 47, cities must follow an extensive process that includes hearings and the department director's signature. As a result, Pennsylvania has had only seven of 28 distressed communities officially conclude the process. Allowing cities to remain in a system with additional structure and support illustrates Pennsylvania's acknowledgement that factors outside of local control contribute to fiscal issues, and that the state has some role in providing additional support.

In all, intervention policies in New Jersey and Pennsylvania are administered by state agencies dedicated to working with local governments. State personnel are involved with municipalities well before distress, and they have resources and authority to assist municipalities. Though administrators are afforded the statutory authority to assume greater control over city finances, this is not the only facet of their relationship with local governments.

New York and Ohio: The Benefits of Monitoring

Similar to New Jersey and Pennsylvania, New York has established a system that supports state and local cooperation and information sharing. As local fiscal crisis deepens, the state becomes more involved in local political and operational affairs. The state's policy approach to local fiscal emergencies is ad hoc (rather than multijurisdictional), allowing lawmakers to survey the specific causes of distress for a given community and legislate solutions in line with these problems.

As is well-documented, New York's history of fiscal intervention begins with New York City's near bankruptcy in 1975. Naturally, a crisis of that magnitude spurred state action, but since that time, New York has not been plagued by chronic distress. This is due in part to cities' ability to increase revenues without legal restriction (until 2014, when the state imposed a cap on property tax increases). Additionally, many New York communities have avoided the economic peril that results from a loss of major industries and subsequent economic restructuring.³² This history is evident in the state's view of municipal distress as an unusual and unique instance that requires customized solutions. New York provides gradual intervention and individualized approaches to distress, with the decisions and the process supervised by state elected officials – the governor, the legislature and the comptroller.

In addition to customized intervention approaches to distressed cities – which could violate the constitutions of states that disallow special legislation – New York is also heavily involved in monitoring the fiscal position of its local governments. The state's Local Government and School Accountability (LGSA) unit of the Office of the State Comptroller operates the Fiscal Stress Monitoring System, which reviews annual financial data of local governments to determine whether each government is facing significant, moderate or probable fiscal stress. Municipalities must submit audit reports, which are reviewed and in some cases conducted by approximately 200 auditors.³³ From annual reports, budgets and audits, the LGSA creates local fiscal measures for benchmarking, trend analysis and

31 Returning to the role of other state policies in distress solutions, this action would not have been possible without particular provisions within union and employee contracts that allowed for such termination of individual employees.

32 Buffalo was an exception and did necessitate intervention proceedings. It should be noted that Buffalo is one of only four New York local governments responsible for operating its own school district.

33 These 200 employees review audit reports of school districts and other local governments as well as municipalities.

general monitoring over time and across local government types. State auditors are also deployed to work with local governments. As a result, state officials may use knowledge of community nuances in evaluating local deviations from sound fiscal indicators and state trends. Such specialization is particularly useful as state intervention becomes necessary.³⁴

If a local government is identified as financially unsound, the state must pass special legislation to institute a local control board for the municipality to engage in the formal intervention process. After a local control board is created, primary authority over the struggling municipality is transferred from the comptroller's office to the governor-appointed board.

Each board, by the nature of the process, has different powers. Previous boards have overseen proposed local budgets and set personnel policy, and were granted the final authority to initiate bankruptcy proceedings.³⁵ That the boards have had no additional taxing authority, ability to renegotiate previous collective bargaining agreements nor authority to make unilateral budget decisions reflects the state's emphasis on local autonomy.

The boards have been particularly useful in coordinating intergovernmental solutions. For instance, the Buffalo Fiscal Stability Authority (BFSA) was established in 2003. It helped Buffalo manage its additional school district responsibility and restructured the city's pension and health insurance plans by joining the respective state-level systems. Finally, the BFSA brokered an arrangement for city parks to be managed at the county level and for 16 libraries to close. Despite the local knowledge and intergovernmental efforts, it took nearly nine years for Buffalo to exit receivership and for the BFSA to transition into an advisory role. Policy specifies that the BFSA will serve in this role until 2037, and the city may revert to full receivership if financial indicators show distress.

At the state level, New York vests its relationship with local governments and the power to intervene in elected officials – the governor, the comptroller and the legislature. This separates the state's ongoing monitoring from its intervention, and though it raises the legislative barrier to intervention by requiring the crafting and passage of legislation, it also provides public accountability and a system of checks and balances. The ability to draft city-specific solutions allows New York to address management issues, economic conditions and the impacts of the state

context in different ways in each city, ideally assisting the community to long-term stability.

Ohio, like New York, faced a fiscal crisis in its largest city in the 1970s. Cleveland's default on short-term notes in 1978, which made it the first municipality to default since the Great Depression, led Ohio to develop a comprehensive policy designed to prevent and, if necessary, intervene in distressed cities (Pew Charitable Trusts, 2013; Levine, Scorsone and Justice, 2013). No municipality has defaulted since Cleveland, but Toledo, East Cleveland and other municipalities have entered fiscal emergency status, particularly once the Great Recession exacerbated declining revenue bases and expenditure pressures.

Ohio's Local Government Services Division, located in the state auditor's office, is responsible for training local officials and auditing local budgets. Chapter 118 of the state code,³⁶ which deals with local fiscal emergencies, grants the Local Government Services Division (the auditor) responsibility for categorizing distressed communities for fiscal caution, fiscal watch or fiscal emergency. The categorization system signals to local officials, bondholders and other stakeholders the extent of the local government's fiscal stress and the ease of financial recovery anticipated. It serves as a useful continuum of distress, recognizing that failing to pass one indicator of financial soundness may not require the same actions as a community failing multiple triggers. Each category has an increasing level of oversight (i.e., requirements for audit depth and financial plan proposals). Once fiscal emergency is declared, an advisory board is created.

Under all three distress categories, local governments are required to submit recovery plans to the Local Government Services Division. If a local government is not compliant with its recovery plan, the only penalty is movement to a higher designation of fiscal distress. It is not until a municipality reaches the fiscal emergency status that penalties are imposed.

As part of the fiscal emergency proceedings, municipal officials must submit a recovery plan to the recovery board for approval. If a plan is not submitted or the local government fails to adhere to a plan, the Office of Budget and Management is supposed to suspend all state funding to that municipality,³⁷ though this penalty has never been fully enforced.

³⁶ The other elements comprising the law became effective, were revised or added in 1996, 1999, 2001 and 2002 – <http://codes.ohio.gov/orc/118> (pdf). The state's approach is consistent with the autonomy allowed Ohio's local governments. Section 118.02 (B) of the state code states that, "[t]he intention is to enact procedures, provide powers, and impose restrictions while leaving principal responsibility for the conduct of the affairs...in the charge of its duly elected officials." The effort to maintain local autonomy is demonstrated by the fact that the review process of the Local Government Services Division is initiated by request of local officials as well as at the suggestion of auditors.

³⁷ Although individuals receiving direct state welfare within the community's borders continue to do so.

³⁴ Ultimately, any distressed community implements solutions that are specific to its condition. A universal policy prescription is to reduce expenditures. However, no universal prescription can be made on what account specifically should be limited and in what way. Knowledge of exact inefficiencies, redundancies, slack and so forth is necessary to act. If outside agents are to advise on such actions, their already having some knowledge of the particulars of the city will allow for more expedient and implementable recommendations.

³⁵ Control boards are not granted this authority for New York City.

Ohio, like other states, struggles with assisting communities to achieve permanent fiscal stability. The city of East Cleveland was under fiscal emergency for 18 years. Exiting the process failed to mark long-term sustainable success – East Cleveland was once again placed under fiscal emergency. In late 2014, it was considering entering into bankruptcy proceedings,³⁸ and the city's mayor filed a petition seeking a merger with the city of Cleveland in the summer of 2015.³⁹

Ohio, like Michigan, illustrates the issues that arise when a state's solution (intervention policy) does not match the causes of distress (context). Local officials retain control of decision making and the plan to resolve distress, but they and the state agency responsible for intervention lack the authority or resources to address the root causes of distress or to circumvent the pressures that the mix of state policies adds to local fiscal policymaking processes.

38 <http://www.morningjournal.com/general-news/20141226/east-cleveland-considers-bankruptcy>

39 http://www.cleveland.com/cityhall/index.ssf/2015/07/east_clevelandmayor_gary_nort.html.

Section 3: Conclusions and Recommendations

In the previous sections we identified the ways that broad state policies limit or enhance the local governing options and the ways that states with intervention policies match their approach to local financial distress with the reality of city operating environments. Here we conclude our analysis with conclusions and practical recommendations to assist the C.S. Mott Foundation, state and local officials, and Michigan residents in identifying a more effective approach to local fiscal crises.

(1) Conclusions

There is no single model policy for state intervention in distressed cities or for prevention of fiscal distress. Changing Michigan's fiscal intervention law to replicate that of another state would likely provide little improvement for Flint or other cities facing fiscal crises. There is no "best practice" for state intervention in cities. What Michigan can learn from other states and our research is that removing and repairing mismanagement addresses only one cause of fiscal distress. Bringing a structurally imbalanced budget back into balance is an important step to assist cities like Flint, but a policy that does not address a state's unique system of revenue, tax and expenditures, and labor policies may not help cities truly escape financial trouble over the long term. States must decide which legal and political tradeoffs they are willing to make to support city fiscal health. Michigan must also recognize that, in comparison with similar states, it provides a particularly difficult environment for its cities.

Municipal fiscal distress is not just a local problem. State policy choices set the boundaries for local action and the conditions under which cities receive assistance. It is not surprising that these conclusions do not point to simple solutions, executable at the local level. Changing any one part of the state context is politically challenging, and it would be impractical to recommend major policy overhauls of Proposal A, the Headlee Amendment, collective bargaining rules and state revenue sharing. Ideally, Michigan would adopt a more balanced approach to its local governments' fiscal needs, but we are aware that this is unlikely in the short term because of both political will and the high barriers to changing constitutionally enshrined rules. Instead, we offer recommendations that balance improvements that would better support cities in fiscal distress with political feasibility.

(2) Recommendations

Create a state agency that coordinates services to local governments and offers technical support and fiscal

monitoring. Establishing a formal place within state government that is responsible for ongoing, cooperative work with local governments on fiscal stability and other issues would help create a partnership and culture of trust between the state and its municipalities. The Department of Treasury does provide some of these services on an individual basis via the Office of Fiscal Responsibility (OFR), but the OFR does not have the resources necessary to provide a comprehensive system of support to all of the state's local governments.

It is important that whatever agency is created be empowered with human resources to sufficiently provide service; financial resources, separate from the state's revenue sharing to local governments, to offer special assistance where needed to communities facing challenges or distress; and a position within the state departmental structure that allows it to be taken seriously when recommending policy and working with other departments to assist local governments. The examples of offices in the other states in our study may provide elements of the agency's design, but the office should be built with Michigan's particular context and culture in mind. It may be appropriate to expand the OFR in its current position, but moving the office to another department, establishing it as a stand-alone agency and other potential structures should be evaluated as well.

Raise awareness among citizens and state decision makers that the causes of fiscal distress are not solely at the local level. Flint is an example that can illustrate this point as the C.S. Mott Foundation and city leaders communicate with the public and state officials. As the city emerges from state control, the budget is balanced for the short term, and the transition advisory board is in place to monitor management and compliance with the plan. Yet revenue projections show the city likely facing a structural deficit in the next five years with little available to cut from the budget. State control has reasonably removed management problems as the cause of deficits, yet the city's fiscal health remains precarious. A focused communications effort highlighting the combined effects of Michigan's expenditure, revenue and labor policies could help broaden the discussion of fiscal distress in the state and create awareness that this is more than a local problem. Rather than being the exception, Flint may be the harbinger of what is to come for Michigan's local governments without changes at the state level.

Appendix

Section 1

The following table lists the key concepts that make up core elements of the state context for local fiscal distress, our empirical measure of the concepts, and the data we brought to bear to generate these measures.

Concept	Measure(s) - by Figure/Table	Data
Revenue Pressures State Aid Environment	Figure 1: Annual average of per capita state aid in real 2005 dollars to three (population) classes of U.S. cities: (1) population > 100,000; (2) population between 25,000 and 100,000; and population between 5,000 and 25,000. Years: 1970 to 2005. Figure 2: Annual average of per capita state aid in real 2005 dollars allocated by each of the 48 contiguous states for the years 1970 and 2005.	U.S. Census Bureau. Annual Survey of State and Local Government Finances and Census of Governments (1970-2005). See: http://www.census.gov/govs/classification/
Tax and Expenditure Limits	Figure 3: Annual count of state adoptions of five types of TELs, 1970 to 2005. Figure 4: State TEL severity score for 1970 and 2005. Severity score indexes six key characteristics of state-imposed TELs: (1) the type of TEL; (2) if the TEL is statutory or constitutional; (3) growth restrictions; (4) method of TEL approval; (5) TEL overrides and exemptions; and (6) method of override.	Amiel, Deller, and Stallmann (2009). http://www.aae.wisc.edu/pubs/sps/pdf/stpap536.pdf
Revenue "Carrot" and Revenue "Stick"	Figures 5 and 6 and Table 2: Displays policy distance between state aid environment and state-imposed TEL restrictions. State aid and TEL z scores were calculated for each state year. (These standardize the relationship to the average of all states and all years and represent how many standard deviations a score is from the average.) The aid measure is per capita state aid in real 2005 dollars for cities with populations over 5,000. The TEL measure is the TEL severity score described above. These scores were then differenced (Aid_z minus TEL_z in Figure 5; TEL_z minus Aid_z for Figure 6 and Table 2) to create the distance measure. The values displayed are the average distances from 2000 through 2005. Carrot states are 1.5 standard deviations above the mean difference; stick states are 1.5 standard deviations below the mean difference.	Aid: U.S. Census Bureau. Annual Survey of State and Local Government Finances and Census of Governments (1970-2005). TEL: Amiel, Deller, and Stallmann (2009).

Expenditure Pressures

Collective Bargaining Environment and Labor Costs

Table 1: Five-category classification scheme, ranging from Very Weak to Very Strong. The collective bargaining strength of local police, local fire fighters, teachers, and “other” local employees – the four main functional areas of local public employment – are measured along three dimensions: (1) collective bargaining rights for local public employees, ranging from “Duty to Bargain” to “Collective Bargaining Is Prohibited”; (2) Union Security Provisions via the existence of a Right-to-Work Law for local public employees; and (3) Strike Policy Provisions.

Figure 6 and Table 2: Public sector employee union membership as a percent of all public sector employees in state, 2000-2014. Z scores were calculated to standardize the relationship to the average of all states over this 15-year period. The score represents how many standard deviations a state's percentage is from the average state.

Collective Bargaining Environment:

NBER Public Sector Collective Bargaining Law Data Set. Valletta and Freeman - original (1988); Rueben - update (2000). See: <http://www.nber.org/publaw/>

Labor Costs: Hirsch and Macpherson. (2003). Union Membership and Coverage Database from the Current Population Survey: Note. See: <http://unionstats.gsu.edu/CPS%20Documentation.htm>

Section 2

We invited three types of individuals to participate in the Workshop on State Intervention in Distressed Communities held at Detroit's Greektown Hotel and Casino October 16-17, 2014: individuals who were formally involved in various elements of state intervention policy design and implementation, those involved in local fiscal distress and bankruptcy from a legal standpoint, and policy experts and researchers. The following table classifies the participants.

State/Affiliate	No. of Participants
Michigan	4
New Jersey	1
New York	1
Ohio	1
Pennsylvania	1
Rhode Island	1
Attorney's, private practice	2
Unaffiliated policy experts	3
C. S. Mott Program officers	2
Local finance professionals	2
MSU researchers	2
MSU research team	5

The following table provides a detailed agenda of the workshop proceedings:

Session Title	Outline
Setting the Context	Surveying the causes and consequences of local fiscal distress, with particular attention to the relatively weak position of local governments in the U.S. federal system: • Review of structural, economic, fiscal, intergovernmental, institutional, and political causes • Local governments' response to fiscal distress • State policies/institutions' role in local fiscal capacity • State policies designed to help local governments meet their financial problems
State Intervention in Distressed Communities: The View From Michigan	An in-depth view of Michigan's approach to local fiscal distress through the eyes of those closely involved in the policy's design, implementation, and evolution
A Deep Dive Into State Intervention: Policies on Paper v. Policies in Practice	A structured dialogue about the participants' experiences with key elements of state intervention. • <i>Stage 1: Getting in</i> Where and when is pre-intervention support offered? How are distressed localities identified? When and how do local governments enter the program? How are decision criteria applied? • <i>Stage 2: Developing a plan</i> Who carries out the intervention? What actions may these actors take? What are the specific goals of intervention? What are the chief barriers to effective implementation? • <i>Stage 3: Exit strategy</i> How does a local government exit the program? Are triggers well specified? When, if ever, are medium- and long-term fiscal, economic, or service-based objectives discussed?
Detroit, Michigan – Ground Zero for the Changing Fiscal Relations Between State and Local Governments	A detailed view of the City of Detroit's ongoing intervention and bankruptcy processes

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The Flint Fiscal Playbook: An Assessment of the Emergency Manager Years (2011-2015)¹

MSU Extension White Paper



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Table of Contents

I. Introduction	3
II. Historical Overview of Flint, Michigan	3
City Government	3
Demographics	4
Population	4
Population Characteristics	5
Housing Trends	7
Economy	8
III. Flint Under Emergency Financial Management	13
Path to Receivership	13
Reforms to Personnel Costs	13
Wages and Salaries	13
Pensions	14
Other Post-Employment Benefits	14
Other Reforms	15
IV. City Finances	16
General Fund	16
Revenues	17
Property Tax	17
Income Tax	20
State Shared Revenue	20
Charges for Services	21
Expenditures	22
Public Safety	22
General Government	24
Special Revenue Funds	24
Proprietary (Enterprise) Funds	25
Internal Service Funds	27
V. Debt	28
VI. Personnel Costs	30
Annual Earnings and Benefits	30
Pension Benefits	30
Other Post-Employment Benefits	32
VII. Conclusion	33
List of Exhibits	35
Endnotes	36

I. Introduction

The city of Flint, Michigan, has experienced a variety of fiscal difficulties since the early 2000s. In 2002, an emergency financial manager was appointed for the city under Public Act 72 of 1990 and was in place until 2004. Unfortunately, the reforms and changes made at that time only lasted for a few years before fiscal problems re-emerged in Flint (see MSU Extension white paper *Long-Term Crisis and Systemic Failure: Taking the Fiscal Stress of America's Older Cities Seriously*). By 2011, a second wave of emergency managers would be named to run the city under two newer laws (including PA 4 of 2011 and PA 436 of 2012). These emergency managers were removed from the city, restoring home rule in April 2015. The key question: Can Flint avoid the problems that have plagued it for the last 15 years without being placed under state control for the third time? Before answering that question, we must understand the reforms and changes that have occurred in the city since a fiscal emergency was declared in 2011.

The objectives of this case study of Flint, Michigan, are to understand the economic and fiscal trends that led to the state takeover via an emergency financial manager in November 2011 and to analyze the impact of the emergency manager policy on the city's fiscal health. It updates trends presented in a previous case study on fiscal stress in Flint,³ provides additional detail regarding the policy changes that emergency managers have made, and examines the impacts of those changes.

³ Eric Scorsone and Nicolette Bateson, *Long-Term Crisis and Systemic Failure: Taking the Fiscal Stress of America's Older Cities Seriously* (Michigan State University Extension, September 2011), http://expeng.anr.msu.edu/uploads/files/42/MSUE_FlintCaseStudy-2011%202.pdf

II. Historical Overview of Flint, Michigan

Examining the history of Flint can provide an understanding of the evolution of the chronic fiscal stress that has plagued the city, as well as its significance in the geographic region. The city of Flint is located in Genesee County, about 60 miles northwest of Detroit. The Flint River provided the natural resources to create successful commerce in the 1800s for fur trading, the lumber industry, the manufacture of carriages, and eventually the production of horseless carriages that led to the birth of the automotive industry. The entrepreneurial spirit and wealth in the area contributed to the founding of the Buick Motor Company in 1903, followed by the incorporation of General Motors (GM) in 1908. With the rapid growth of the automotive industry came concerns for employee working conditions. This led to the first automotive sit-down strike in 1936-1937 in Flint. After 44 days, the strike ended with the first union agreement with GM, which gave rise to the United Auto Workers (UAW). The continued improvements in working conditions and wages enabled Flint to become an ideal place to live and work, and the increase in wealth fostered a well-respected educational system. Early automotive industry leaders such as Charles Stewart Mott and William C. Durant provided the vision to create a strong cultural environment. Flint prospered for most of the years from the 1930s into the early 1970s. Like many industrial cities, however, the economic vibrancy ebbed and flowed with the U.S. automotive industry. In 1978, GM employed

over 80,000 Flint-area residents. By 1990, the number of employees decreased to 23,000, dipping to as low as 8,000 in 2006.

City Government

The City of Flint was incorporated in 1855. The present charter, adopted in 1974, provides for a strong mayor-council form of government. The city council consists of nine members, each representing a ward and serving four-year terms. The mayor, also elected to a four-year term, is the chief executive officer. The mayor appoints a city administrator, as well as principal officials and department heads.

The City of Flint provides a full range of services across 32.8 square miles, including: police and fire protection, construction and maintenance of streets and infrastructure, recreational and cultural activities, water and sewer services, and sanitation and garbage pickup services. In addition, the City of Flint is financially accountable for four other entities:

- ▶ City of Flint Board of Hospital Managers (manages and operates the Hurley Medical Center providing inpatient, outpatient, and emergency care)
- ▶ Flint Downtown Development Authority (promotes rehabilitation of the downtown area)

- ▶ City of Flint Economic Development Corporation (provides financing and development opportunities for businesses located in the City)
- ▶ Flint Area Enterprise Community⁴ (coordinates the federal enterprise and helps to leverage the resources for the zone)

Flint is the county seat for Genesee County. Like most counties in Michigan, the county government provides court services, human services, record keeping, and community enrichment for its residents. The county and its elected officials also serve as regional problem solvers.

Demographics

The city of Flint's population has changed drastically over the past 50 years. This section explores the historical changes that have occurred throughout the city and region. These trends are essential for explaining the path that has led to Flint's fiscal distress and may point to the path that the city may need to follow in order to build a sustainable future.

Population

According to data collected by the U.S. Census Bureau, the population of the city of Flint has declined over five consecutive decades. There were 48% fewer residents in the city in 2010 compared to 1960 (**Exhibit II-1**). In 2012, there were 100,515⁵ residents in the city; in 2013 the city's estimated population further declined to 99,758⁶.

In contrast, the population trends in the Flint metropolitan statistical area (MSA), defined by Genesee County boundaries, indicate enormous growth through the 1970s with slight declines over the following three decades. This indicates that the Flint metropolitan statistical area has experienced significant decentralization.

- 4 The Flint Area Enterprise Community (FAEC) was consolidated with the Economic Development Corporation (EDC) (with the EDC Board of Directors exercising authority and control of the FAEC) by an executive order of the city's emergency manager effective August 8, 2012.
- 5 With a margin of error of +/- 27 people.
- 6 2013 American Community Survey 1-year estimate, http://factfinder.census.gov/faces/tableservices/jsl/pages/productview.xhtml?pid=ACS_13_1YR_S0101&prodType=table

Exhibit II-1 Flint Metropolitan Statistical Area (MSA) and Flint City Population
Data source: U. S. Census Bureau (Decennial Census, American Community Survey*)

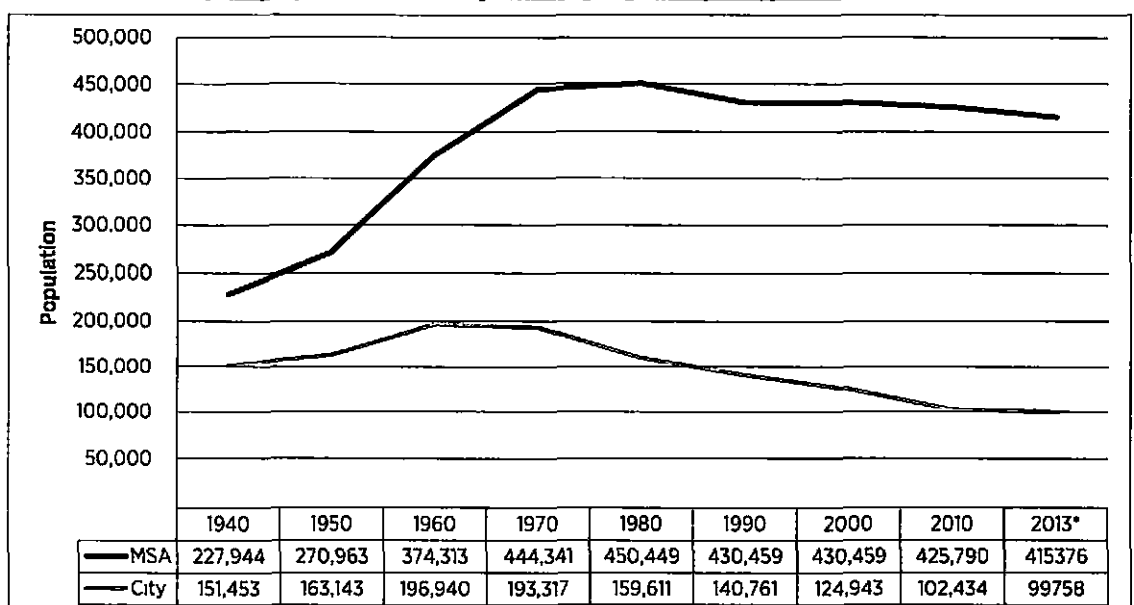


Exhibit II-2 more clearly illustrates this decentralization. In 1940, the city of Flint comprised 66% of the population of the Flint MSA population compared to only 24% in 2013. The estimates from the 2013 American Community Survey indicate that the net migration into the suburbs may be starting to stabilize, though Flint's population has continued to decline in recent years.

Population Characteristics

Flint's population has been aging over the past several decades. **Exhibit II-3** shows a breakdown of the number of people by age group in Flint from 1940 through 2013.

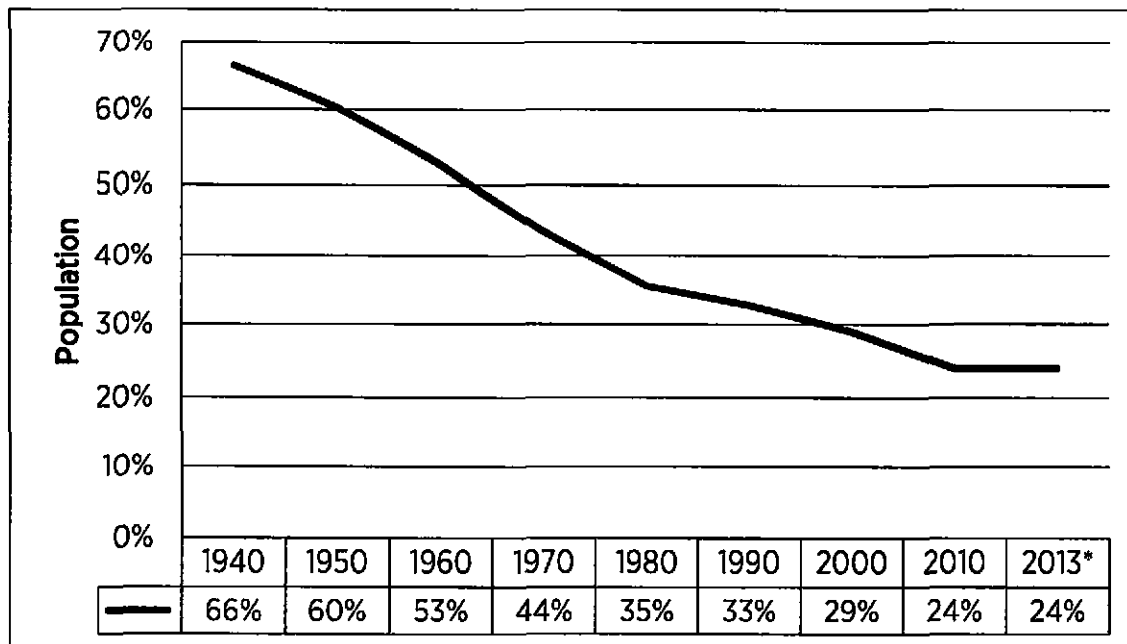


Exhibit II-2 Flint City Population as a Percent of MSA

Data source: U. S. Census Bureau (Decennial Census, American Community Survey*)

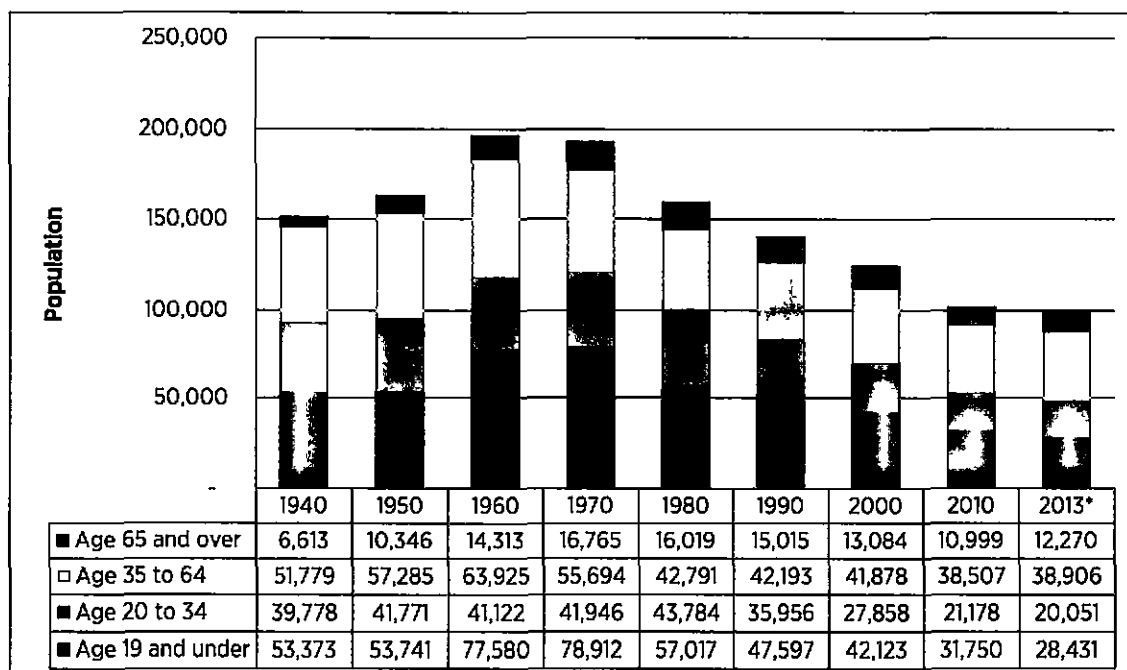


Exhibit II-3 Age of Flint Population

Data source: U. S. Census Bureau (Decennial Census, 2013 American Community Survey*)

To see this more clearly, **Exhibit II-4** shows the relative share of each age category in the total population for each year. The share of population aged 19 years old and under generally increased from 1940 to 1970 with the Baby Boom and has since continually declined from its peak of 41% in 1970, to only 29% of the population in 2013. The share of individuals aged 20 to 34 has fluctuated over the last seven decades, but has been on a general decline since 1980. The share of population aged 35 to 64 years old experienced a period of contraction from 1950 to 1980 followed by a continuous period of growth since then, likely due to the aging of the Baby Boomer population. Finally, during the past seven decades, there has been a fairly steady expansion of residents aged 65 and over, probably due to increased life expectancy. This demographic is expected to continue to expand with the aging of the Baby Boomer population.

The racial distribution of the city has also changed since the 1940s, as shown in **Exhibit II-5**. The city has become more diverse with a population that is 39% white and 56% black/African-American in 2012 compared to 95.6% white and 4% black/African-American in 1940. The share of the population in the "Other" category, which includes both individuals of other races and multi-racial individuals, has also grown from 0.1% in 1940 to 6% in 2010.

Exhibit II-4 Flint Age by Percentage of Population
Data source: U. S. Census Bureau (Decennial Census, 2013 American Community Survey*)

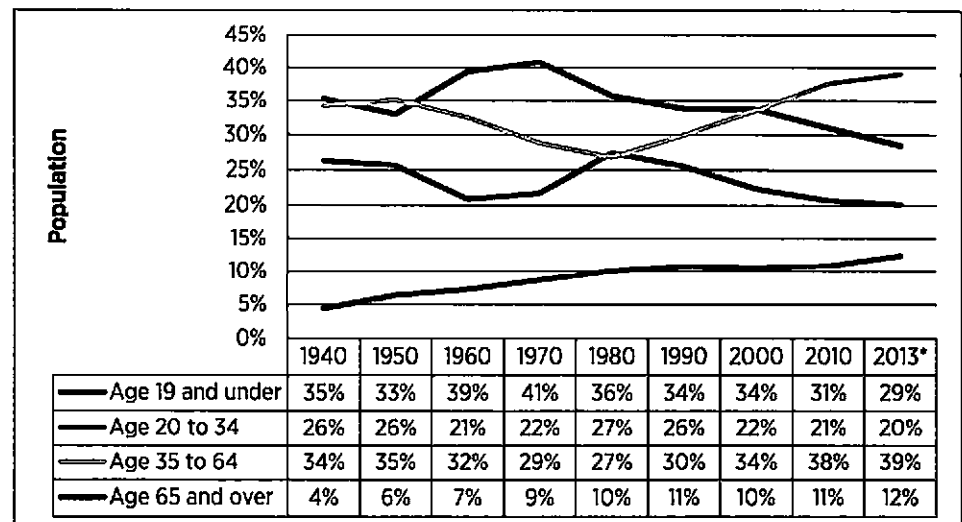
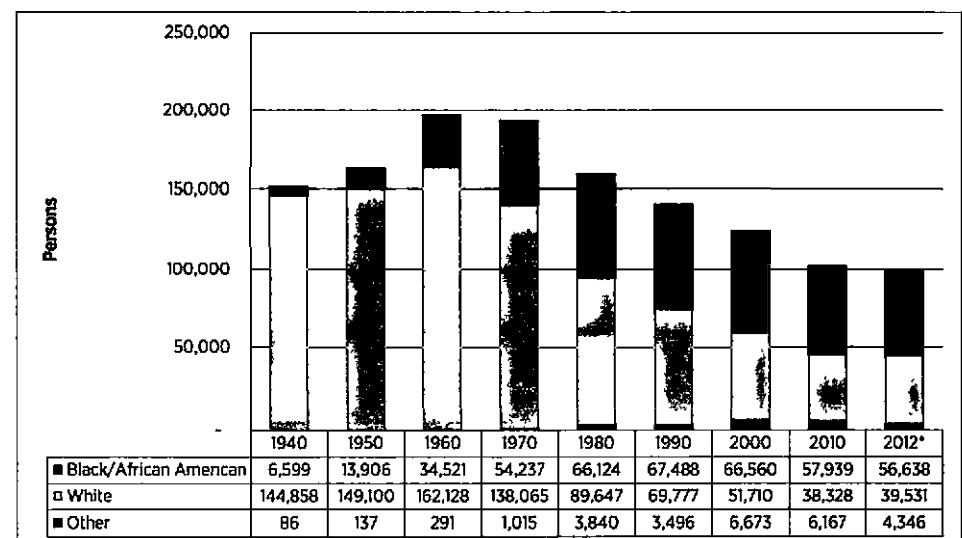


Exhibit II-5 Flint Population by Race
Data source: U. S. Census Bureau (Decennial Census, 2012 American Community Survey*)



Housing Trends

Housing trends also help tell the story of a city that is facing fiscal stress. The rate of housing vacancy increased from 5.1% in 1970 to 25.4% in 2013 (**Exhibit II-6**). The rate of change in vacancy was highest between 2000 and 2013 with a 13 percentage-point increase. This coincides with Michigan's decade of economic decline. The potential impact of increased housing vacancies on fiscal health include not only decline in property values and associated property tax revenues, but also increased municipal maintenance, police patrol, fire protection, and other costs to address health and human safety concerns.¹

Home ownership is also associated with the strength of a community's property values. In 2013, owner-occupied housing only comprised 57% of occupied housing units compared to 73% of units at its peak over the last seven decades in 1960. However, the rate of owner-occupied housing in 2013 is a slight increase from its value in 2010, perhaps a small sign of recovery for the city of Flint (**Exhibit II-7**).

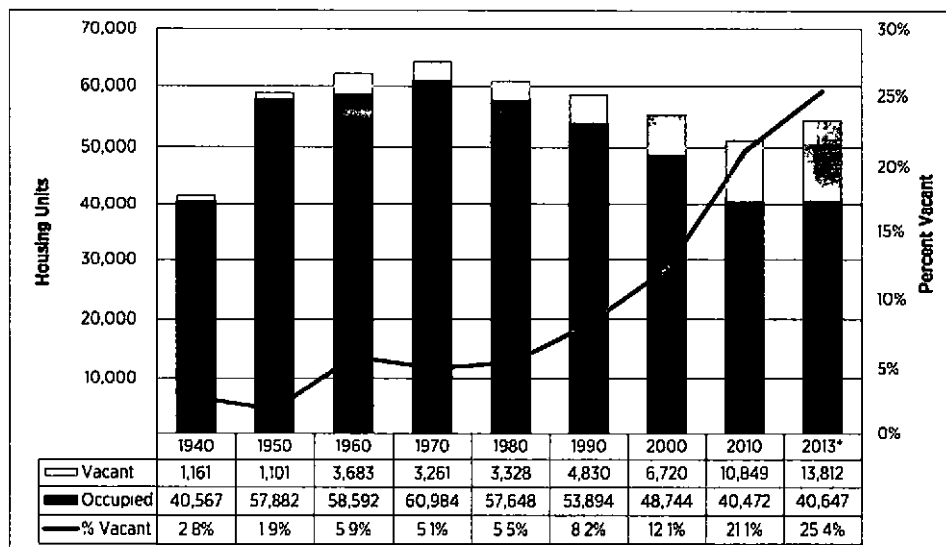


Exhibit II-6 Flint Vacant vs. Occupied Housing Units
Data source: U. S. Census Bureau (Decennial Census, 2013 American Community Survey*)

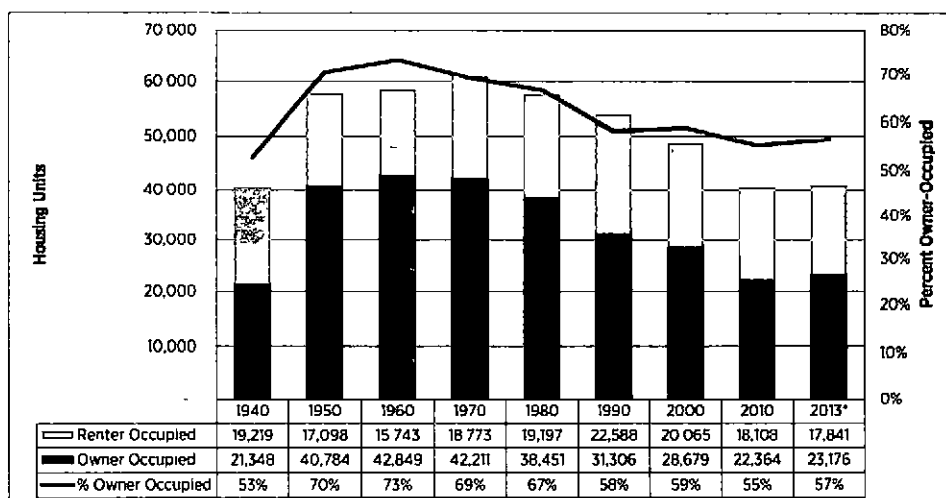


Exhibit II-7 Flint Renter-Occupied vs. Owner-Occupied Housing Units
Data source: U. S. Census Bureau (Decennial Census, 2012 American Community Survey*)

Given these trends, it is no surprise that property values in the Flint area have declined drastically since the Great Recession as shown in **Exhibit II-8**. The state equalized value (SEV) and the taxable value (TV) have almost converged as of 2015. This could be attributed to a combination of falling property values and the “pop-up” effect of the transfer of ownership of property due to Proposal A (which will be discussed in more detail in section IV). Since local governments tend to rely heavily on property taxes for revenue, this is another indicator of the declining tax base of the city.

Economy

The trends in the jobless rate in the city of Flint and Flint MSA tend to follow the same pattern as that of Michigan as a whole (**Exhibit II-9**). The jobless rate rose during the 2001 recession and did not see sustained recovery until after the Great Recession ended in 2009; however, absolute unemployment rates tend to be higher in the city compared to the MSA and the state as a whole. While there has been a drop in unemployment in the city of Flint since the end of the Great Recession, it is still higher (14% in 2014) than pre-2001 recession levels (8% in 2000).

Exhibit II-8 State Equalized Value (SEV) and Taxable Value (TV) – Flint

Data source: Genesee County Equalization Department

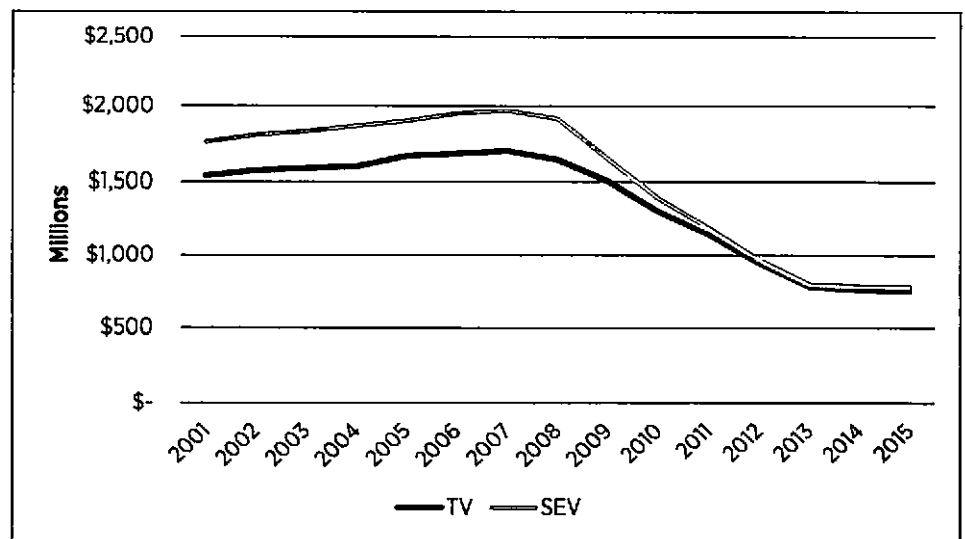
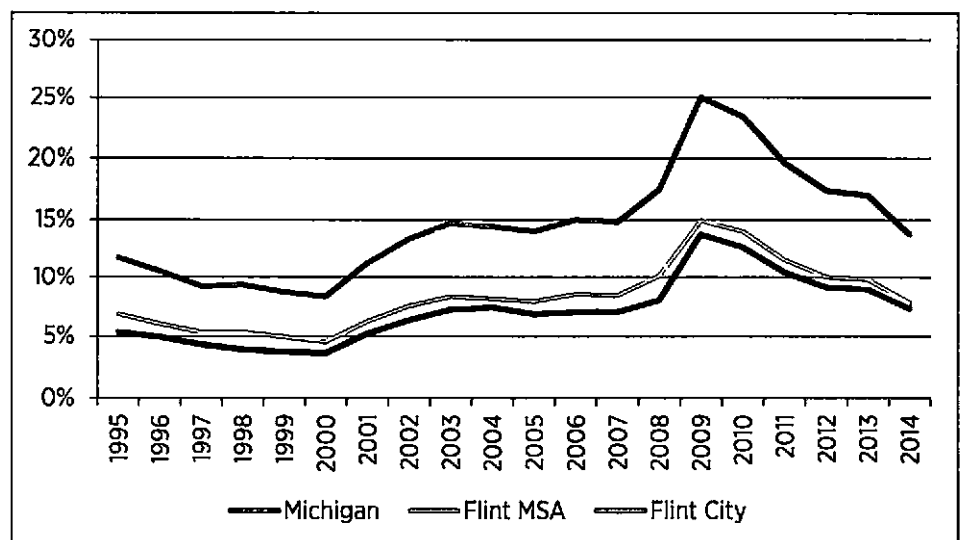


Exhibit II-9 Flint Jobless Rate

Data source: Michigan Department of Technology, Management & Budget



The city of Flint's audit reports disclosed the city's personal income statistics as shown in **Exhibit II-10**. While a slight recovery occurred after the 2001 recession, in general, personal income has been on a long-term decline since 1996, indicating a diminishing tax base. A decline in personal income not only indicates a lower capacity for property tax and income tax revenues, but also suggests a relation to a lower demand for business-type services. If this demand is fairly elastic with respect to personal income, this would lead to a reduction in city income from public recreation programs, parking fees, and similar sources. The decline in personal income began leveling off in 2009, suggesting signs of stabilization following Michigan's decade in recession.

While the economic climate in the 1990s and 2000s worsened the city of Flint's employment and income trends, many decades of above average poverty rates signal long-term fiscal stress. **Exhibit II-11** shows the general growth in the share of total population living below the poverty level, which peaked at 41.2% in 2010. The share of families below the poverty level follows the population trend. Poverty rates reported by the 2012 American Community Survey indicate

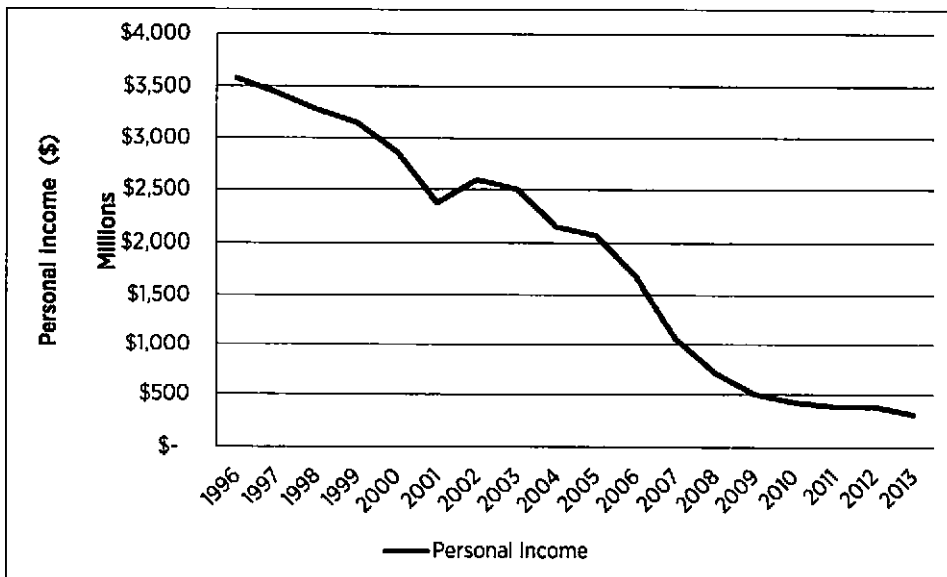


Exhibit II-10 Flint Personal Income

Data source: City of Flint Comprehensive Annual Financial Reports

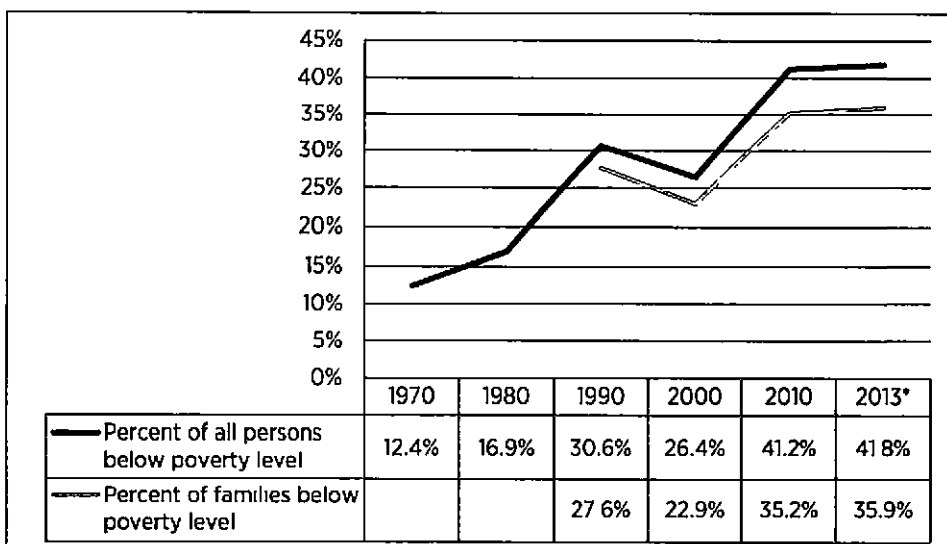


Exhibit II-11 Population of Flint Below Poverty Level

Data source: U.S. Census Bureau (Decennial Census, 2012 American Community Survey*)

a possible improvement since 2010, which also coincides with the improvements in unemployment and income, discussed above. If the unemployment and income trends are indeed indicative of economic recovery, then these improvements in poverty statistics are possibly explained by a countercyclical relationship between poverty and the business cycle.

Exhibit II-12 depicts the cumulative change in the number of nonfarm jobs in the city of Flint, the Flint MSA, and Michigan as a whole. While the state overall saw a period of growth in employment in the mid-1990s, employment in the city of Flint and the Flint MSA began to decline in 1996. According to annual estimates from the Bureau of Labor Statistics (BLS) for the Flint MSA, the decline in manufacturing was the driving force of unemployment. Employment in this sector consistently fell between 1995 and 2008, from 48,200 jobs to 9,500.⁷ Over this same period, the share of manufacturing jobs (of total nonfarm employment) dropped from 27% to 9%. This trend is likely due to the region's reliance on the domestic auto industry and the declines in the Big Three's market share that began in the 1980s and led to plant closures in the 1990s and early 2000s. According to Genesee County's audit reports, the county's largest employer in FY1997 was GM with 40,944 employees. In FY2009, GM still held its rank as the county's largest employer, but with only 3,417 employees in the county.

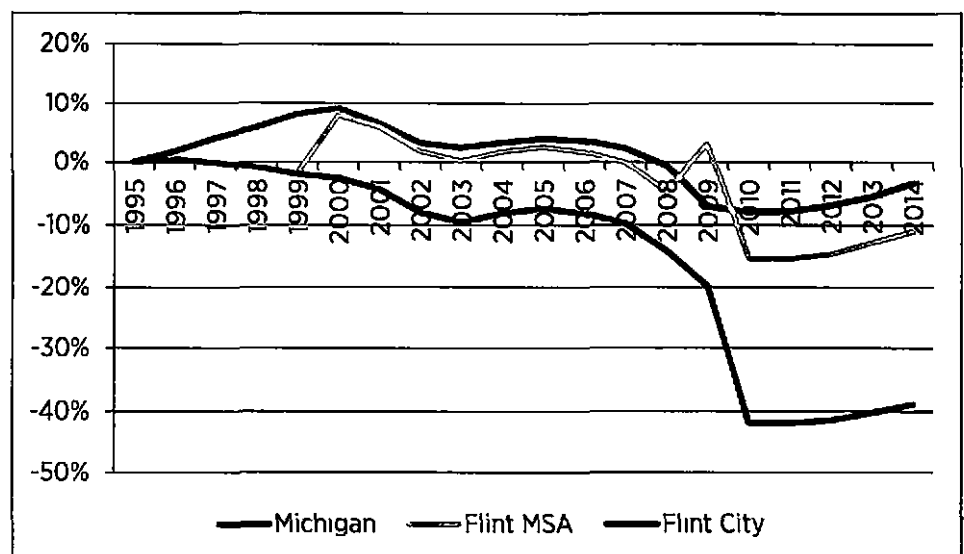
While the Flint MSA saw a boost in jobs in 2000, the city experienced a long-term decline in employment over the period shown, with 39% fewer jobs in 2014 than existed in 1995. The share of employment in the city compared to the MSA as a whole also fell in the same time period; as of 2014, employees in Flint represent about 18% of those in the Flint MSA compared to 26% in 1995.

The trends in **Exhibit II-12** indicate that employment started to recover slightly in 2010. This has been primarily driven by the private sector, namely the manufacturing, professional and business services, and trade, transportation and utilities sub-sectors. Public sector employment in the region has followed national trends as it continues to decline. The overall rise in employment in Flint along with the unemployment, income, and poverty trends support the story that the city is experiencing signs of economic recovery.

⁷ Not seasonally adjusted

Exhibit II-12 Cumulative Change in Employment in Flint and in Michigan

Data source: Michigan Department of Technology, Management & Budget



The industries representing the city's 10 largest employers have diversified over the past decade. Most notable is the increased prevalence of higher education and employment services (**Exhibit II-13**). During periods of economic decline, enrollment in higher education often increases as individuals seek to expand their skill sets or pursue career changes. Demand for job placement services also increases. Another trend is the increasing concentration of employees in the top 10 employers. The 10 largest employers represented about 65% of the total number of employees in 2014 compared to only 59% of the total number of employees in 2003. This indicates that the impact of smaller firms in the city has diminished over this period. Larger firms tend to have more organizational slack,¹¹ which can act as a buffer during economic downturns. Smaller firms that do not have such slack are likely more vulnerable to poor economic environments. Depending on the nature of recovery, employment in small firms could diminish even further during future recessions.

Exhibit II-14 illustrates the diversification of employment in the city of Flint by comparing the share of employees in each industry in 2003 and 2014. The relative share of both automotive employment and public sector employment dropped more significantly than that of healthcare employment.

Principal Employer Industry	FY2003	FY2014
Automotive	23,616	13,975
Federal, state and local government	13,037	6,103
Healthcare	9,569	5,963
Higher education	-	5,656
Employment services	-	1,214
Employees working for ten largest employers	46,222	32,911
Total employees working in City	78,553	51,128

Exhibit II-13 Employment in Flint's 10 Largest Employers by Industry
Data source: City of Flint Comprehensive Annual Financial Reports

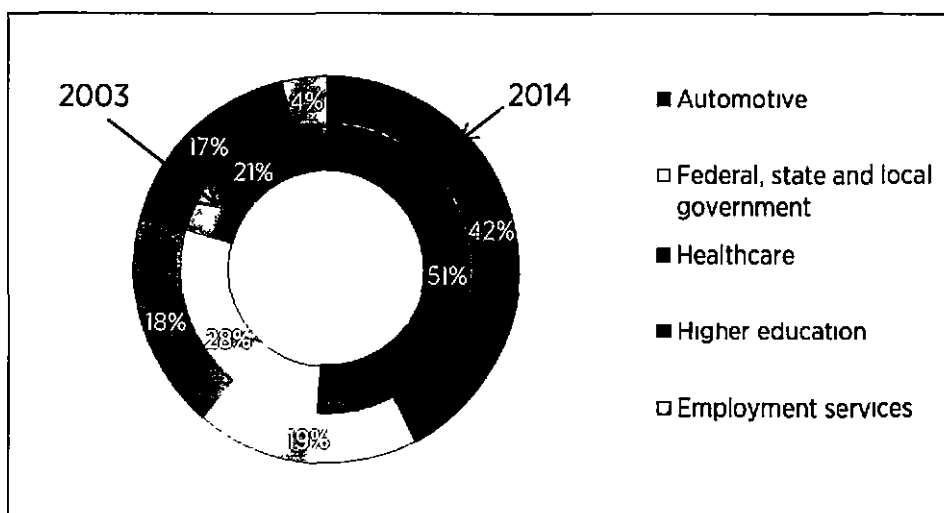


Exhibit II-14 Flint's 10 Largest Employers by Industry
Data source: City of Flint Comprehensive Annual Financial Reports

The city has concentrated efforts to encourage new development. Although most new projects include property that is either tax exempt or requires a property tax incentive, they have brought employees to the city, which increases the nonresident income tax revenue. Recent redevelopment efforts have focused on marketing the 452-acre vacant “Buick City” property. The Environmental Protection Agency has committed up to \$7 million for Phase I clean-up of that property.ⁱⁱⁱ The total commitment to Buick City is approximately \$30 million. Funding for the remediation is from the Revitalizing Auto Communities Environmental Response (RACER) Trust that was created through the GM bankruptcy. The soil remediation project began in early 2011. According to the March 2014 update, corrective measures are being implemented in the Southend site. A corrective measures proposal for the Northend cleanup is being reviewed and will be presented to the public in summer 2014.^{iv}

In November 2013, the American Cast Iron Pipe Company announced plans to construct a plant on the Buick City property, creating 50 to 60 manufacturing jobs for Flint. The plant opened in December 2014.

Flint’s air transportation needs are serviced by nearby Bishop International Airport. In January 2011, the Bishop Airport Board approved the bid process for a \$16.8 million expansion.^v This project added 47,000 square feet of terminal space, four gates and doubled the width of the corridor linking two sections of the airport. The expansion was completed in November 2012, adding 350 jobs and increasing the number of passengers at Flint’s Bishop International Airport^{vi}. Several highways meet road transportation needs.

III. Flint Under Emergency Financial Management

Path to Receivership

Due to its decreasing population, employment, and tax revenues, the Flint city government has been under considerable fiscal stress in recent years. In the early 2000s, an emergency financial manager (EFM) was appointed for the city, and was in place until 2004; however, the city soon returned to fiscal insolvency.

The cycle of returning to a deficit position after an EFM appointment ends is not unique to Flint. Drawing on the experience of Flint and other cities that have been assigned an EFM, state policy makers drafted revisions to PA 72, which was replaced by PA 4 in 2011. After a referendum, PA 4 was repealed in 2012, then replaced by PA 436 of 2012⁸.

The new law provides greater incentive and mechanisms for local governments to address budget challenges before an emergency manager (EM) is assigned. PA 436 also provides four options to struggling municipalities⁹, offering alternatives to the appointment of an EM. Ultimately, however, if cities with chronic fiscal stress are suffering from structural challenges beyond their control, improved management will only be able to cure a limited number of problems.

If a city is placed in receivership under PA 436 of 2012 and an EM is appointed by the state, he or she is granted broad powers to address the struggling city's finances. This includes the authority to amend collective bargaining agreements, make personnel changes, and review and approve the city's budget.

Responding to the most recent fiscal crisis, Michigan's Treasury Department conducted a preliminary review of Flint's financial situation in August and September 2011.^{vii} The review found that general fund expenditures had exceeded revenues for the preceding four years. Two years after its deficit reduction plan had been submitted to the state, the general fund deficit had more than doubled. The review also reported that departments within the municipal government had been compensating for cash shortages by borrowing from other funds. The review team determined

it was uncertain whether the City of Flint would be able to fulfill its short-term financial obligations.

Due to the City of Flint's structural deficit, increasing legacy costs, and accumulating debt, the review team recommended to the governor that the city be placed under emergency financial management under Public Act 4. In November 2011, the governor of Michigan placed the City of Flint in receivership.

Michael Brown was appointed as the city's emergency financial manager effective December 1, 2011. In August 2012, Michael Brown was replaced by Edward Kurtz as emergency manager (who had served as the city's EM from 2002 to 2004). Ed Kurtz served as the city's emergency manager until July 2013, at which time Michael Brown was again appointed by the governor. Michael Brown resigned in September 2013; Darnell Earley was appointed as his replacement. In January 2015, it was announced that Jerry Ambrose, who had previously served as the city's finance and administration director, would replace Darnell Earley as emergency manager. Jerry Ambrose served as the city's EM until April 2015, when control of the city's finances was returned to the mayor and city council under the supervision of a Receivership Transition Advisory Board.

Reforms to Personnel Costs

Wages and Salaries

Significant actions were taken shortly after Michael Brown's appointment as emergency manager. Almost immediately after his appointment, the salaries, benefits, and other compensation were eliminated for the city's mayor and nine council members. The mayor's salary was later restored to 60% of his base salary with full restoration of his benefits, and the salaries of city council members were restored to \$7,000 per year with no benefits. Additionally, council members were required to complete level one of the Michigan Municipal League's core courses for municipal government. Several positions were eliminated, which included the Office of the Ombudsman, the Civil Service Commission, and the respective staff assigned to these offices.

⁸ Emergency financial managers were in place under Act 72, the term "emergency manager" is used in PA 4 and PA 436. There are somewhat different powers under the various acts but otherwise the concept is the same.

⁹ These options include entering into a consent agreement with the state, filing for bankruptcy, agreeing to mediation, or accepting the appointment of an EM

In an effort to reduce the city government's wage expenses by 20%¹⁰, significant changes were made to the collective bargaining agreements of the City of Flint's police and fire unions. Wages were reduced across the board for members of all police unions: by 1.5% for sergeants, by 2.5% for captains and lieutenants, and by 5% for officers). Salaries and wages of members of the firefighters' union were also reduced¹⁰.

Substantial changes were also made to the city government contracts with the American Federation of State, County and Municipal Employees (AFSCME) locals 1600 and 1799, the unions representing the majority of general city government employees. Wages for Local 1600 members were reduced by 2.5%, and several changes to overtime, holiday, and leave pay were made for both unions.

With the exception of emergency overtime, the EM required that all employee overtime be approved in advance. Executive orders were also issued to put limitations on departments' spending authority, with EM approval required for purchases over \$10,000. Stringent budgetary guidelines were put on all departments, emphasizing that budgetary authority is not a mandate to spend and that actions to keep expenses low should be taken whenever possible.

Pensions

Changes were made to police and fire unions' pension eligibility. Employees' annual pension contributions were increased to 9.5% of all earnings for those in the fire and police unions. For members of the unions hired prior to the introduction of the new pension guidelines, the portion of pensions earned up to the 20th year of service are calculated according to the expired bargaining agreement. However, the multiplier was reduced to 2.25 and capped at 240 hours of leave time included as part of the final average compensation (FAC) for all service time earned after the effective dates of the new collective bargaining agreements.

Similar adjustments were made to the pension benefits for locals 1600 and 1799. The defined benefit multiplier was reduced to 1.5% prospectively, and the employee contribution rate was increased from 8% to 12% for Local 1600 and to 9.5% for Local 1799. Hybrid retirement plans (with both defined contribution and defined benefit components) were established for new hires and former defined benefit plan participants. Employees' contributions to the defined contribution components are matched by the City of Flint; employer contributions to the defined benefit component were capped at 10%.

To save administration-related costs, pensions for all unions with collective bargaining agreements with the City of Flint were transferred from the Flint Employees' Retirement System (FERS) to the Michigan Municipal Employees Retirement System (MERS).¹¹ This move was approved by all but the police officers' union; section 19(k) of PA 4 was invoked to approve the transfer of Flint police officers' pensions.

Other Post-Employment Benefits

Changes were made to the healthcare benefits received by retirees of the police and fire unions. Cuts included discontinuing healthcare for a former employees' spouse if he or she is eligible to receive paid health coverage through an employer or former employer. The City of Flint reduced the number of plans offered to employees hired after July 1, 2012, offering a high deductible plan in conjunction with a health savings account. Through executive orders, the EM reserved the right of the city to change or discontinue the health insurance programs in response to the Patient Protection and Affordable Care Act (PPACA) as amended.

The City of Flint scaled back its contribution requirements for an active employee's health coverage, requiring employees to pay any premium contributions that exceed the amount contributed by the employer through pension deductions.

Retirees and their spouses aged 65 and over who are covered by Medicare supplemental plan at the employer's expense are subject to contribution limits of the Publicly Funded Health Insurance Contribution Act (PA 152 of 2012) if and only if the retiree enrolls in and pays for Medicare Supplemental Part B. Changes made to the healthcare coverage of retired members of the local 1600 and 1799 unions were similar to those of the other major unions representing City of Flint employees.

Changes were made to the retiree health benefits offered to personnel hired after the effective dates of the new agreements. Instead of employer-paid retiree healthcare coverage, members of the police officers' and firefighters' unions, as well as locals 1600 and 1799 hired after April 2012 were eligible for Retiree Medical Savings Accounts (RMSAs) to which the City of Flint and employees contribute through payroll deductions.

Under the executive orders, the City of Flint committed to contribute \$1,500 annually to the RMSAs, with employees contributing \$600 per year. Employees will be 100% vested at all times on their own contributions and investment earnings, while employer contributions and investment earnings will be 100% vested after five years of completed service. The same changes were made to retiree health benefits of newly hired nonunion city government

¹⁰ From \$63,080.16 to \$50,791.52 for CAD supervisors, from \$60,515.52 to \$56,998.24 for quartermaster, and from \$33,467.20 to \$27,270.88 for comm. specialist trainees

employees. Contributions to a new employee's RMSA continue until the employee is no longer employed by the City of Flint (including retirement) or when the employee becomes eligible for Medicare. These benefits were not made available to nonunion retirees or spouses who are eligible for health coverage through another employer or former employer.

Other Reforms

In addition to actions taken to reduce the City of Flint's financial obligations in relation to staff, other measures were taken to address the growing deficit. User fees were implemented for waste collection and a special assessment was levied to provide funds for the operation of street lighting (to eliminate \$2.85 million in costs to the city government's general fund*). Both fees were added to

homeowners' property tax bills. Water and sewer rates were increased by 25% to adequately cover the costs of operating both systems.

The City of Flint's Fiscal Year 2013 budget, passed by an executive order on April 24, 2012, was the first balanced budget it had passed in seven years. A total of 155 positions (16% of the workforce) were eliminated.^{xi}

Property taxes were increased in order to support police and fire budgets. This increase was achieved by a vote of the city's residents, who approved a 6 mill property tax increase on November 6, 2012.^{xii} This tax increase allowed the city government to maintain staffing levels in the police and fire departments that had, up until that point, been supported through a federal grant.

IV. City Finances

Repeated periods of governmental fund deficits can be used to identify cities with chronic fiscal stress. If a city is consistently unable to sustain a positive fund balance, it is likely facing structural budgetary constraints. The City of Flint's fund balance/accumulated deficit history highlights its recurring deficits (**Exhibit IV-1**). Temporary solutions provided some periods of short-term relief in 2005 to 2007 due to the measures taken by an emergency financial manager under Public Act 72 of 1990. The governor appointed the EFM in May 2002, who remained in place until 2004. The progress made during the EFM's tenure was undone three years later due to subsequent labor settlements, costly litigation, and declining revenues. The City of Flint closed FY2008 with a deficit in the General Fund of \$6.8 million. Since 2010, the Flint city government has been able to build up the fund balances in its other governmental funds, but has mixed performance in controlling the deficit in its General Fund, which is the main fund for general operating expenses.

General Fund

As of June 30, 2014, the City of Flint's General Fund ended the year with an accumulated deficit of \$8.9 million. This is the seventh consecutive year that the fund balance has been in a deficit position, but significantly reduced from the \$19.1 million deficit in FY2012. FY2014 is also the third year since FY2006 that the city operated with a surplus in its General Fund; the only other year in which the General Fund ended with a surplus is FY2011 (**Exhibit IV-2**).

**Exhibit IV-1 Governmental Funds
- Flint History of Fund Balances**
Data source: City of Flint Comprehensive
Annual Financial Reports

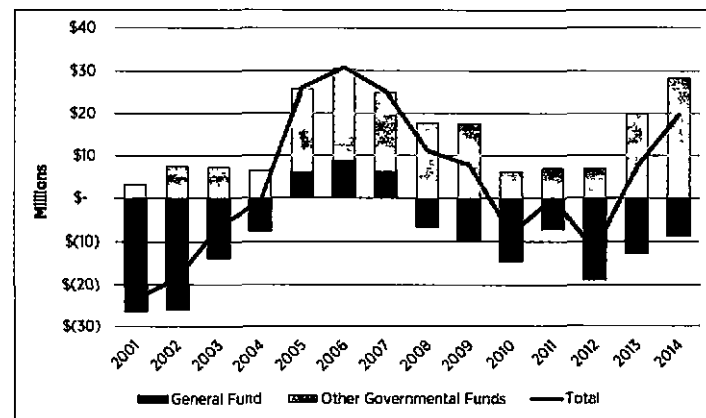
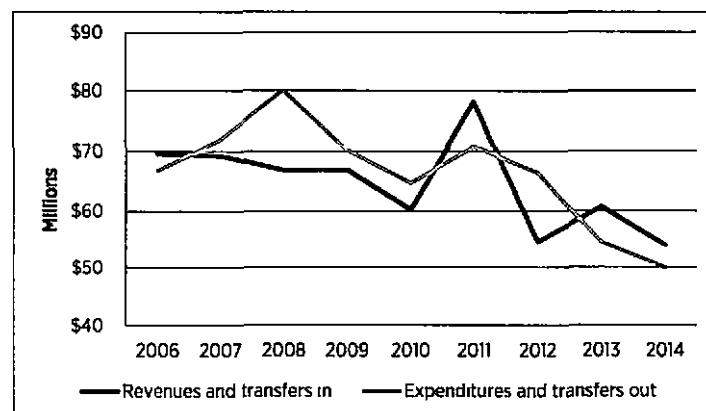


**Exhibit IV-2 Flint General Fund
Revenues and Expenditures**
Data source: City of Flint Comprehensive
Annual Financial Reports



Revenues

As of 2014, the four primary sources of revenue, and their proportionate share of the General Fund, are property tax (10%), income tax (24%), state shared revenue (32%), and charges for services (18%). **Exhibit IV-3** shows the changes in the share of General Fund revenues over time. Typically, the property tax is the primary source of revenue for local governments. However, the City of Flint's reliance on the property tax has severely diminished over the last several years, which is a testament to the impact of falling property values in the city. Conversely, the share of revenues from charges for services has seen an overall growth. In FY2010, the share of revenues from charges for services actually exceeded that from property taxes. Both the share of revenues of income taxes and of state shared revenue have also declined, but to a lesser extent. The spike in the share of "Other" revenue funds in FY2011 was due to an \$8 million debt issuance in the form of 25-year fiscal stabilization bonds from the Local Government Loan Program through the Michigan Department of Treasury. This was less than half of the \$20 million in bonds that the City of Flint had initially requested in order maintain operations when it had anticipated that it would run out of cash by March 1, 2011.

Property Tax

Property tax in Michigan is assessed on both real and personal property, though municipalities are limited in levying property taxes in a number of ways. First, the Home Rule City Act of 1909 limits cities in Michigan to levying property taxes of no more than 20 mills for direct municipal services.^{xiii} Next, the Headlee Amendment, ratified in 1978, limits the authorized millage rate when property values rise at a faster rate than the rate of inflation.^{xiv} Increases in property values due to improvements or new construction are not subject to this limit. Finally, in 1994, Michigan voters approved Proposal A, which limited annual increases to the taxable value to 5% or the rate of inflation, whichever is lower, until there is a transfer of ownership.^{xv}

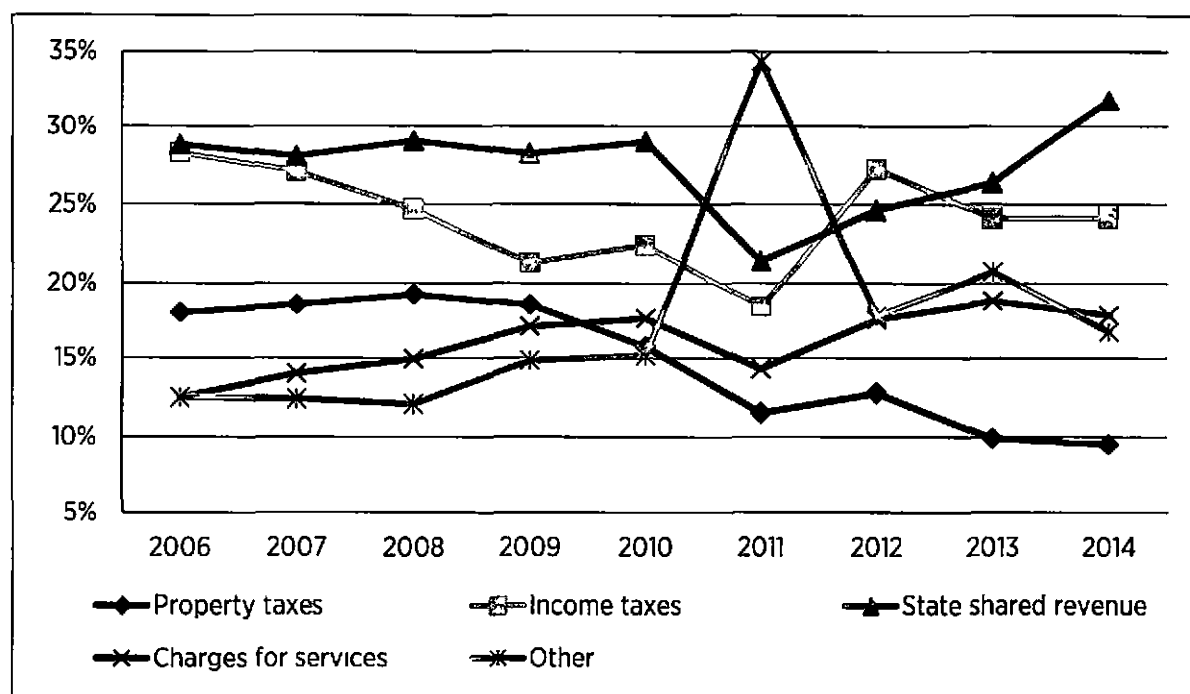


Exhibit IV-3
Share of Flint General Fund Revenues
Data source: City of Flint Comprehensive Annual Financial Reports

Compared to the 10 most populated local units in Genesee County, which represent 72% of the population, the city of Flint levies the highest homestead tax rate (**Exhibit IV-4**). This may cause the city to be less competitive in attracting residents, which hinders its ability to increase its tax base. High tax rates also create incentives for residents to relocate to the suburban areas, which may be one factor that contributes to the population decentralization trends shown in **Exhibit II-2**. For example, a homeowner in the city of Flint will pay, on average, 37.7% more in property taxes than residents of the nine other largest communities that own properties with the same taxable value. This is a substantial increase compared to the same analysis that was performed in the 2011 case study; in FY2011, a homeowner in Flint would pay on average 28.2% more than a homeowner in the other nine communities with a property that had the same taxable value. If a residential property has a taxable value of \$75,000, the homeowner in Flint will pay \$4,413. A homeowner in the next most-populated community, Grand Blanc Charter Township, will pay \$3,119.

Exhibit IV-4 Millage Rates in Genesee County for Fiscal Year 2013 (2014 Tax Rates)

Data source: 2013 American Communities Survey and Michigan Department of Treasury

Taxing Unit	Type of Unit	2013 Population*	Average Property Tax Rates					Annual Bill Based on Taxable Value of \$75,000
			County	Local	School	State Education	Total	
Flint	City	101,649	9.81	22.02	21.01	6.00	58.84	\$ 4,413
Grand Blanc	Charter Township	37,060	10.07	7.13	18.38	6.00	41.58	\$ 3,119
Flint	Charter Township	31,614	10.07	10.74	20.96	6.00	47.77	\$ 3,583
Burton	City	29,663	10.05	15.23	19.27	6.00	50.55	\$ 3,791
Genesee	Charter Township	21,291	10.07	7.99	18.19	6.00	42.25	\$ 3,169
Mount Morris	Charter Township	21,310	9.56	10.94	17.88	6.00	44.38	\$ 3,329
Davison	Charter Township	19,373	10.07	3.35	15.91	6.00	35.33	\$ 2,650
Fenton	Charter Township	15,408	10.07	2.08	15.47	6.00	33.62	\$ 2,522
Mundy	Township	14,932	10.07	5.56	16.51	6.00	38.14	\$ 2,861
Vienna	Charter Township	13,119	10.07	5.04	13.78	6.00	34.89	\$ 2,617
Population of Ten Largest Units		305,419				Average	42.74	\$ 3,205
As a % of County Total		72%						
* ACS 5-year estimate								

Although the nonhomestead property tax rate had been fairly stable from 2000 to 2010, a more noticeable increase has occurred over the last few years (**Exhibit IV-5**). In 2013, the direct city millage increased from 16.1 to 19.1 mills with the addition of the 6 mill public safety millage and an elimination of a 3 mill waste collection millage.

As discussed in section II, property values in Flint have dramatically declined over the past four years. **Exhibit IV-6** shows a corresponding reduction in property tax revenues; receipts from property taxes in FY2014 were less than half those in FY2006, and less than 40% of their peak in FY2008. The deterioration of the property tax as a stable revenue source is especially clear given that less than 10% of General Fund revenues are dependent on property taxes in FY2014 compared to more than 18% five years prior.

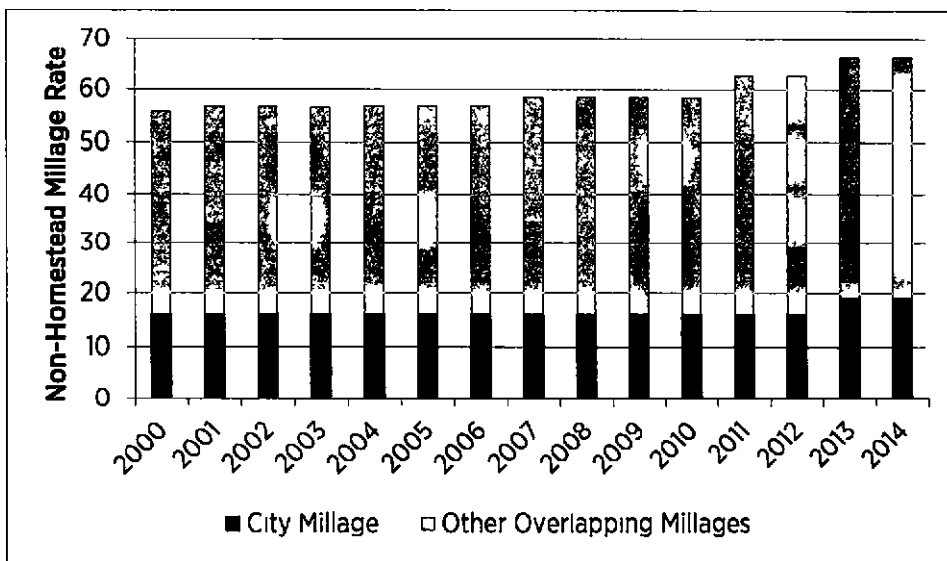


Exhibit IV-5 City of Flint Millage Rates

Data source: City of Flint Comprehensive Annual Financial Reports

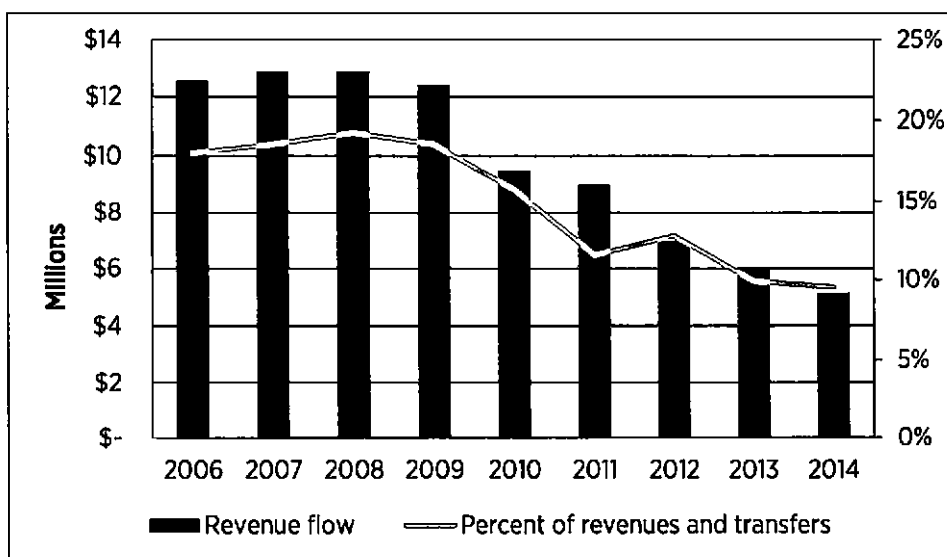


Exhibit IV-6 Flint Property Tax Revenue

Data source: City of Flint Comprehensive Annual Financial Reports

Income Tax

Of the 10 largest cities in Michigan, three are authorized to levy an income tax, including Flint. The income tax rate is 1% for city residents and 0.5% for non-residents. Income tax receipts steadily declined from FY2006 to FY2010 (**Exhibit IV-7**). Since FY2010, this revenue stream has stabilized and seen some slight growth, though it fell again in FY2014.

State Shared Revenue

State shared revenue is generated from a statewide sales tax. Revenue sharing to local governments consists of both constitutional and statutory payments. The constitutional portion is distributed on a population basis. The statutory portion of revenue sharing is defined by a formula based on a combination of population, taxable value per capita, and millage yield (a ratio of the taxable value per mill levied). Starting in FY2012, the statutory revenue sharing was replaced with the Economic Vitality Incentive Program (EVIP).¹⁶ The EVIP allocates funding to cities, villages, and townships based on their ability to satisfy certain criteria, but relies on the old statutory program to determine participation and individual payment amounts. **Exhibit IV-8** shows the breakdown between the

Exhibit IV-7 Flint Income Tax Revenue

Data source: City of Flint Comprehensive Annual Financial Reports

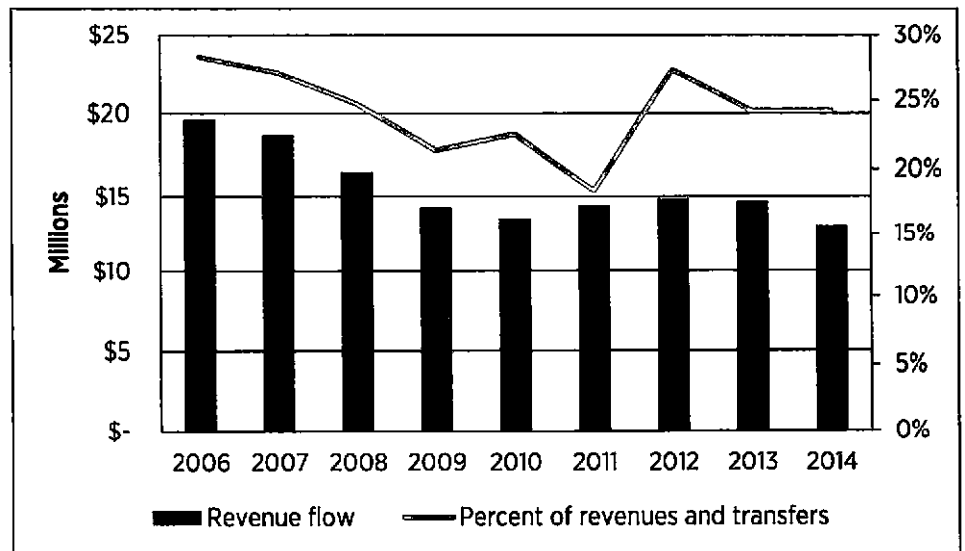
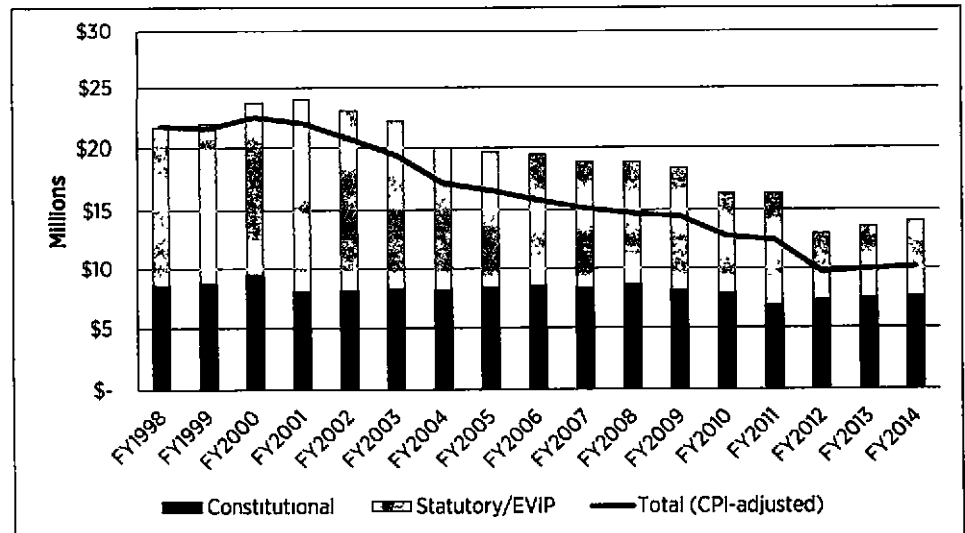


Exhibit IV-8 Breakdown of Flint State Shared Revenue

Data source: Michigan Department of Treasury



constitutional payments and statutory/EVIP payments to the City of Flint since FY1998. While constitutional payments have been fairly constant, there has been a substantial decline in statutory/EVIP payments.

Exhibit IV-9 displays the change in state shared revenue over time as reported in the city's financial audit reports.

Charges for Services

While all other revenue sources have been declining since FY2006, income from user fees and charges for services have actually increased on a nominal basis over the same period (**Exhibit IV-10**). Though it has fluctuated in recent years, the percentage of revenues and transfers from charges for services is still relatively high compared to FY2006. This is indicative of cities undergoing fiscal stress since they seek to replace the typical tax and intergovernmental sources with other revenue streams.

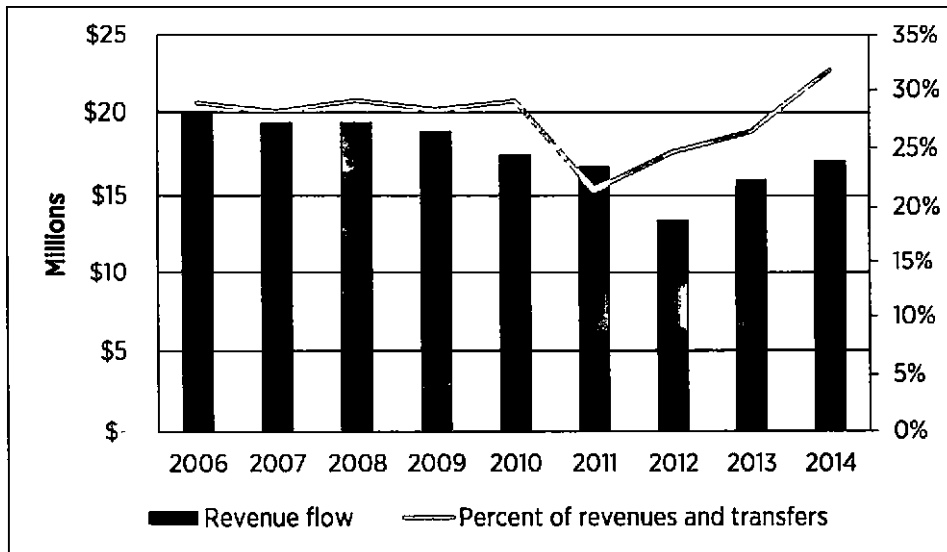


Exhibit IV-9 Flint State Shared Revenue Over Time
Data source: City of Flint Comprehensive Annual Financial Reports

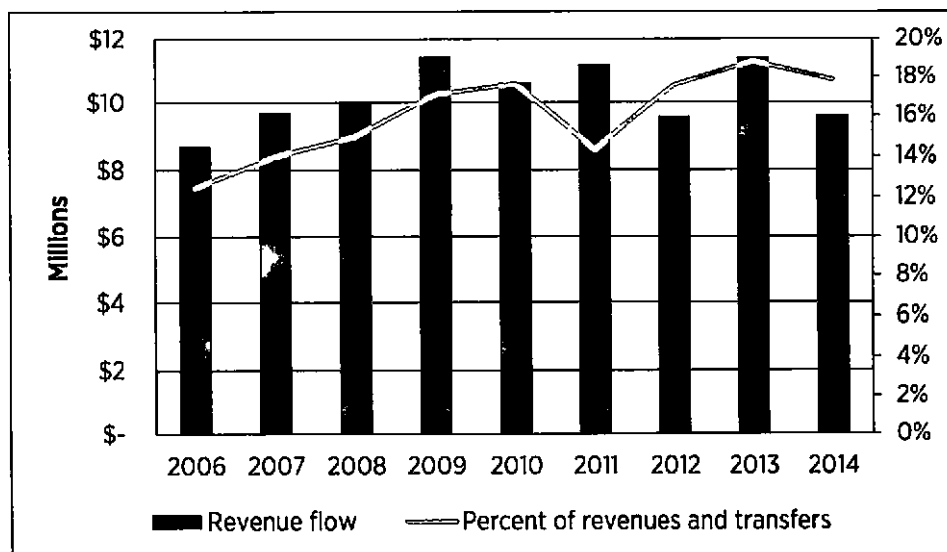


Exhibit IV-10 Charges for Services in Flint
Data source: City of Flint Comprehensive Annual Financial Reports

Expenditures

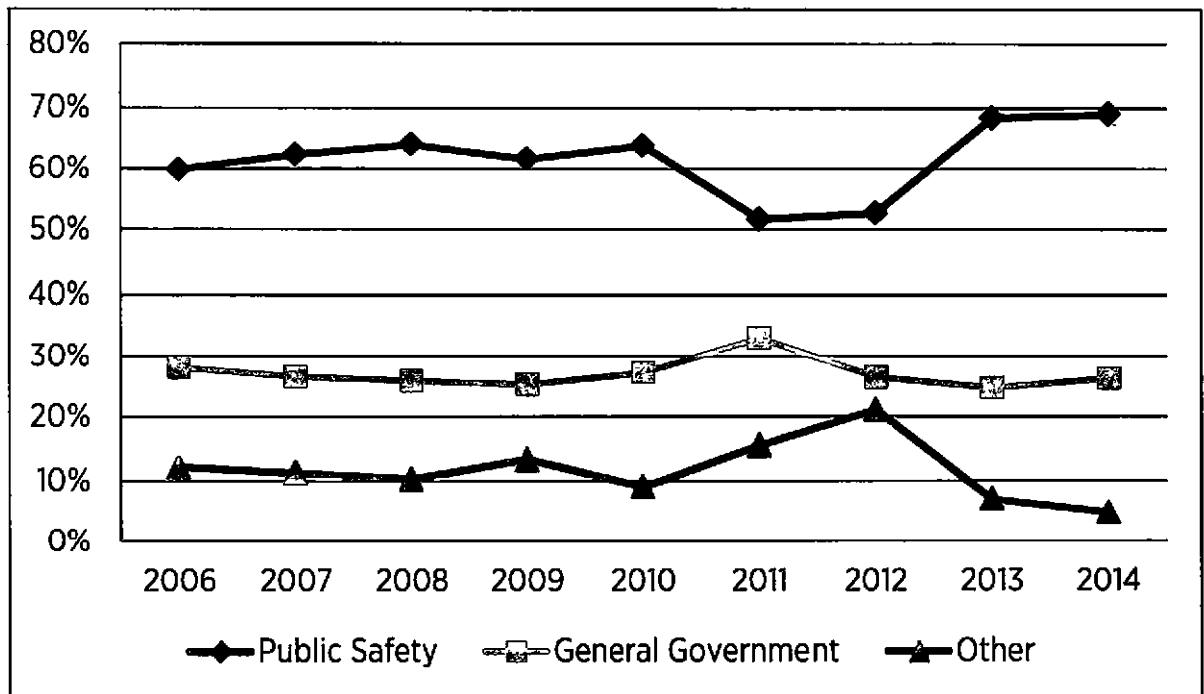
The primary General Fund expenditures are public safety and general government services. In FY2014, 69.1% of spending was allocated to public safety and 26.2% to general government (**Exhibit IV-11**). The following section will detail the spending in various categories for the city of Flint.

Public Safety

Public safety consists of the majority of the General Fund expenditures, and includes the following categories:

- ▶ Building inspection
- ▶ Combined public safety department
- ▶ Emergency dispatch
- ▶ Fire department
- ▶ Police department

Exhibit IV-11
Share of
General Fund
Expenditures in
Flint
Data source: City of
Flint Comprehensive
Annual Financial
Reports



As discussed in section III, during the November 2012 elections, the voters of Flint approved a 6-mill property tax increase for public safety with 57% approval.^{xvi} The proposal also required that 55.5% of General Fund revenues be allocated to public safety budgets (**Exhibit IV-12**). Additional, temporary funding support includes:

- ▶ \$6.9 million Staffing for Adequate Fire and Emergency Response (SAFER) grant from the Federal Emergency Management Agency (FEMA) awarded in 2012 to avoid laying off 32 fire fighters¹¹
- ▶ \$2.1 million in state funds granted in 2012 to re-open the city's lockup
- ▶ \$1.8 million grant from the Michigan Department of Treasury Competitive Grant Assistance Program (CGAP) to install a communications tower in the city to expand radio coverage for police and firefighters awarded in April 2013

¹¹ This grant was awarded twice, but not renewed in 2014.

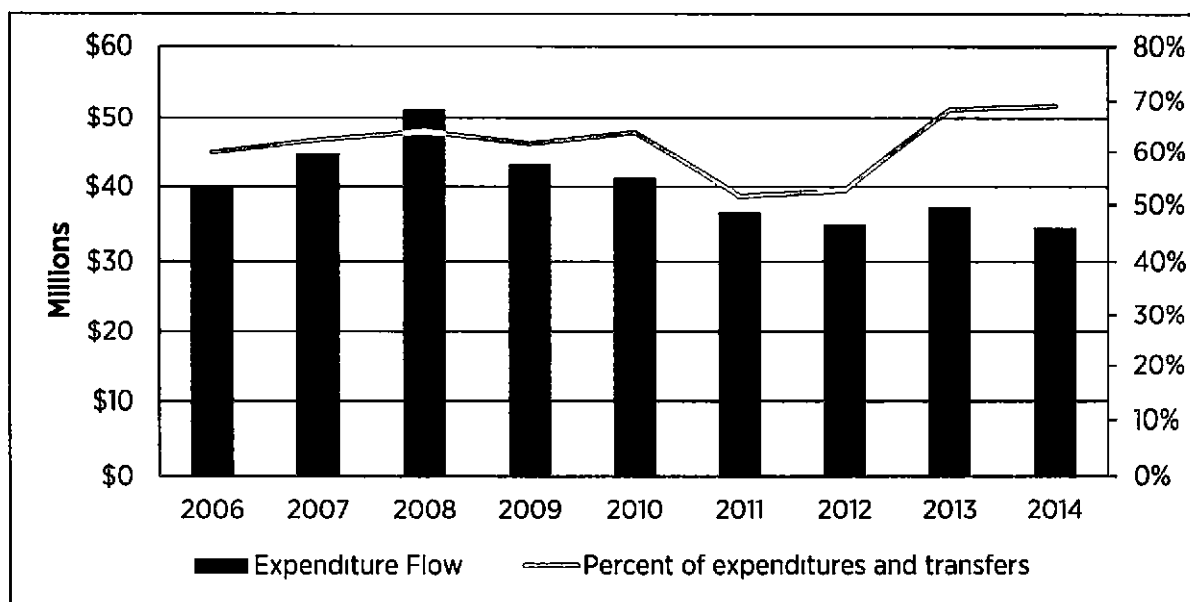


Exhibit IV-12

Flint Public Safety

Data source: City of Flint Comprehensive Annual Financial Reports

General Government

As of FY2014, general government expenditures include the following categories of local government operations:

- ▶ Mayor's office
- ▶ Finance
- ▶ Human relations
- ▶ City clerk
- ▶ Law office
- ▶ Human resources
- ▶ City administrator

Expenditures on general government have followed an overall decline since FY2008 (**Exhibit IV-13**). The exception in FY2011 was due to a settlement payment related to a lawsuit against the city regarding the sale of the Genesee Towers building.

Special Revenue Funds

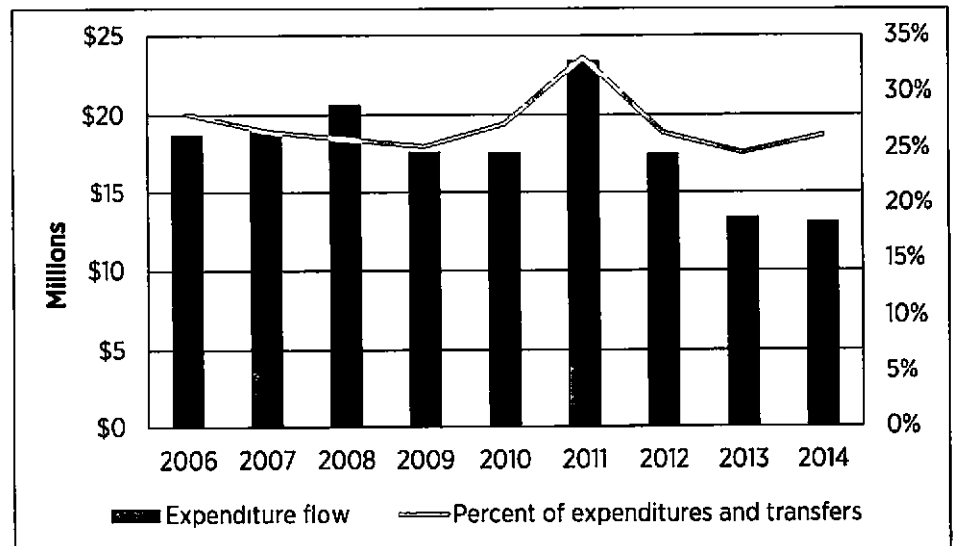
Revenues and expenditure trends for other governmental funds are shown in **Exhibit IV-14**. These include special revenue funds and debt service funds. As of FY2014, special revenue funds consist of the following types of funds:

- ▶ Major streets
- ▶ Local streets
- ▶ Neighborhood policing
- ▶ State Act 251 – forfeitures
- ▶ EDA Revolving Loan
- ▶ Public Improvement Fund
- ▶ Parks and recreation
- ▶ Senior citizen centers
- ▶ City park
- ▶ Building department
- ▶ Garbage collection
- ▶ Street light (special assessment)
- ▶ Public safety (special millage)

The city established a special assessment for streetlights in FY2013 to avoid making cuts to public safety. The public safety special millage was discussed in earlier sections of this report. As of FY2014, debt service includes funds from a

Exhibit IV-13 Flint General Government

Data source: City of Flint Comprehensive Annual Financial Reports



parking deck, Windmill Place, and Buick City. Relative to the General Fund, the city government has managed to keep expenditures in pace with revenues. About \$6.5 million of the \$10 million deficit in FY2011 was due to the Federal Grants Fund. The majority of the remaining deficit consisted of a \$2.3 million deficit in the Major Streets Fund.

Proprietary (Enterprise) Funds

The City of Flint's two proprietary funds include water supply and sewer disposal operations. Prior to FY2012, Hurley Medical Center and the Golf Division were considered business-type activities as part of the city government under proprietary funds. However, starting in FY2012, the city began presenting Hurley as a separate component unit in the audit report, and in March 2012, the city entered into agreements with Flint City Golf, LLC, and the Mott Park Public Golf Course Association to operate the city's golf courses.

Historically, the City of Flint purchased Lake Huron water from the Detroit Water and Sewerage Department (DWSD). Per a resolution that authorized the sale of Drinking Water Revolving Fund bonds, the city government sets its water rates to cover expenses of the administration and operation of the water system. These expenses include the rates charged by the DWSD, which had increased on average by 10% per year. The rates must be sufficient to pay an amount equal to 125% of principal and interest on bonds and any other obligations. In January 2011, the city increased water and sewer rates by 25% and 22% respectively. Another increase of 35% on both water and sewer rates followed in September 2011 in order to meet these revenue requirements.

In April 2013, the city ended its contract with DWSD, and opted instead to contract with the Karegnondi Water Authority (KWA) to build a pipeline from Lake Huron to Genesee County. Effective October 1, 2013, the City of Flint entered into a contract to purchase water from the KWA, with the pipeline expected to be completed in July 2016. The city officially switched its water source to the Flint River in April 2014, to be used until the agreement with the KWA came into effect. However, the city and its residents have experienced several issues with water quality since then.^{viii} Flint was awarded \$2 million from the state through Michigan's Financially Distressed Cities, Villages, and Townships Grant Program to improve its water infrastructure and quality^{ix}.

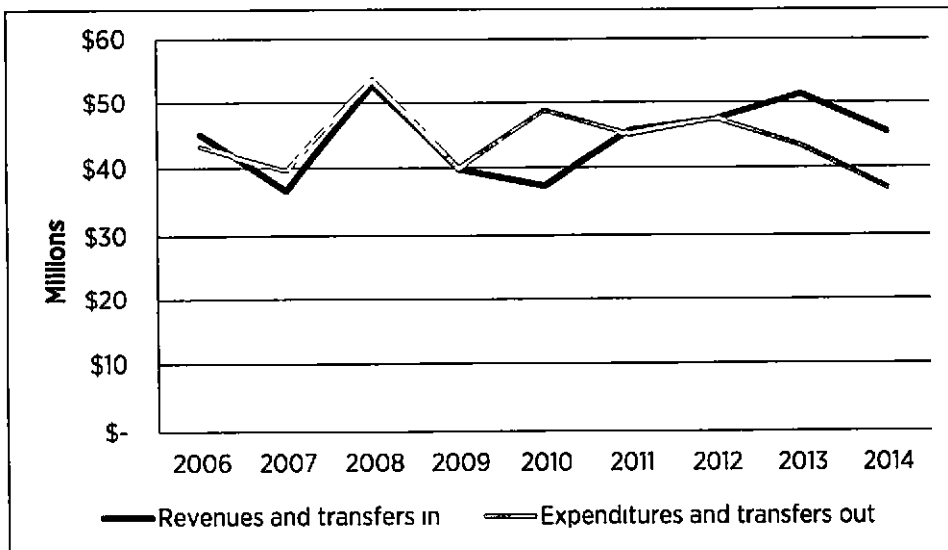


Exhibit IV-14 Other Flint Governmental Funds Revenues and Expenditures
Data source: City of Flint Comprehensive Annual Financial Reports

In general, the revenues and transfers into the water supply fund have exceeded expenditures and transfers out (**Exhibit IV-15**).

In contrast, the sewer disposal fund had seen major deficits annually up until FY2013 (**Exhibit IV-16**). One major contributor to the operating losses associated with this fund is internal borrowing by other funds. This will be discussed in more detail in section V.

Exhibit IV-15 Flint Water Supply Fund Revenues and Expenditures

Data source: City of Flint Comprehensive Annual Financial Reports

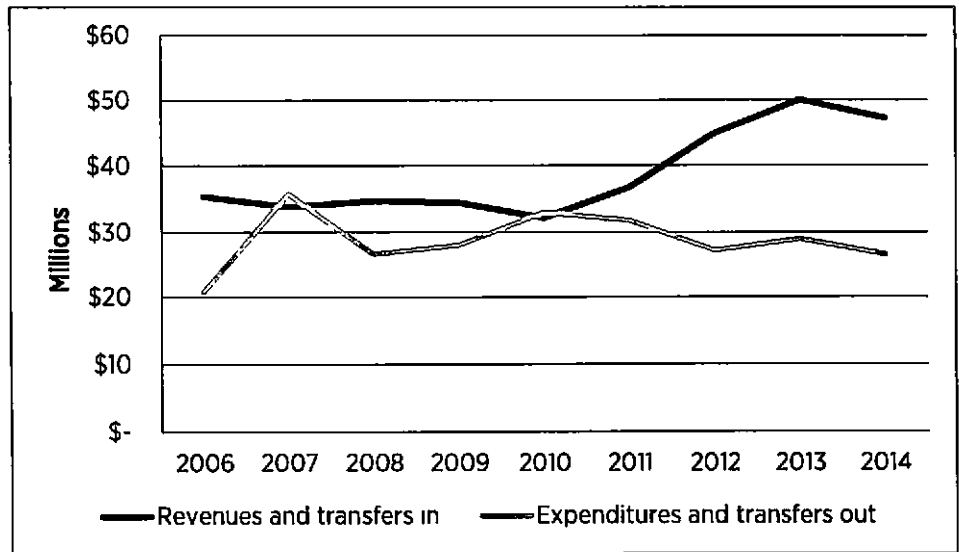
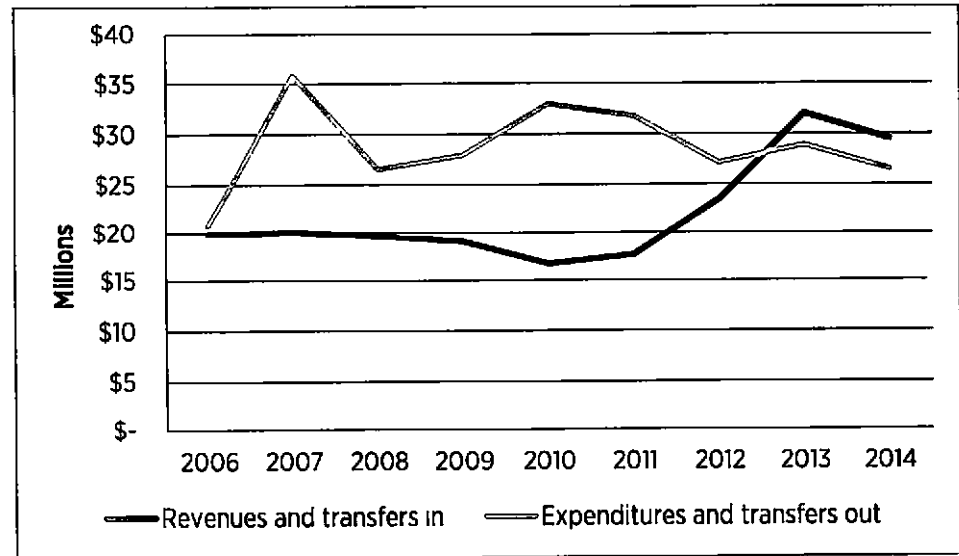


Exhibit IV-16 Flint Sewer Disposal Fund Revenues and Expenditures

Data source: City of Flint Comprehensive Annual Financial Reports



Internal Service Funds

The City of Flint allocates the internal service funds for data processing, fringe benefits, central maintenance garage, and self-insurance. Internal service funds should be self-sustaining through charges for services to other departments and funds. However, this is not always the case, as shown by the positive figures for "Transfers In" in **Exhibit IV-17**. The Central Maintenance Garage Fund received incoming transfers for six consecutive years. On average, these transfers amount to about 28% of operating costs annually. There was an exception in FY2013, in which the Central Maintenance Garage Fund issued an outgoing transfer to the Garbage Collection Fund in order to transfer proceeds related to the sale of city garbage trucks.

Exhibit IV-17 Flint Internal Service Fund Revenues and Expenditures (in thousands)

Data source: City of Flint Comprehensive Annual Financial Reports

Fiscal year	2006	2007	2008	2009	2010	2011	2012	2013	2014	Variation	
										\$	%
Revenues and Transfers In											
Charges for services	\$ 32,159	#####	\$ 41,269	\$ 39,817	\$ 35,715	#####	#####	\$ 40,051	#####	\$ 22,931	71%
Transfers In	-	1,039	2,147	1,546	1,789	1,363	1,876	(1,500)	(1,072)	(1,072)	100%
Gain on Disposal of Capital Assets	-	-	-	-	-	-	-	1,047	155	155	
Investment Income	134	281	177	98	110	17	8	(83)	(6)	(139)	-104%
Revenues and transfers in	32,293	49,044	43,593	41,461	37,615	46,288	52,088	39,515	54,168	21,875	68%
Expenditures											
Data Processing	2,104	2,149	2,360	2,868	2,032	2,367	2,887	2,019	2,376	272	13%
Central Maintenance Garage	4,013	5,179	6,439	6,020	5,370	5,613	5,148	3,976	3,372	(641)	-16%
Self Insurance	2,770	17,715	5,180	3,173	2,028	8,706	3,813	2,387	1,399	(1,371)	-50%
Fringe Benefits	23,406	24,577	29,157	29,874	27,592	28,754	30,847	27,476	49,291	25,885	111%
Expenditures and transfers out	32,292	49,619	43,136	41,935	37,022	45,439	42,695	35,858	56,437	24,145	75%
Net change in	1	(575)	457	(474)	592	849	9,393	3,657	(2,269)		
Fund balance - beginning	2,856	2,856	2,281	2,738	2,264	2,857	3,706	13,099	16,756		
Fund balance - ending	\$ 2,856	\$ 2,281	\$ 2,738	\$ 2,264	\$ 2,857	\$ 3,706	\$ 13,099	\$ 16,756	\$ 14,487		

V. Debt

The City of Flint's bond rating has not been updated since the 2011 case study was written. The last bond rating was performed by Moody's Investor Service in February 2006. At that time, the City of Flint was assigned a rating of Ba1 with a stable outlook.

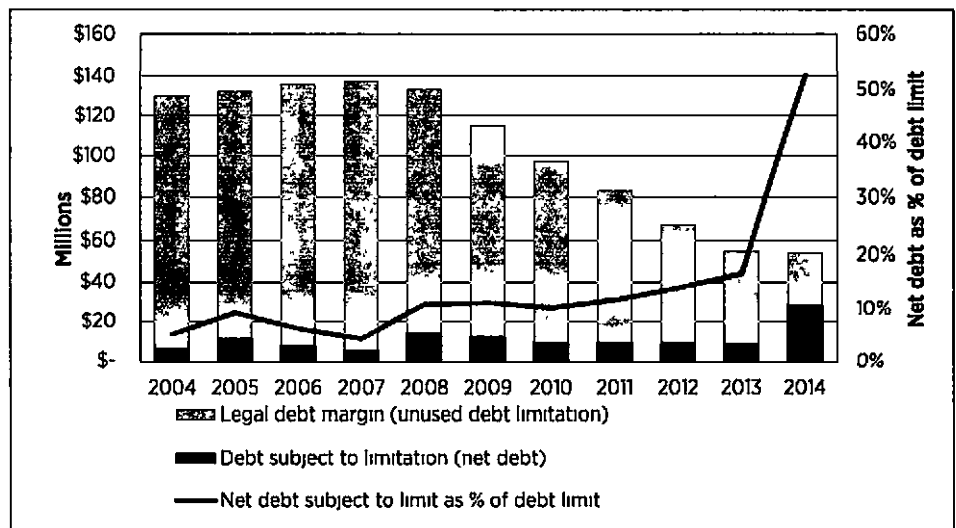
According to the city's financial audit reports, the City Charter limits net debt to 7% of the assessed value of the real and personal property in the city. **Exhibit V-1** discloses breakdown of the city's net debt limit since 2004. While the absolute amount of the city's debt has been fairly stable over time, the decline in property values in the city has closed the legal debt margin considerably (**Exhibit V-1**). As a result, the net debt as a percentage of the debt limit has jumped from about 4.3% in FY2007 to 16.6% in FY2013.

Many cities with chronic fiscal stress have a significantly large debt burden, which has not necessarily been the case for the City of Flint. The 2011 case study noted that this issue of fiscal distress was mainly due to the lack of capacity to issue debt or manage a long-term capital improvement program. In FY2011, the City made its final payment on an \$8 million financial recovery bond issued in 2004 when it was operating under the authority of a state-appointed EFM. As noted earlier, the current level of fiscal stress has caused the City of Flint to seek \$20 million fiscal stabilization bonds, of which it received \$8 million. These funds are intended to address the chronic cash shortage and unfunded prior operating expenditures. Recurring cash shortages and the need to finance prior years' operations are often considered additional red flags indicating chronic fiscal stress.

Another symptom of chronic fiscal stress is an increased reliance on internal borrowing, another trend that has continued since the 2011 case study. When the City of Flint has difficulty obtaining external financing at a reasonable rate, cash from internal funds becomes a default source of borrowing. **Exhibit V-2** summarizes interfund borrowing activity since FY2006. The nature of this type of activity is generally related to operating transactions among funds. The City of Flint has used this to address cash shortages at the close of the fiscal year. The "Due to/from Other Funds" section is related to short-term loans, while the

Exhibit V-1 Flint Long-Term Debt Limit

Data source: City of Flint Comprehensive Annual Financial Reports



“Advances to/from Other Funds” is related to long-term loans. A concern arises when these balances are significant in dollar amounts and present for more than one year. The City of Flint’s General Fund has relied on short-term interfund resources for seven out of the last nine fiscal years and long-term interfund resources since FY2012. As shown in **Exhibit V-2**, the primary lending fund for these transfers has been the Sewer Disposal Division Fund, which contributes to the fund’s long-term structural deficit, as reported in **Exhibit IV-16** on page 26. The short-term balance of approximately \$13.2 million at June 30, 2013, equates to almost 25% of General Fund revenues for FY2014.

In July 2012, the Flint City Council President, along with three other residents, filed a lawsuit against the city, claiming that the water and sewer rate increases in 2011 violated city ordinances.^{xx} The claim was that because water and sewer funds have been transferred to the General Fund, additional funds raised had not been allocated toward their intended purposes. A Genesee County Circuit Court judge dismissed the case in June 2013, claiming that the rate increases were in compliance with Public Act 4, which granted legal power to emergency managers to make rate increases to reflect true operating costs.

As noted in the 2011 case study, advances among funds are often formalized in a written note with specific payment terms including an interest rate. The City of Flint has used advances to fund capital equipment purchases in its internal services funds. Such reliance on interfund borrowings may restrict the lending fund’s financial flexibility and use of resources for the designated purpose. Recent advances from the Sewer Disposal Division Fund to the General Fund represent return on equity.

Exhibit V-2 Flint Interfund Borrowing for FY 2006 through FY 2014

Source: City of Flint Comprehensive Annual Financial Reports

		Due to/from Other Funds								
Fiscal year		2006	2007	2008	2009	2010	2011	2012	2013	2014
Due to:										
Sewer Disposal Division Fund		\$ 10,371,382	\$ 3,677,506	\$ 20,161,971	\$ 20,076,951	\$ 15,532,804	\$ 10,524,275	\$ -	\$ -	\$ -
Self Insurance Fund		-	15,700,000	16,505,386	11,533,250	-	-	-	-	-
Others		9,344	-	-	263,503	7,849,233	12,326,801	18,281,313	9,681,892	9,637,895
		<u>\$ 10,380,726</u>	<u>\$ 19,377,506</u>	<u>\$ 36,667,357</u>	<u>\$ 31,873,704</u>	<u>\$ 23,382,037</u>	<u>\$ 22,851,076</u>	<u>\$ 18,281,313</u>	<u>\$ 9,681,892</u>	<u>\$ 9,637,895</u>
Due from:										
General Fund		\$ 7,278,154	\$ -	\$ 14,653,786	\$ 17,169,931	\$ 18,002,907	\$ 14,491,155	\$ 10,911,215	\$ 6,312,097	\$ 13,216,455
Special Revenue Funds		1,987,245	1,977,579	2,915,148	2,470,945	3,024,856	3,426,800	2,929,238	2,518,595	-
Internal Service Funds		495,116	973,629	216,290	66,535	115,959	-	-	-	-
Pension Trust Funds		509,867	309,265	1,125,312	-	-	-	-	-	-
Enterprise Fund		-	413,729	1,251,435	369,540	1,387,115	708,044	3,589,660	-	-
Fiduciary		-	3,304	-	-	-	-	-	-	-
Sewer Disposal Division Fund		-	15,700,000	16,505,386	11,533,250	851,200	4,225,077	851,200	851,200	-
Others		9,344	-	-	263,503	-	-	-	-	-
		<u>\$ 10,380,726</u>	<u>\$ 19,377,506</u>	<u>\$ 36,667,357</u>	<u>\$ 31,873,704</u>	<u>\$ 23,382,037</u>	<u>\$ 22,851,076</u>	<u>\$ 18,281,313</u>	<u>\$ 9,681,892</u>	<u>\$ 13,216,455</u>
		Advances to/from Other Funds								
Fiscal year		2006	2007	2008	2009	2010	2011	2012	2013	2014
Advance from:										
Sewer Disposal Division Fund		\$ 5,251,361	\$ 6,094,131	\$ 4,940,753	\$ 9,266,399	\$ 2,426,749	\$ 1,348,618	\$ 10,522,453	\$ 9,800,000	\$ 2,660,000
Water Supply Division Fund		-	-	-	-	-	-	1,000,000	1,000,000	1,130,000
		<u>\$ 5,251,361</u>	<u>\$ 6,094,131</u>	<u>\$ 4,940,753</u>	<u>\$ 9,266,399</u>	<u>\$ 2,426,749</u>	<u>\$ 1,348,618</u>	<u>\$ 11,522,453</u>	<u>\$ 10,800,000</u>	<u>\$ 3,790,000</u>
Advance to:										
Internal Service Funds		\$ 4,539,404	\$ 5,524,565	\$ 4,513,579	\$ 7,278,154	\$ 2,426,749	\$ 1,348,618	\$ 522,680	\$ -	\$ -
Enterprise Fund		711,957	569,566	427,174	1,987,245	-	-	-	-	-
General Fund		-	-	-	-	-	-	10,999,773	10,800,000	3,790,000
		<u>\$ 5,251,361</u>	<u>\$ 6,094,131</u>	<u>\$ 4,940,753</u>	<u>\$ 9,266,399</u>	<u>\$ 2,426,749</u>	<u>\$ 1,348,618</u>	<u>\$ 11,522,453</u>	<u>\$ 10,800,000</u>	<u>\$ 3,790,000</u>

VI. Personnel Costs

Annual Earnings and Benefits

The City of Flint's payroll has declined by almost 1,000 full-time equivalent employees, about 63%, since 2001 due to attrition and downsizing (**Exhibit VI-1**). This breaks down to a 59% reduction in public safety employees and a 65% reduction in other city employees. The majority of this reduction has taken place since 2008.

Pension Benefits

The City of Flint has a defined benefit pension plan with a benefit that ranges from 1.7% to 2.6% of the participant's Final Average Compensation (FAC) based on the last three years of credited service, multiplied by the years of credit service based on the date of hire. Employees who retire at or after age 55 with 10 years of credited service (eight years for appointed officials) or those members with 25 years of credited service (23 years for police and fire employees), regardless of their age, are entitled to a retirement benefit. Certain police members can voluntarily retire at age 50 with 25 years of service. Benefits fully vest on reaching 10 years of service with the benefit payable at age 55. The plan requires employee contributions ranging from 0% to 9%.

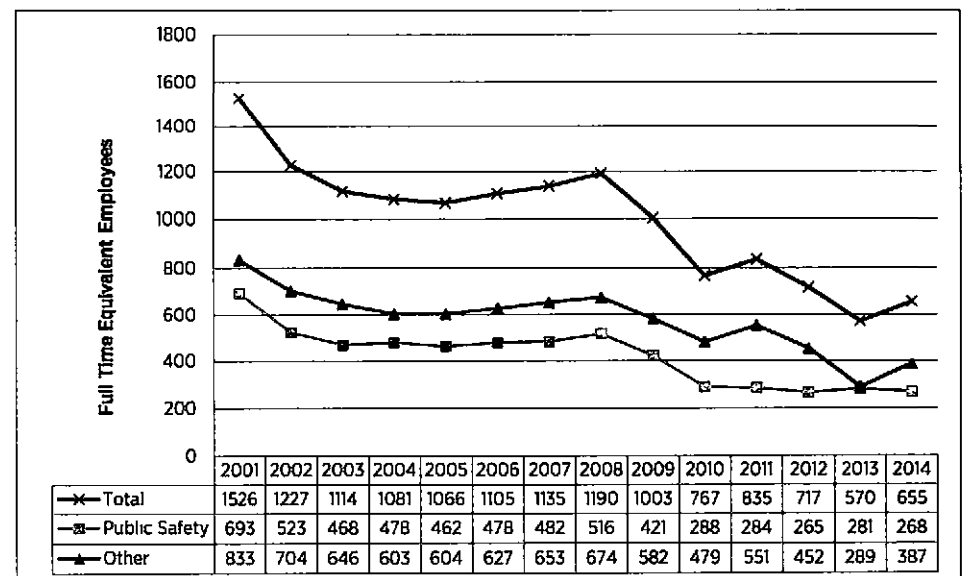
Beginning in October 2012, the City of Flint closed out its single-employer plan and transferred approximately \$270 million of assets to the Michigan Municipal Employees' Retirement System, an agent multi-employer plan that covers substantially all employees of city government. The City of Flint's unfunded pension liability is \$241 million, as of its most recent actuarial valuation.

Defined benefit plan pension benefits are determined by following a three-part formula:

$$\text{Annual Pension Benefit} = \text{Years of Service} \times \text{FAC} \times \text{Pension Multiplier}$$

Exhibit VI-1 Flint Full-Time Equivalent Employees

Data source: City of Flint Comprehensive Annual Financial Report



Years of Service - Years of service is based on actual employee service, although sometimes the employee or employer may “buy” years of service at an actuarially determined cost. Unless this is fully funded in advance, it increases the long-term liability.

Final Average Compensation (FAC) - The final average compensation is the average of wages or salary paid to the employee based on a predetermined number of years. Identifying what type of compensation is included in the FAC is important. If it includes overtime, vacation leave payout, longevity, and other pay items, the cost to the employer increases. When the FAC is determined using fewer years, typically the benefit is higher since it is based on highest years. When the FAC period is very short, even small increases in overtime, compensatory time payout, or accrued leave time payout will increase the pension. This is the reason some retirees’ actual pension benefits are higher than their regular full-time pay as active employees.

Pension Multiplier - The pension multiplier represents a percent of pay for each year of service.

A cost of living adjustment (COLA) provides an annual increase in benefit retirement. A COLA benefit of E2 provides a 2% annual increase in pension for retirees. Granting automatic pension increases can further constrain future administrations. Employers typically have a pension plan design where they may instead grant a one-time COLA adjustment to retirees.

The proportion of the Annual Required Contribution (ARC) that the city government has contributed to cover pension expenses has improved over the past several years (**Exhibit VI-2**). For every year since FY2009, the City of Flint has contributed at least the ARC amount.

Flint’s pension Unfunded Accrued Actuarial Liability (UAAL) has increased from \$194 million in 2006 to \$323 million in 2011, which was the time of the last actuarial valuation (**Exhibit VI-3**). The funded ratio fell during this time from 81% to 61%.

Exhibit VI-2 Flint Pension - Actual vs. Annual Required Contribution

Data source: City of Flint Comprehensive Annual Financial Reports

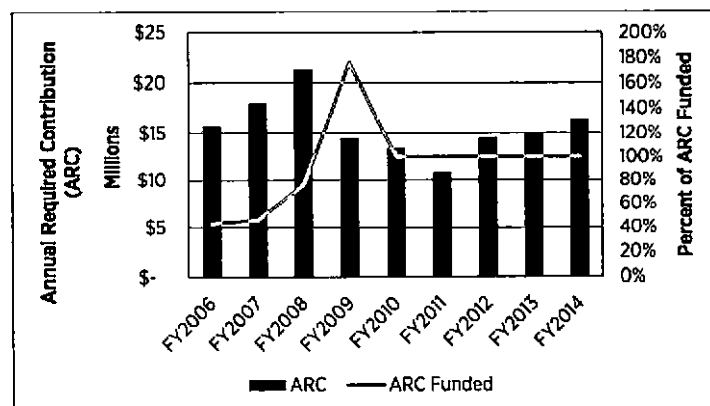
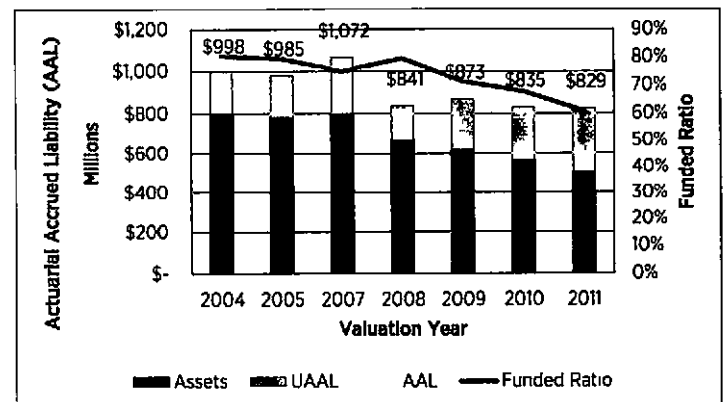


Exhibit VI-3 Flint Pension Funding Status

Data source: City of Flint Comprehensive Annual Financial Reports



Other Post-Employment Benefits

The City of Flint contributes to other post-employment benefits (OPEB) for public safety and general employees under collective bargaining agreements of Local 1799, Local 1600, and Fire Local 352. The proportion of the ARC that the city has paid to cover OPEB expenses has improved over the past couple years, from 31% in FY2011 to only 114% in FY2014 (**Exhibit VI-4**).

Since its actuarial valuation in 2006, the City of Flint's unfunded OPEB liability has been cut by \$468 million. The city government began advance funding its OPEB plan in FY2012, which has been reflected in its 2012 actuarial valuation. As of this valuation, the plan is 0.1% funded, though that dropped to 0% in the 2013 valuation (**Exhibit VI-5**).

Exhibit VI-4 Flint Other Post-Employment Benefits – Actual vs. Annual Required Contribution

Data source: City of Flint Finance Department and Comprehensive Annual Financial Reports

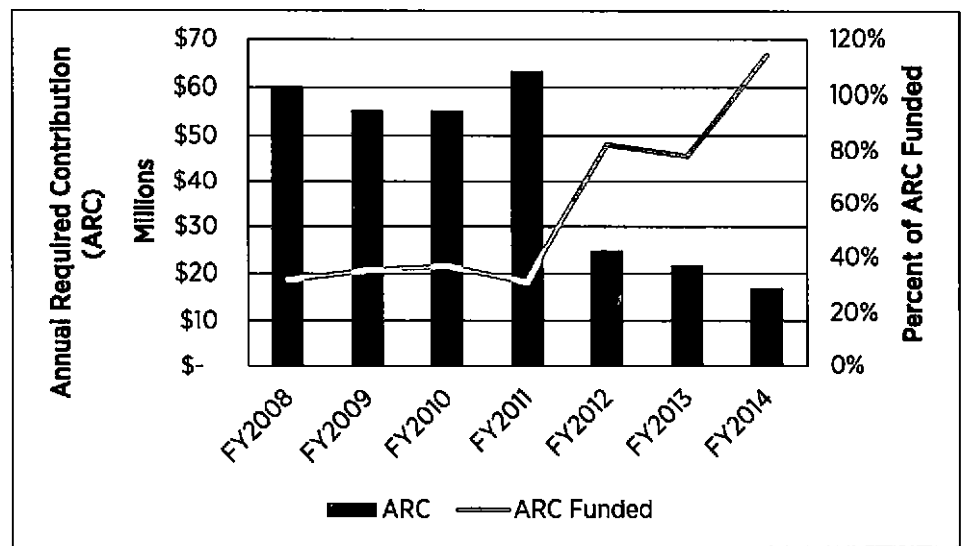
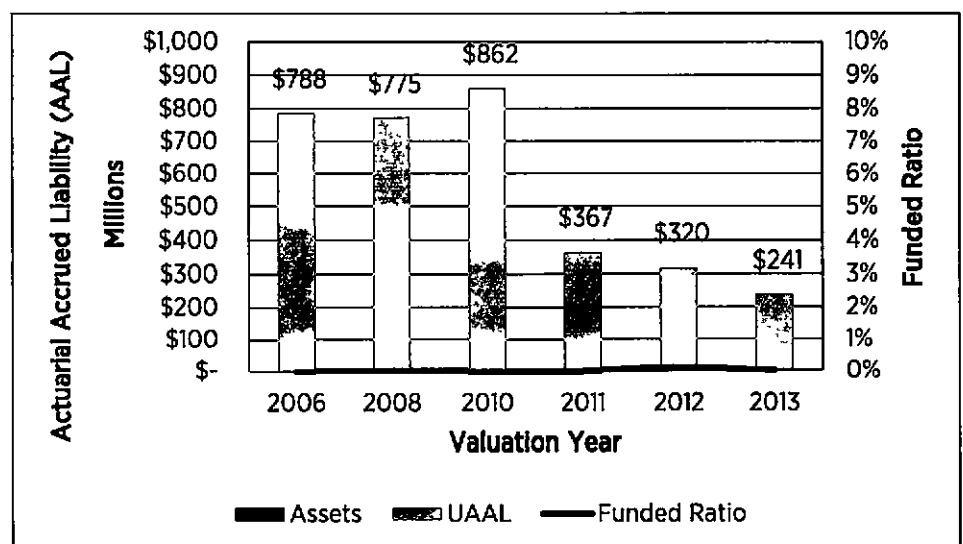


Exhibit VI-5 Flint Other Post-Employment Benefit Funding Status

Data source: City of Flint Comprehensive Annual Financial Reports



VII. Conclusion

On April 30, 2015, Gov. Rick Snyder rescinded the financial emergency in Flint and restored home rule and the power of the city's elected officials. It had been more than 10 years since the last time such an event occurred in Flint in the summer of 2004. Many questions still continue to swirl around the city's fiscal and economic future. A review of the reforms and changes that occurred since the appointment of an emergency manager in 2011 is a useful starting point for the city to understand the future fiscal trajectory it faces. This review will allow local and state officials to assess the reforms and changes in place and shape the future fiscal policy of the city of Flint, Michigan.

Changes implemented by the four emergency managers appointed to oversee Flint's finances were aimed at reducing the city's considerable budgetary deficit through reducing its financial obligations, especially pensions and other retiree benefits, while increasing city revenue. Some of the most significant changes have impacted the employees and retirees of the City of Flint. These two groups were the most important creditors of the city government. They remain so. Like many city governments in Michigan, Flint does not carry a large debt burden outside of water and sewer borrowing. This means that city retirees and employees are the groups owed the most by the city government and therefore, will be the most directly impacted during a financial reorganization following a fiscal crisis.

The structure of the city government was changed, with staffing reduced by 20%. A city administrator, who will serve as the city's chief administrative officer, was hired on a five-year contract. Among other responsibilities, the city administrator has the authority to negotiate collective bargaining agreements with the city's employee unions.

Reforms were also made to the way the city's budgeting practices, requiring two-year budgeting and three-year financial forecasts to be performed annually. This will allow city officials to identify and potentially deal with budgetary issues before they occur. The city government also adopted a master plan for the first time since the 1960s. The master plan identifies a vision for the city. It was developed with considerable input from the residents of Flint.

The electorate of Flint passed a referendum to have a Charter Review Commission put in place in the summer of 2015. The nine-member commission was elected in May of 2015. It will review the entire charter and assess options for reform. This is an excellent opportunity for the commission and the citizens of Flint to evaluate the current charter and determine a path forward for the city government that includes short-and long-term solvency.

The emergency manager signed a number of final orders before leaving office in April 2015. These orders involved the city council including agenda and meeting dates. They also included setting the special assessment for street lighting, restoring mayor and city council compensation, and adopting a set budget for FY 2016 and 2017. In addition, they included an order ensuring compliance with the so-called hard cap section of PA 152 of 2011 stating that the city shall not pay more than 80% of employee healthcare plans.

The final and perhaps most important order of the Flint emergency manager was issued on April 30, 2015. The overall purpose of the order is to ensure that the mayor and city council shall implement reforms and changes to maintain the fiscal stability of the city government. These provisions included following the recommendations of the Receivership Transition Advisory Board (RTAB) and city administrator. Specific other actions include 1) fully funding the annual pension requirement, 2) not interfering with city employees, 3) observing the budget ordinance, 4) ensuring all local laws are consistent with state laws, 5) not issuing debt without approval of the RTAB, 6) documenting all city liabilities, 7) verifying the appropriate eligibility requirements of all official city positions, 8) acting expeditiously on all economic development projects, and 9) reviewing and acting expeditiously on all intergovernmental cooperation initiatives by the city administrator. All of these provisions are intended to ensure that the city government, as dictated by the mayor and city council, follow certain practices and recommendations that are intended to maintain fiscal stability and solvency. These types of provisions were not in place after the 2002-04 crisis.

The city administrator is also subject to a number of provisions in the final EM order. These provisions include 1) overseeing day-to-day operation of city government, 2) negotiating and recommending changes to bargaining unit contracts to the RTAB, 3) submitting regular reports on city progress, 4) ensuring full compliance with PA 436 of 2012, 5) not removing city administrator without approval of RTAB, 6) observing all purchasing order ordinances, and 7) serving as primary interface between city council and city employees. Again, all of these provisions are meant to ensure the fiscal stability of the city government.

The changes made by the emergency managers have improved Flint's financial position. The general fund deficit was reduced from its peak of over \$19 million in FY2012 to just over \$8 million in the most recent fiscal year. The city has applied for a \$7 million loan from Michigan's Emergency Loan Board, which would effectively eliminate

this deficit. Pension and OPEB liabilities have been significantly reduced, and reforms to employee collective bargaining agreements have reduced future legacy costs. Other cost-saving measures include transferring emergency dispatch to Genesee County and contracting out waste collection.

Despite the progress made since a fiscal emergency was declared in 2011, the City of Flint still faces considerable challenges to its fiscal solvency. Outgoing emergency manager Jerry Ambrose mentioned some of these in his final letter, including the lawsuit filed on behalf of Flint's retirees over changes made to their healthcare benefits, the structural deficit that still exists in the city's financial projections, challenges to fund the city's public safety needs, and the city's ageing infrastructure.

The overall Flint fiscal playbook that has been enacted by the state government and its emergency managers serves as an important template for these types of interventions.¹²

The first part of the playbook is that any reforms or changes must be in reference to the largest component of the fiscal problem, which in this case related to liabilities owed to employees and retirees. Many important changes were made to wages and compensation, pension system benefits, medical benefits and other such liabilities. Of equal or perhaps greater importance, there are a number of safeguards now in place to ensure that these changes remain in place for a long period. Any adjustments to these reforms must go through the city administrator and the RTAB. These safeguards are obviously meant to prevent any backsliding to previous wage or benefit levels. It is this type of activity that led to the most recent crisis, as changes made by the emergency financial manager in 2004 were not kept in place and most of those changes were rescinded by the elected officials between 2004 and 2011. Those changes, combined with the worst recession since the Great Depression, meant that the city faced short- and long-term fiscal insolvency in 2011.

¹² This statement is not meant as recommendation or approval for the state emergency manager law. There are many dimensions upon which the state emergency manager should be assessed. This statement is simply meant to reflect that, in following this path, the Flint experience, with one of the state's largest cities, may be an important reference point.

List of Exhibits

- Exhibit II-1 Flint Metropolitan Statistical Area (MSA) and Flint City Population
- Exhibit II-2 Flint City Population as a Percent of MSA
- Exhibit II-3 Age of Flint Population
- Exhibit II-4 Flint Age by Percentage of Population
- Exhibit II-5 Flint Population by Race
- Exhibit II-6 Flint Vacant vs. Occupied Housing Units
- Exhibit II-7 Flint Renter Occupied vs. Owner Occupied Housing Units
- Exhibit II-8 State Equalized Value (SEV) and Taxable Value (TV) - Flint
- Exhibit II-9 Flint Jobless Rate
- Exhibit II-10 Flint Personal Income
- Exhibit II-11 Population of Flint Below Poverty Level
- Exhibit II-12 Cumulative Change in Employment in Flint and in Michigan
- Exhibit II-13 Employment in Flint's 10 Largest Employers By Industry
- Exhibit II-14 Flint's 10 Largest Employers By Industry
- Exhibit IV-1 Governmental Funds -Flint History of Fund Balances
- Exhibit IV-2 Flint General Fund Revenues and Expenditures
- Exhibit IV-3 Share of Flint General Fund Revenues
- Exhibit IV-4 Millage Rates in Genesee County for Fiscal Year 2013 (2014 Tax Rates)
- Exhibit IV-5 City of Flint Millage Rates
- Exhibit IV-6 Flint Property Tax Revenue
- Exhibit IV-7 Flint Income Tax Revenue
- Exhibit IV-8 Breakdown of Flint State Shared Revenue
- Exhibit IV-9 Flint State Shared Revenue Over Time
- Exhibit IV-10 Charges for Services in Flint
- Exhibit IV-11 Share of General Fund Expenditures in Flint
- Exhibit IV-12 Flint Public Safety
- Exhibit IV-13 Flint General Government
- Exhibit IV-14 Other Flint Governmental Funds Revenues and Expenditures
- Exhibit IV-15 Flint Water Supply Fund Revenues and Expenditures
- Exhibit IV-16 Flint Sewer Disposal Fund Revenues and Expenditures
- Exhibit IV-17 Flint Internal Service Fund Revenues and Expenditures (in thousands)
- Exhibit V-1 Flint Long-Term Debt Limit
- Exhibit V-2 Flint Interfund Borrowing for FY 2006 through FY 2013
- Exhibit VI-1 Flint Full-Time Equivalent Employees
- Exhibit VI-2 Flint Pension - Actual vs. Annual Required Contribution
- Exhibit VI-3 Flint Pension Funding Status
- Exhibit VI-4 Flint Other Post-Employment Benefits - Actual vs. Annual Required Contribution
- Exhibit VI-5 Flint Other Post-Employment Benefit Funding Status

Endnotes

- ⁱ Ellen M. Bassett, John Schweitzer, and Sarah Panken, *Understanding Housing Abandonment and Owner Decision-Making in Flint, Michigan: An Exploratory Analysis* (Lincoln Institute of Land Policy, July 2006), <http://people.virginia.edu/~emb7d/docs/Understanding%20Owner%20Decision.pdf>
- ⁱⁱ Gerard George, "Slack Resources and the Performance of Privately Held Firms," *The Academy of Management Journal* 48, no. 4 (August 1, 2005): 661-76, doi:10.2307/20159685.
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- ^v Khalil AlHajal, "Bishop Airport Board Votes to Begin Seeking Bids for \$16.8 Million Expansion" | *MLive.com*, January 25, 2011, http://www.mlive.com/news/flint/index.ssf/2011/01/bishop_airport_board_votes_to.html.
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Vandegrift, Drew (TREASURY)

From: Heimann, Alexandr (TREASURY)
Sent: Wednesday, October 28, 2015 3:17 PM
To: Vandegrift, Drew (TREASURY)
Cc: Cline, Richard (Treasury)
Subject: RE: New reports on Flint and local government issued by MSU
Attachments: MSU Extension Report Summary - Beyond State Takeovers V2.docx; MSU Extension Report Summary - The Flint Fiscal Playbook.docx

Sorry,

Just to add another version of "Beyond State Takeovers" the intended audience appears to be the Mott Foundation.

Alexandr Heimann
Municipal Analyst
Local Government Financial Services Division
Michigan Department of Treasury
Office (517) 373-2434

From: Heimann, Alexandr (TREASURY)
Sent: Wednesday, October 28, 2015 3:10 PM
To: Vandegrift, Drew (TREASURY) <VandegriftD@michigan.gov>
Cc: Cline, Richard (Treasury) <cliner1@michigan.gov>
Subject: RE: New reports on Flint and local government issued by MSU

Eric,

This is a draft summary of these two documents, if Drew is able (and assuming it still needs to get done) I would very much welcome the input from someone with his level of knowledge and expertise on these things. However, these are my comments on these two articles.

The Flint Fiscal Playbook appears to just be a Case Study that documents the events that led up to, and happened during, the State's takeover of Flint. It does not appear to make an overall point, certainly not one that Ed would be too interested in. It's a good read, but I am sure that he is aware of all of these events already.

Beyond State Takeovers, is very critical of EMs nationally, and Michigan is specifically highlighted. I documented all elements from that article that I believe Ed would need to be made aware of.

Please let me know if you need anything else.

Regards,

Alexandr Heilmann
Municipal Analyst
Local Government Financial Services Division
Michigan Department of Treasury
Office (517) 373-2434

From: Heilmann, Alexandr (TREASURY)
Sent: Wednesday, October 28, 2015 1:31 PM
To: Vandegrift, Drew (TREASURY) <VandegriftD@michigan.gov>
Cc: Cline, Richard (Treasury) <cliner1@michigan.gov>
Subject: FW: New reports on Flint and local government issued by MSU
Importance: High

Drew,

Eric wants you and I to look into this ASAP, the higher ups are looking for a summary and I was hoping that we could coordinate our efforts to reduce the amount of time this would take.

Please call me when you get into the office.

With regard,

Alexandr Heilmann
Municipal Analyst
Local Government Financial Services Division
Michigan Department of Treasury
Office (517) 373-2434

From: Cline, Richard (Treasury)
Sent: Wednesday, October 28, 2015 1:24 PM
To: Heilmann, Alexandr (TREASURY) <HeilmannA@michigan.gov>
Subject: FW: New reports on Flint and local government issued by MSU
Importance: High

FYI

Eric Cline | Department Manager | State of Michigan
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Subject: Fwd: New reports on Flint and local government issued by MSU

Can someone read these right away and do a summary quickly. Thanks

Sent from my iPhone

Begin forwarded message:

From: "Scorsone, Eric" <scorsone@anr.msu.edu>
To: "Amrhein, John" <amrhein@anr.msu.edu>, "Arnold Weinfeld (Arnold.Weinfeld@primacivitas.org)" <Arnold.Weinfeld@primacivitas.org>, "Adrienne Lu (alu@pewtrusts.org)" <alu@pewtrusts.org>, "Khouiri, Claire (GOV)" <KhouiriC@michigan.gov>, "Alicia Kitsuse (akitsuse@mott.org)" <akitsuse@mott.org>, "Andy Dillon (adillon@conwaymackenzie.com)" <adillon@conwaymackenzie.com>, "Anne Blankenhorn (ABlankenhorn@senate.michigan.gov)" <ABlackenhorn@senate.michigan.gov>, "Alan Mallach" <amallach@comcast.net>, "Allen Bass" <gabass@pobox.com>, "avanderberg@miottawa.org" <avanderberg@miottawa.org>, "Amanda Wright (amandawright529@gmail.com)" <amandawright529@gmail.com>, "Anne Marie Langan" <Anne@detroitmi.gov>, "fwd_schmid" <schmid@msu.edu>, "blarkin@flintandgenesee.org" <blarkin@flintandgenesee.org>, "Beyea, Wayne" <beyea@anr.msu.edu>, "Brian McGrain (mcgrain@cedam.info)" <mcgrain@cedam.info>, "Ballard, Charles" <ballard@msu.edu>, "Bernstein, Douglas [DBernstein@plunkettcooney.com]" <DBernstein@plunkettcooney.com>, "Bill Mathewson (wmathewson@mml.org)" <wmathewson@mml.org>, "Beecher, Janice" <beecher@msu.edu>, "Brent Hartzell (brentco2000@yahoo.com)" <brentco2000@yahoo.com>, "Bruce A Pietrykowski (bpie@umd.umich.edu)" <bpie@umd.umich.edu>, "bstibitz@michigan.gov" <bstibitz@michigan.gov>, "Chris DeRose (CDeRose@mersofmich.com)" <CDeRose@mersofmich.com>, "CKINNS@osc.state.ny.us" <CKINNS@osc.state.ny.us>, "Cudney, Patrick" <cudney@anr.msu.edu>, "Kyle, Cynthia"

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Subject: New reports on Flint and local government issued by MSU

Good Morning,

Please find attached some new reports from MSU regarding the Flint EM years (2011-2014) which is a follow-up to our 2011 report on Flint.

Find here the original Flint report:

https://www.cityofflint.com/wp-content/uploads/Reports/MSUE_FlintStudy2011.pdf

The second report documents the role of state government in the fiscal affairs of Local Government. In particular, you will note:

- Page 9, figure 4 that Michigan escalated its local tax limitations more than almost any state except Colorado
- Page 11, figure 5, Michigan is a stick state in regards to local aid
- Page 14, figure 6, MI is ranked as being high cost and high revenue pressure (meaning revenue restrictions) which is the worst of both worlds

Our research points to the fact that Michigan policies are a major part of the cause of local fiscal distress, not the only cause but a major contributing factor. This is the first time we are aware of being able to quantify this conventional wisdom and place it in the fifty state context.

Thank you

Eric

Beyond State Takeovers: Reconsidering the Role of State Government in Local Financial Distress, with Important Lessons for Michigan and Its Embattled Cities

MSU Extension White Paper

SUMMARY - 10/28/15

Overall Summary: The authors compare and contrast various methods for dealing with acute local financial distress, mostly focusing on the State of Michigan. They argue that States are largely to blame for creating these distresses, and that no model for addressing these problems would be universally effective. The audience of this White Paper is intended to be the Mott Foundation, recommendations (at the bottom) are intended specifically to help them craft their strategy for helping deal with this issue.

Michigan context: The authors have two main criticisms of the State of Michigan and the Emergency Manager Law:

1. The State of Michigan incubates municipal financial distress, and is largely to blame for them by:
 - Limiting local revenue collection, author argues that Michigan is more aggressive in its local tax limitations than most states (specifically citing the Headlee Amendment of 1978 and Proposal A of 1994)
 - Michigan provides a low level of financial assistance in state aid to its cities and towns, the author also argues that this is dangerous because it further entwines the municipalities' financial fates to the state (and the politics of the state legislature)
 - The State often imposes additional costs through local service burdens
 - The State increases the cost of labor (healthcare spending, level of retirement contributions etc.). Author argues that critical elements of employee benefits are structured by state laws, that in turn municipalities are forced to abide by, and pay for.
2. The state of Michigan's aggressive intervention policy does little to address the consequences of state imposed financial problems. Author claims that:
 - State assumes that mismanagement is the root cause of fiscal distress
 - State's emergency managers tend to only focus on cutting costs, because there is little they can do on the revenue side. Argues that EMs aren't as effective as their national peers because they lack bailout funding, or substantial tools to raise revenues.
 - State early financial intervention is likely to be less effective (than specifically North Carolina) because Michigan has 3X as many Cities to monitor

Author's recommendations:

- Create a state agency that coordinates services, offers technical support, and financial monitoring. Stresses that this should be more of a cooperative work environment.
- There is no single model for state intervention that Michigan can adopt from other states that would be more effective than the one currently in place
- Raise awareness among citizens that the state is also partially to blame for these financial issues

The Flint Fiscal Playbook: An Assessment of the Emergency Manager Years (2011-2015)

MSU Extension White Paper

SUMMARY - 10/28/15

Overall Summary: This is a case study of Flint, looking at the fiscal and economic trends that led to state takeover, a general history of the State's intervention in Flint, and a very limited analysis of that takeover. This article does paint the EMs role in Flint in a somewhat favorable way, but doesn't really make an overall point but merely to document the events that led up to, and included the State's takeover the Flint, and the EM orders that were established as a result.

Hudson, Deanna (TREASURY)

From: Cline, Richard (Treasury)
Sent: Wednesday, October 28, 2015 3:43 PM
To: Hudson, Deanna (TREASURY); Heimann, Alexandr (TREASURY)
Subject: FW: Materials for November 12th RTAB Meeting
Attachments: AP - City Council (October 12, 2015) FINAL.pdf; Summary Minutes - October 12, 2015 (FINAL) RTAB.pdf; AP - City Council (October 26, 2015) FINAL Amended.pdf; Summary Minutes - October 26, 2015 (FINAL) RTAB.pdf; Transmittal Memo 10-20-2015.pdf; City of Flint Budget to Actual Report 9-30-2015.pdf; City of Flint Cash and Investment Summary 9-30-2015.pdf

Deanna/Alex:

Attached is a packet from the City of Flint for the upcoming RTAB meeting.

I am not sure if this will be their only submission, however, it is a start.

For this packet, please begin to review the materials and note any thoughts, concerns, or items that need follow-up.

Be prepared to discuss your observations.

If you wish to discuss the "packet analysis" process, let me know.

Regards,

Eric Cline | Department Manager | State of Michigan
Michigan Department of Treasury | Local Government Financial Services Division | Fiscal Responsibility Section
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

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: Maxine Murray [<mailto:mmurray@cityofflint.com>]
Sent: Wednesday, October 28, 2015 3:36 PM
To: Cline, Richard (Treasury) <cliner1@michigan.gov>; Dempkowski, Angela (Treasury) <DempkowskiA@michigan.gov>
Cc: Natasha Henderson <nhenderson@cityofflint.com>; Sean Kammer <skammer@cityofflint.com>
Subject: Materials for November 12th RTAB Meeting

Good afternoon,

Please find attached materials for the RTAB meeting being held November 12, 2015.

Thank you.

--

Maxine Murray

Executive Assistant to
Mayor Dayne Walling
1101 S. Saginaw Street
Flint, MI 48502
810.237.2035 Telephone
810.766.7218 Fax

City of Flint, Michigan

*Third Floor, City Hall
1101 S. Saginaw Street
Flint, Michigan 48502
www.cityofflint.com*



Meeting Agenda - Final

Monday, October 12, 2015

6:00 PM

Council Chambers

CITY COUNCIL

*Joshua M. Freeman, President, Ward 4
Wantwaz D. Davis, Vice President, Ward 5*

*Eric Mays, Ward 1
Kerry Nelson, Ward 3
Monica Galloway, Ward 7*

*Jacqueline Poplar, Ward 2
Herbert J. Winfrey, Ward 6
Victoria VanBuren, Ward 8
Scott Kincaid, Ward 9*

Inez M. Brown, City Clerk

CALL TO ORDER**ROLL CALL****PLEDGE OF ALLEGIANCE****PRESENTATION OF COMMITTEE/COUNCIL MINUTES**

150873 Summary Minutes/Flint City Council/Regular Meeting/September 28, 2015

Summary Minutes of the Flint City Council regular meeting held Monday, September 28, 2015, at 6:01 p.m., in the City Council Chambers, 3rd Floor, City Hall.

PUBLIC HEARINGS

None

PUBLIC COMMENT

Per the amended Rules Governing Meetings of the Council (as adopted by the City Council on Monday, April 27, 2015), members of the public may address the Council for three (3) minutes on ANY ITEM PERTAINING TO THIS AGENDA.

PETITIONS AND UNOFFICIAL COMMUNICATIONS

None

COMMUNICATIONS FROM CITY OFFICIALS

150874 Traffic Engineering/Closure Permit

Short-Term Street/Lane Closure Permit dated October 7, 2015, re: Kearsley, Robert T. Longway, Horrigan, Court, and Crapo Streets on Saturday, October 10th (Making Strides Against Breast Cancer Walk).

ADDITIONAL COMMUNICATION**APPOINTMENTS****LICENSES****RESOLUTIONS**

NOTE: Resolution No. 150828.1 was referred to today's City Council agenda from the Wednesday, September 30th Planning & Development Committee meeting, while Nos. 150863 and 150864 were referred from the Wednesday, October 7th Finance & Administration Committee meeting.

150828.1 **Approval/Obsolete Property Rehabilitation District/Lapeer Road and Averill Avenue**

Resolution resolving that the legally described parcels of land situated within the City of Flint, Genesee County, and State of Michigan, be and are hereby established as an Obsolete Property Rehabilitation District (3501 Lapeer Road Area District) pursuant to the provision of the Public Act 146 of 2000, as amended. [NOTE: The district encompasses properties located at 3501 Lapeer Road, 3711 Lapeer Road and 1620 Averill Avenue.]

150863 **SAW Grant Agreement/City of Flint/Michigan Finance Authority (MFA)/Michigan Department of Environmental Quality (DEQ)/Strategic Water Quality Initiatives Grant Program**

Resolution resolving that the City Administrator, a position currently held by Natasha L. Henderson, is designated as the Authorized Representative for purposes of the SAW Grant Agreement, AND, the proposed form of the SAW Grant Agreement between the City of Flint, the MFA and the DEQ is hereby approved and the Authorized Representative is authorized and directed to execute the SAW Grant Agreement with such revisions as are permitted by law and agreed to by the Authorized Representative, AND, the City of Flint shall repay the Grant, within ninety (90) days of being informed to do so, with interest at a rate NOT-TO-EXCEED eight (8) percent per year, to the Authority, if the City of Flint is unable to, or decides not to, proceed with constructing the project or implementing the asset management program for which the funding is provided within three (3) years of the Grant award, AND, the Grant, if repayable, shall be a first budget obligation for the City of Flint and the City of Flint is required, if necessary, to levy ad valorem taxes on all taxable property in the City for the payment thereof, subject to applicable constitutional, statutory and local tax rate limitations, AND, the City of Flint shall not invest, reinvest or accumulate any moneys deemed to be Grant funds, nor shall it use Grant funds for the general local government administration activities or activities performed by municipal employees that are unrelated to the project, AND, the Authorized Representative is hereby jointly or severally authorized to take any actions necessary to comply with the requirements of the MFA and the DEQ in connection with the issuance of the Grant. The Authorized Representative is hereby jointly or severally authorized to execute and deliver such other contracts, certificates, documents, instruments, applications and other papers as may be required by the MFA or the DEQ or as may be otherwise necessary to effect the approval and delivery of the Grant, AND, the City of Flint acknowledges that the SAW Grant Agreement is a contract between the City, the MFA and the DEQ, AND, all resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are rescinded. [NOTE: Part 52 of the Natural Resources and Environmental Protection Act, as amended, provides that the MFA, in consultation with the DEQ, shall establish a strategic water quality initiatives grant program to provide grants to municipalities for sewage collection and treatment systems or storm water or non-point source pollution control. The City of Flint is requesting \$2,000,000.00 to establish an asset management plan.] [NOTE: Agreement is not attached.]

150864 Contract/City of Flint/County of Genesee/Flint Holding Facility Operation

Resolution resolving that the City Administrator authorizes the appropriate city officials to do all things necessary to enter into the attached agreement with Genesee County for operation of the Flint Holding Facility. [NOTE: The City of Flint Police Department includes a 110-person holding facility with the ability to hold detainees for up to 72 hours. The Genesee County Sheriff currently operates the holding facility. The city and the sheriff have agreed to the terms of a contract for the sheriff to continue operating the facility for a contract price NOT-TO-EXCEED \$2,764,275.00. The agreement is contingent on the city receiving funding from the State of Michigan to pay the full costs of the contract and the Sheriff receiving a continued waiver from the Michigan Department of Corrections.] [NOTE: Agreement is attached.]

RESOLUTIONS - MAY BE REFERRED FROM COTW**150865 Budget Amendments/FY2016 Budget of the City of Flint/General Fund/Drug Law Enforcement Fund/Public Improvement Fund**

Resolution resolving that the FY2016 Budget of the City of Flint is hereby amended to reflect the changes in the attached list of budget adjustments to the city's General, Drug Law Enforcement and Public Improvement Funds, dated October 7, 2015, AND, the Chief Financial Officer is authorized to do all things necessary to incorporate the attached changes into the (FY2016) Budget and to assign the appropriate account numbers. [NOTE: Budget adjustments are attached.] [City Administrator Submission No. CA0982015.]

150866 Budget Amendments/FY2016 Budget of the City of Flint/Water Fund/Sewer Fund

Resolution resolving that the FY2016 Budget of the City of Flint is hereby amended to reflect the changes in the attached list of budget adjustments to the city's Water and Sewer Funds, dated October 7, 2015, AND, the Chief Financial Officer is authorized to do all things necessary to incorporate the attached changes into the (FY2016) Budget and to assign the appropriate account numbers. [NOTE: Budget adjustments are attached.] [City Administrator Submission No. CA0992015.]

150872 Budget Amendment/Water and Sewer Budget/Switch Back to Detroit Water and Sewerage Department (DWSD) Water Supply

Resolution resolving that the Finance Department is authorized to process a budget amendment to the appropriate Water and Sewer funds to facilitate the switch back to the Detroit water system as soon as practicable, with specific revenue and expenditure line items to be provided by the Chief Financial Officer. [NOTE: The State of Michigan and C.S. Mott Foundation have committed \$6 million and \$4 million dollars respectively to assist the City with the cost of purchasing water from the Detroit Water and Sewerage Department (DWSD) and its successor, the Great Lakes Water Authority (GLWA), until the City is able to received water from the Karegnondi Water Authority (KWA). At

this time the KWA reports that construction is on schedule to be completed by June 30, 2015 [2016]. The City estimates the total cost to purchase water through DWSD will be \$12 million for nine months. The balance of \$2 million not covered by the pledges of State and Local resources is the responsibility of the City. A budget amendment is necessary to reflect both an increase in revenues for the receipt of \$10 million in assistance and \$2 million of budgeted Use of Fund Balance, and an increase in expenditures of \$12 million for the purchase of DWSD water supply.]

LIQUOR LICENSES

ORDINANCES - First Reading

ORDINANCES - Second Reading

PUBLIC SPEAKERS

Per the amended Rules Governing Meetings of the Council (as adopted by the City Council on Monday, April 27, 2015), members of the public may address the Council for three (3) minutes IN GENERAL.

COUNCIL DISCUSSION

ADJOURNMENT



City of Flint, Michigan

Summary Meeting Minutes For - Final

CITY COUNCIL

150873

Third Floor, City Hall
1101 S. Saginaw Street
Flint, Michigan 48502
www.cityofflint.com

Joshua M. Freeman, President, Ward 4
Wantwaz D. Davis, Vice President, Ward 5

Eric Mays, Ward 1 *Jacqueline Poplar, Ward 2*
Kerry Nelson, Ward 3 *Herbert J. Winfrey, Ward 6*
Monica Galloway, Ward 7 *Victoria VanBuren, Ward 8*
 Scott Kincaid, Ward 9

Inez M. Brown, City Clerk

Monday, September 28, 2015

6:01 PM

Council Chambers

SUMMARY FOR 10/12/2015 CITY COUNCIL AGENDA

150831 Summary Minutes/Flint City Council/Special Meeting/June 29, 2015

Summary Minutes of the Flint City Council Special City Council meeting held Monday, June 29, 2015, at 5:36 p.m., in the City Council Chambers, 3rd Floor, City Hall.

A motion was made by Councilperson Kincaid, seconded by Councilperson Winfrey, that this matter be Placed on File. The motion carried by the following vote:

Aye: 9 - Councilperson Poplar, Councilperson Nelson, Chairperson Freeman, Vice President Davis, Councilperson Winfrey, Councilperson Galloway, Councilperson VanBuren, Councilperson Kincaid and Councilperson Mays

150832 Summary Minutes/Flint City Council/Regular Meeting/August 10, 2015

Summary Minutes of the Flint City Council regular meeting held Monday, August 10, 2015, at 6:35 p.m., in the City Council Chambers, 3rd Floor, City Hall.

A motion was made by Councilperson Kincaid, seconded by Councilperson Winfrey, that this matter be Placed on File. The motion carried by the following vote:

Aye: 9 - Councilperson Poplar, Councilperson Nelson, Chairperson Freeman, Vice President Davis, Councilperson Winfrey, Councilperson Galloway, Councilperson VanBuren, Councilperson Kincaid and Councilperson Mays

150833 **Summary Minutes/Flint City Council/Special Meeting/August 11, 2015**

Summary Minutes of the Flint City Council Special City Council meeting held Tuesday, August 11, 2015, at 6:01 p.m., in the City Council Chambers, 3rd Floor, City Hall.

A motion was made by Councilperson Kincaid, seconded by Councilperson Winfrey, that this matter be Placed on File. The motion carried by the following vote:

Aye: 9 - Councilperson Poplar, Councilperson Nelson, Chairperson Freeman, Vice President Davis, Councilperson Winfrey, Councilperson Galloway, Councilperson VanBuren, Councilperson Kincaid and Councilperson Mays

150834 **Summary Minutes/Flint City Council/Regular Meeting/August 24, 2015**

Summary Minutes of the Flint City Council regular meeting held Monday, August 24, 2015, at 6:10 p.m., in the City Council Chambers, 3rd Floor, City Hall.

A motion was made by Councilperson Kincaid, seconded by Councilperson Winfrey, that this matter be Placed on File. The motion carried by the following vote:

Aye: 9 - Councilperson Poplar, Councilperson Nelson, Chairperson Freeman, Vice President Davis, Councilperson Winfrey, Councilperson Galloway, Councilperson VanBuren, Councilperson Kincaid and Councilperson Mays

150835 **Summary Minutes/Flint City Council/Regular Meeting/September 14, 2015**

Summary Minutes of the Flint City Council regular meeting held Monday, September 14, 2015, at 6:07 p.m., in the City Council Chambers, 3rd Floor, City Hall.

A motion was made by Councilperson Kincaid, seconded by Councilperson Winfrey, that this matter be Placed on File. The motion carried by the following vote:

Aye: 9 - Councilperson Poplar, Councilperson Nelson, Chairperson Freeman, Vice President Davis, Councilperson Winfrey, Councilperson Galloway, Councilperson VanBuren, Councilperson Kincaid and Councilperson Mays

150830 Ordinance/Chapter 50 (Zoning)/N. Grand Traverse, W. Fourth Avenue, Stone Street/Thomas Ayers, Kettering University/PC 15-292

An ordinance to amend Chapter 50 (Zoning) of the Code of the City of Flint as requested by Thomas Ayers, Kettering University (PC 15-292), for a zoning change for property fronting N. Grand Traverse, W. Fourth Avenue, and Stone Street, Parcels No. 40-12-456-003, 40-12-456-004, 40-12-456-005, 40-12-456-010, 40-12-456-011 and 40-12-456-012, from "B" Two Family Residential to "D-2" Neighborhood Business District. [Planning Commission recommends APPROVAL.]

The following individuals spoke during this public hearing:

1. Adam Gerics (Discouraged Council to vote on this ordinance)

This public hearing was CLOSED at 6:06 p.m.

HEARING HELD

Enactment No: 4070

150836 Proof of Service and Entire Tribunal Property Tax Petition/Michigan Tax Tribunal/DPH Environmental Response Trust v. City of Flint/MTT Docket No. 15-003166

Communication received August 17, 2015, 2015, re: Proof of Service and Entire Tribunal Property Tax Petition filed with the Michigan Tax Tribunal by DPH Environmental Response Trust regarding Parcels No. 41-09-101-005 and 41-09-126-009 as it relates to their valuation, and true cash and taxable values.

A motion was made by Councilperson Mays, seconded by Councilperson Galloway, that this matter be Placed on File. The motion carried by the following vote:

Aye: 9 - Councilperson Poplar, Councilperson Nelson, Chairperson Freeman, Vice President Davis, Councilperson Winfrey, Councilperson Galloway, Councilperson VanBuren, Councilperson Kincaid and Councilperson Mays

150837 Notice of Public Hearing/Michigan Public Service Commission [MPSC]

Notice of Public Hearing received September 11, 2015, re: Michigan Public Service Commission notice of hearing for the natural gas customers of Consumers Energy Company, Case No. U-17803, to be held September 16, 2015, at 10:00 a.m., MPSC, Lansing.

A motion was made by Councilperson Mays, seconded by Councilperson Galloway, that this matter be Placed on File. The motion carried by the following vote:

Aye: 9 - Councilperson Poplar, Councilperson Nelson, Chairperson Freeman, Vice President Davis, Councilperson Winfrey, Councilperson Galloway, Councilperson VanBuren, Councilperson Kincaid and Councilperson Mays

150838 Notice of Public Hearing/Michigan Public Service Commission [MPSC]

Notice of Public Hearing received September 11, 2015, re: Michigan Public Service Commission notice of hearing for the natural gas customers of Consumers Energy Company, Case No. U-17771, to be held September 17, 2015, at 9:00 a.m., MPSC, Lansing.

A motion was made by Councilperson Mays, seconded by Councilperson Galloway, that this matter be Placed on File. The motion carried by the following vote:

Aye: 9 - Councilperson Poplar, Councilperson Nelson, Chairperson Freeman, Vice President Davis, Councilperson Winfrey, Councilperson Galloway, Councilperson VanBuren, Councilperson Kincaid and Councilperson Mays

150839 Proof of Service and Petition/Michigan Tax Tribunal/John N. and Patricia Pavlis v. City of Flint/MTT Docket No. 15-005021

Communication dated September 16, 2015, re: Proof of Service and Petition filed with the Michigan Tax Tribunal by John N. and Patricia Pavlis regarding Parcel No. 41-18-160-009 as it relates to its true cash and taxable value.

A motion was made by Councilperson Mays, seconded by Councilperson Galloway, that this matter be Placed on File. The motion carried by the following vote:

Aye: 9 - Councilperson Poplar, Councilperson Nelson, Chairperson Freeman, Vice President Davis, Councilperson Winfrey, Councilperson Galloway, Councilperson VanBuren, Councilperson Kincaid and Councilperson Mays

150840 Meeting Notice/Karegnondi Water Authority (KWA)

Communication received September 18, 2015, re: A public notice for the KWA meeting scheduled for October 21, 2015, at 2:00 p.m., Genesee County Board of Commissioners, 1101 Beach Street, Flint, Michigan.

A motion was made by Councilperson Mays, seconded by Councilperson Galloway, that this matter be Placed on File. The motion carried by the following vote:

Aye: 9 - Councilperson Poplar, Councilperson Nelson, Chairperson Freeman, Vice President Davis, Councilperson Winfrey, Councilperson Galloway, Councilperson VanBuren, Councilperson Kincaid and Councilperson Mays

150841 Traffic Engineering/Closure Permit

Intermittent Sidewalk/Lane Closure Permit dated September 16, 2015, re: Harrison Street, western-most lane, from Union Street to the Flint River (building renovations).

A motion was made by Councilperson Mays, seconded by Councilperson Galloway, that this matter be Placed on File. The motion carried by the following vote:

Aye: 9 - Councilperson Poplar, Councilperson Nelson, Chairperson Freeman, Vice President Davis, Councilperson Winfrey, Councilperson Galloway, Councilperson VanBuren, Councilperson Kincaid and Councilperson Mays

150842 Reprogramming/Unspent HOME Investment Partnership Funds/Contracts/Flint NIPP/Habitat for Humanity/Purchase Rehab Resale/CHDO Operating

Resolution resolving that contracts with Genesee County Habitat for Humanity (\$250,000) for Purchase Rehab Resale to rehabilitate and re-sell a duplex, with Flint NIPP (\$150,000) for Purchase Rehab Resale to rehabilitate and re-sell up to two homes, and with Flint NIPP (\$20,000) to help conduct preliminary planning and feasibility work are approved and that the appropriate City Officials are hereby authorized to do all things necessary to reprogram HOME funds in the amount of \$420,000.00, and to process a budget amendment moving said funds to the appropriate Habitat for Humanity and Flint NIPP accounts.

This Matter was ADOPTED BY THE MASTER RESOLUTION on the Consent Agenda.

150843 Budget Amendment/USDA Forest Service Grant/Chevy-in-the-Hole

Resolution resolving that the appropriate City Officials are authorized to do all things necessary to process a budget amendment to appropriate funds under grant code FUSDA14CHEVY, Fund Number 296 and Department Number 690.391, in the amount of \$200,000.00.

This Matter was ADOPTED BY THE MASTER RESOLUTION on the Consent Agenda.

150844 Contract/Flint Community Schools/Police Liaison Officer Services

Resolution resolving the approval of a contract that shall be authorized and executed between the City of Flint and Flint Community Schools for Police Liaison Officer Services for the 2015-2016 school year, with Flint Community Schools financing 50% of the costs for wages, fringe benefits, pensions, supplies, and vehicles.

SEPARATED FROM MASTER RESOLUTION

150845 Budget Amendment/Planning and Development/CDBG Housing and Smith Village Housing/Economic Development Activities

Resolution resolving that the appropriate City Officials are authorized to do all things necessary to process a budget adjustment to move \$98,674.67 from 101 Fund Balance to the appropriate account, and to change existing encumbrances, and to make adjustments to any existing purchase orders that are affected by said changes, for the purpose of completing CDBG housing and Smith Village housing, and for unbudgeted economic development activities in the Community and Economic Development Division.

SEPARATED FROM MASTER RESOLUTION**150846 BS&A Software/Annual Service and Support**

Resolution resolving that the Mayor and City Administrator do all things necessary to remit payment to BS&A Software for the software and maintenance agreement for FY2016, as requested by the IS Division, in an amount NOT-TO-EXCEED \$244,607.25, for a revised four-year contract total of \$863,546.00.

This Matter was ADOPTED BY THE MASTER RESOLUTION on the Consent Agenda.

150847 Detroit Salt/Bulk Salt

Resolution resolving that the Finance Department is hereby authorized to issue a purchase order to Detroit Salt for bulk salt, as requested by Street Maintenance, in an amount NOT-TO-EXCEED \$300,000.00.

This Matter was ADOPTED BY THE MASTER RESOLUTION on the Consent Agenda.

150848 JAM Best One/Annual Supply of Tires

Resolution resolving that the Finance Department is hereby authorized to issue a purchase order to JAM Best One for the annual supply of tires, as requested by the Fleet Division, in an amount NOT-TO-EXCEED \$120,000.00.

This Matter was ADOPTED BY THE MASTER RESOLUTION on the Consent Agenda.

150849 Change Order/Contract/Du All Cleaning/Janitorial Services

Resolution resolving that the Finance Department is hereby authorized to CO#3 to the contract with Du All Cleaning for an additional year of janitorial services, as requested by the Department of Public Works, in an amount NOT-TO-EXCEED \$65,700.00, with an aggregate total spend of \$325,113.88 to said vendor.

This Matter was ADOPTED BY THE MASTER RESOLUTION on the Consent Agenda.

150850 East Jordan Iron Works/Hydrant, Grate and Manhole Covers

Resolution resolving that the Finance Department is hereby authorized to issue a purchase order to East Jordan Iron Works for hydrant, grate and manhole covers, as requested by the Water Service Center, in an amount NOT-TO-EXCEED \$180,000.00.

This Matter was ADOPTED BY THE MASTER RESOLUTION on the Consent Agenda.

150851 Etna Supply Company/Annual Supply of Water Distribution Pipe Stainless Steel Repair Clamps and Repair Parts

Resolution resolving that the Finance Department is hereby authorized to issue a purchase order to Etna Supply Company for the annual supply of water distribution pipe stainless steel repair clamps and repair parts, as requested by the Water Service Center, in an amount NOT-TO-EXCEED \$130,000.00.

This Matter was ADOPTED BY THE MASTER RESOLUTION on the Consent Agenda.

150852 Contract/Lake Agency, Inc./Excess Liability Insurance Coverage

Resolution resolving that the appropriate City Officials are authorized to enter into a contract with Lake Agency, Inc. to provide the City with excess liability coverage through the Princeton/Munich Re Insurance Company, as requested by the Finance Department, at a premium amount NOT-TO-EXCEED \$322,934.00.

This Matter was ADOPTED BY THE MASTER RESOLUTION on the Consent Agenda.

150853 Purchase Agreement/CSX Transportation, Inc./Property for the Grand Traverse Greenway Trail

Resolution resolving that the appropriate City Officials are hereby authorized to enter into an agreement with CSX Transportation, Inc. to purchase 42.72 acres of abandoned rail line for the Grand Traverse Greenway Trail, in an amount NOT-TO-EXCEED \$235,000.00, AND, resolving that the City of Flint may withdraw from this agreement at any time prior to closing on the property.

SEPARATED FROM MASTER RESOLUTION

150854 Contract/The Lake Agency/Excess Liability Insurance Coverage

Resolution resolving that the appropriate City Officials are authorized to enter into a contract with The Lake Agency to provide Property, Equipment Breakdown and Crime Insurance through Traveler's Insurance and Harford Steam Boiler, as requested by the Finance Department, in an amount NOT-TO-EXCEED \$144,311.00.

This Matter was ADOPTED BY THE MASTER RESOLUTION on the Consent Agenda.

150855 Relocation/Voting Precincts/November 3, 2015 General Election

Resolution resolving that the Flint City Council approves the relocation of voting precincts previously located at Carpenter Road Elementary School, Cummings Elementary School and Scott Elementary School to Greater Holy Temple Church of God in Christ, Eisenhower Elementary School and Grace Emmanuel Baptist Church, respectively, as requested by the Office of the City Clerk, effective with the November 3, 2015 General Election.

SEPARATED FROM MASTER RESOLUTION

150844 Contract/Flint Community Schools/Police Liaison Officer Services

Resolution resolving the approval of a contract that shall be authorized and executed between the City of Flint and Flint Community Schools for Police Liaison Officer Services for the 2015-2016 school year, with Flint Community Schools financing 50% of the costs for wages, fringe benefits, pensions, supplies, and vehicles.

A motion was made by Councilperson Kincaid, seconded by Councilperson Nelson, that this matter be Adopted. The motion carried by the following vote:

Aye: 9 - Councilperson Poplar, Councilperson Nelson, Chairperson Freeman, Vice President Davis, Councilperson Winfrey, Councilperson Galloway, Councilperson VanBuren, Councilperson Kincaid and Councilperson Mays

150845 Budget Amendment/Planning and Development/CDBG Housing and Smith Village Housing/Economic Development Activities

Resolution resolving that the appropriate City Officials are authorized to do all things necessary to process a budget adjustment to move \$98,674.67 from 101 Fund Balance to the appropriate account, and to change existing encumbrances, and to make adjustments to any existing purchase orders that are affected by said changes, for the purpose of completing CDBG housing and Smith Village housing, and for unbudgeted economic development activities in the Community and Economic Development Division.

A motion was made by Councilperson Kincaid, seconded by Councilperson Nelson, that this matter be Adopted. The motion carried by the following vote:

Aye: 9 - Councilperson Poplar, Councilperson Nelson, Chairperson Freeman, Vice President Davis, Councilperson Winfrey, Councilperson Galloway, Councilperson VanBuren, Councilperson Kincaid and Councilperson Mays

150853 Purchase Agreement/CSX Transportation, Inc./Property for the Grand Traverse Greenway Trail

Resolution resolving that the appropriate City Officials are hereby authorized to enter into an agreement with CSX Transportation, Inc. to purchase 42.72 acres of abandoned rail line for the Grand Traverse Greenway Trail, in an amount NOT-TO-EXCEED \$235,000.00, AND, resolving that the City of Flint may withdraw from this agreement at any time prior to closing on the property.

A motion was made by Councilperson Kincaid, seconded by Councilperson Nelson, that this matter be Adopted. The motion carried by the following vote:

Aye: 9 - Councilperson Poplar, Councilperson Nelson, Chairperson Freeman, Vice President Davis, Councilperson Winfrey, Councilperson Galloway, Councilperson VanBuren, Councilperson Kincaid and Councilperson Mays

150855 Relocation/Voting Precincts/November 3, 2015 General Election

Resolution resolving that the Flint City Council approves the relocation of voting precincts previously located at Carpenter Road Elementary School, Cummings Elementary School and Scott Elementary School to Greater Holy Temple Church of God in Christ, Eisenhower Elementary School and Grace Emmanuel Baptist Church, respectively, as requested by the Office of the City Clerk, effective with the November 3, 2015 General Election.

A motion was made by Councilperson Kincaid, seconded by Councilperson Nelson, that this matter be Adopted. The motion carried by the following vote:

Aye: 9 - Councilperson Poplar, Councilperson Nelson, Chairperson Freeman, Vice President Davis, Councilperson Winfrey, Councilperson Galloway, Councilperson VanBuren, Councilperson Kincaid and Councilperson Mays

150830

Ordinance/Chapter 50 (Zoning)/N. Grand Traverse, W. Fourth Avenue, Stone Street/Thomas Ayers, Kettering University/PC 15-292

An ordinance to amend Chapter 50 (Zoning) of the Code of the City of Flint as requested by Thomas Ayers, Kettering University (PC 15-292), for a zoning change for property fronting N. Grand Traverse, W. Fourth Avenue, and Stone Street, Parcels No. 40-12-456-003, 40-12-456-004, 40-12-456-005, 40-12-456-010, 40-12-456-011 and 40-12-456-012, from "B" Two Family Residential to "D-2" Neighborhood Business District. [Planning Commission recommends APPROVAL.]

A motion was made by Councilperson Kincaid, seconded by Councilperson Nelson, that this matter be PASSED. The motion carried by the following vote:

Aye: 5 - Councilperson Poplar, Councilperson Nelson, Chairperson Freeman, Councilperson VanBuren and Councilperson Kincaid

No: 4 - Vice President Davis, Councilperson Winfrey, Councilperson Galloway and Councilperson Mays

Enactment No: 4070

150828.1

Submission No.: CA0892015

Presented: 9/24/15

Adopted: _____

**Resolution Approving the Establishment of an
Obsolete Property Rehabilitation District**
(P.A. 146 of 2000, as amended - IMS Ice Arena Corp.)

BY THE CITY ADMINISTRATOR:

Pursuant to Act No. 146 of the Public Acts of 2000, the City of Flint has the authority to establish Obsolete Property Rehabilitation Act Districts within the physical boundaries of the City of Flint.

The owner of such property has filed a written request with the Clerk of the City of Flint requesting the establishment of an Obsolete Property Rehabilitation Act District on property located at 3501 Lapeer Road and legally described in Exhibit 1. The City of Flint has proposed to extend the requested district to include adjacent properties commonly known as 3711 Lapeer Road and 1620 Averill, and legally described in Exhibit 2.

The Flint City Council of the City of Flint sets forth a finding and determination that the district meets the requirements set forth in section 3(1) of Public Act 146 of 2000, as amended.

Written notice has been given by mail to all owners of real property located within the proposed district, and to the public by newspaper advertisement in the Flint Journal and/or public posting of the hearing on the establishment of the proposed district.

On October 12, 2015, a public hearing was held and all residents and taxpayers of the City of Flint were afforded an opportunity to be heard thereon.

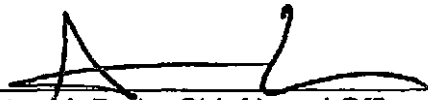
The Flint City Council deems it to be in the public interest of the City of Flint to establish the Obsolete Property Rehabilitation Act District as proposed.

It Is Resolved, by the Flint City Council that the legally described parcels of land situated within the City of Flint, Genesee County, and State of Michigan to wit:

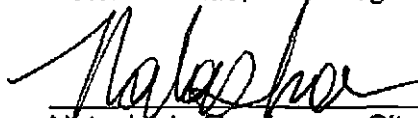
See attached Exhibits 1 and 2

be and are hereby established as an Obsolete Property Rehabilitation Act district (3501 Lapeer Road Area District) pursuant to the provision of the Public Acts of P.A. 146 of 2000, as amended.

APPROVED AS TO FORM:



Peter M. Bade, Chief Legal Officer



Natasha L. Henderson, City Administrator

CITY COUNCIL:

RECEIVERSHIP TRANSITION
ADVISORY BOARD:

Joshua Freeman, Council President

EXHIBIT 1

Lots 394 through 408, inclusive; also Lots 428 through 433, inclusive; also Lots 541 through 546, inclusive; also part of Lots 393, 423, 424, 425, 426, 427, 411, 410, 409, 462 and 540 of Evergreen Valley No. 3, according to the recorded plat thereof, as recorded in Liber 38 of Plats, Page 48, Genesee County Records and a contiguous unplatted part of the East 1/2 of Section 16, Town 7 North, Range 7 East, City of Flint, Genesee County, Michigan all described as follows: Beginning at a point in the centerline of Lapeer Road which is South 01 degrees 12 minutes 15 seconds East a distance of 494.46 feet and South 88 degrees 06 minutes 45 seconds West a distance of 1312.08 feet from the East 1/4 corner of said Section 16; thence continuing South 88 degrees 06 minutes 45 seconds West along said centerline, a distance of 1240.57 feet to the Easterly line of Averill Avenue and along said line extended Southerly, North 02 degrees 07 minutes 15 seconds West a distance of 53.0 feet and on a curve to the right, having a radius of 955.0 feet and a chord bearing and distance of North 12 degrees 22 minutes 45 seconds East a distance of 478.22 feet and North 26 degrees 52 minutes 45 seconds East a distance of 199.81 feet, and on a curve to the left having a radius of 1432.56 feet and a chord bearing and distance of North 19 degrees 30 minutes 22 seconds East a distance of 367.68 feet; thence North 78 degrees 02 minutes 30 seconds East a distance of 261.92 feet; thence North 80 degrees 48 minutes 36 seconds East a distance of 455.53 feet; thence South 89 degrees 59 minutes 22 seconds East a distance of 309.0 feet; thence South 01 degrees 24 minutes 52 seconds East a distance of 361.48 feet; thence South 44 degrees 24 minutes 08 seconds West a distance of 167.73 feet; thence South 01 degrees 46 minutes 12 seconds East a distance of 650.15 feet to the Place of Beginning. EXCEPT, a part of the East 1/2 of Section 16, Township 7 North, Range 7 East; thence commencing at the East 1/4 corner of Section 16; thence South 01 degrees 12 minutes 15 seconds East 494.46 feet along the East Section line and centerline of Center Road to the centerline of Lapeer Road; thence South 88 degrees 06 minutes 45 seconds West 1312.08 feet along the centerline of Lapeer Road; thence North 01 degrees 46 minutes 12 seconds West 650.15 feet for a point of beginning; thence continuing North 01 degrees 46 minutes 12 seconds West 481.41 feet to the Southerly right-of-way line of Interstate 69; thence South 89 degrees 59 minutes 45 seconds East 123.31 feet along the Southerly right-of-way line of Interstate 69; thence South 01 degrees 24 minutes 52 seconds East 361.45 feet; thence South 44 degrees 24 minutes 08 seconds West 167.73 feet to the Point of Beginning.

Exhibit 2

Legal descriptions

1602 S. Averill (Scott Elementary Schol)

Parcel Number: 41-16-201-002

UNPLATTED PART OF SEC 16, T7N, R7E. COM AT INT OF CENTER LINE OF LAPEER RD WITH N & S 1/4 LINE OF SD SEC; TH S 88 DEG 08 MIN W ALG SD CENTER LINE 40 FT; TH N 2 DEG 06 MIN 46 SEC W 50 FT FOR P.O.B.; TH N 2 DEG 06 MIN 46 SEC W, 3.0 FT; TH NLY ALG A TANG CURVE TO THE RIGHT HAVING A RADIUS OF 1035 FT, A DIST OF 523.86 FT; TH N 26 DEG 53 MIN 14 SEC E, 199.31 FT; TH NLY ALG A TANG CURVE TO THE LEFT HAVING A RADIUS OF 1352.5 FT, A DIST OF 554.36 FT; TH S 88 DEG 08 MIN W, 755.64 FT; TH S 2 DEG 06 MIN 46 SEC E, 1223.70 FT TO A PT 33 FT NLY FROM CENTER LINE OF LAPEER RD; TH N 88 DEG 08 MIN E ALG NLY LINE OF SD RD, 215.88 FT; TH N 2 DEG 06 MIN 46 SEC W, 17 FT; TH N 88 DEG 08 MIN E, 150 FT TO P.O.B. EXC THAT PART LYING NLY OF A LINE 103 FT SLY FROM & = WITH THE SURVEY LINE OF EASTBOUND ROADWAY OF HWY M-78 RELOCATED, EXC THAT PART NOW USED AS THE SLY ROW OF I-69 HIGHWAY (AMENDED 1/13/15).

3711 Lapeer Rd (Eastridge Commons except Target store):

UNPLATTED PART OF E 1/2 OF SECTION 16, T7N, R7E DESC AS: COM AT E 1/4 COR OF SD SEC; TH S 1 DEGREE 12' 15" E, 55.52 FT ALG E SEC LINE, C/L OF CENTER RD; TH S 89 DEGREES 35' 20" W, 50.00 FT TO W R.O.W. LINE OF CENTER RD FOR POB; TH S 1 DEG 12' 15" E, 390.23 FT ALG SD R.O.W. LINE TO N R.O.W. LINE OF LAPEER RD; TH S 88 DEG 06' 45" W, 1262.67 FT ALG SD R.O.W. LINE; TH N 1 DEG 46' 12" W, 589.07 FT; TH N 88 DEG 06' 45" E, 351.48 FT; TH S 1 DEG 53' 15" E, 10.00 FT; TH N 88 DEG 06' 45" E, 21.97 FT; TH S 1 DEG 53' 15" E, 28.02 FT; TH N 88 DEG 06' 45" E, 586.71 FT; TH S 2 DEG 14' 52" E, 153.00 FT; TH N 89 DEG 35' 20" E, 305.00 FT TO POB

PROJECT STAFF REVIEW FORM

To: Natasha Henderson, City Administrator
From: Janice Karcher, Flint & Genesee Chamber of Commerce
Date: August 25, 2015
Subject: Request for the creation of an Obsolete Property Rehabilitation District (OPRD), Dort Federal Event Center

Request to Create an Obsolete Property Rehabilitation District

Owners of the Dort Federal Event Center (formerly Perani Arena) plan to refurbish the arena in order to accommodate a new hockey team and additional community events. An estimated 28 jobs will result from the project. The increased commercial activity in the facility is expected to benefit neighboring businesses in the City.

Authorized by the State of Michigan Obsolete Property Rehabilitation Act (OPRA), a district has been requested by the owner to allow them to make future application for an OPRA certificate that supports reconstruction of portions of the building interior, freeway signage, and other amenities.

NOTE: The creation of an OPRD is the first step in the establishment of OPRA certificate for a specific property. Owners of property within the district must make application for an OPRA certificate and receive approval from the local jurisdiction in order to receive any benefit.

It is recommended that the City of Flint consider creating an OPRD with a larger footprint to include Scott Elementary to the west of the arena and the retail complex east of the arena. Both properties are underutilized and could benefit from tools that encourage redevelopment.

In anticipation of a request for OPRA certificate for Dort Federal Event Center, some estimates have been created to determine potential impact of the project on City of Flint revenues. See page 2 of this memo.

**Request for the creation of an Obsolete Property Rehabilitation District (OPRD),
Dort Federal Event Center**

Page 2

Estimate of impact on tax revenue (estimate only, for planning purposes)

In anticipation of a future application for OPRA status, the following details should be contemplated:

The property is currently listed on Flint tax rolls with a true cash value of \$2.2 million, despite the facility's age and decayed condition. The new owners purchased the building for \$500,000 in December, 2014, and filed a tax appeal to the State of Michigan in May, 2015 to request an adjustment in the assessed value of the property. It is expected that the true cash value of land and building will be adjusted to an amount closer to the \$500,000 paid.

Note: The building has been inspected and deemed obsolete, according to City Assessor Bill Fowler. Should an OPRA certificate be granted in the future, the taxable value of the building would be frozen for up to 12 years, obligating the owners to pay the property taxes at the current level and giving them relief on only the annual increase in assessed value over that period of time.

Below is an estimate of City of Flint tax revenue impact based on taxable values provided by City of Flint Assessor's Office.

Estimated Property Tax Revenue – estimated high and low

- o True cash value (purchase price) \$500,000*
- o Land \$150,000; Building \$350,000
- o Estimated annual tax \$16,740
- o Estimated City of Flint portion \$5,331

*If the owner's state tax appeal results in a true cash value higher than the \$500,000 purchase price, the property tax obligation will increase accordingly.

Income tax revenue

- o Estimated City of Flint income tax revenue 2016 -- \$3,640 per year

- 1 City of Flint, Flint Schools Current Non-Homestead Millage Rate is 66.9603 (per 1,000 of taxable value). This includes City property tax as follows: General Operating 7.5 mills, Capital Improvements 2.5 mills, and Voted Operating 9.1 mills.

150863

RESOLUTION NO.: CA0952015

PRESENTED: 9/30/15

ADOPTED: _____

RESOLUTION AUTHORIZING THE SAW GRANT AGREEMENT

BY THE CITY ADMINISTRATOR:

Part 52 (strategic water quality initiatives) of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended ("Part 52"), provides at MCL 324.5204e that the Michigan Finance Authority (the "MFA") in consultation with the Michigan Department of Environmental Quality (the "DEQ") shall establish a strategic water quality initiatives grant program; and

In accordance with the provisions of 2012 PA 511, that provides grants to municipalities for sewage collection and treatment systems or storm water or nonpoint source pollution control; and

In accordance with the provisions of 1985 PA 227, as amended, Part 52, and other applicable provisions of law, the MFA, the DEQ, and the City of Flint, as a grant recipient, shall enter into a grant agreement (the "SAW Grant Agreement") that requires the City of Flint to repay the grant under certain conditions as set forth in MCL 324.5204e, as amended; and

The City of Flint does hereby determine it necessary to (select one or more)
☒ establish an asset management plan, ☐ establish a stormwater management plan, ☐ establish a plan for wastewater/stormwater, ☐ establish a design of wastewater/stormwater, ☐ pursue innovative technology, or ☐ initiate construction activities (up to \$500,000 for disadvantaged community); and

It is the determination of the City of Flint that at this time, a grant in the aggregate principal amount not to exceed \$2,000,000 ("Grant") be requested from the MFA and the DEQ to pay for the above-mentioned undertaking(s); and

The City of Flint shall obtain this Grant by entering into the SAW Grant Agreement with the MFA and the DEQ.

BE IT RESOLVED THAT:

1. The City Administrator, a position currently held by Natasha L. Henderson, is designated as the Authorized Representative for purposes of the SAW Grant Agreement.

2. The proposed form of the SAW Grant Agreement between the City of Flint, the MFA and DEQ (attached Sample Grant Agreement) is hereby approved and the Authorized Representative is authorized and directed to execute the SAW Grant Agreement with such revisions as are permitted by law and agreed to by the Authorized Representative.

3. The City of Flint shall repay the Grant, within ninety (90) days of being informed to do so, with interest at a rate not to exceed eight (8) percent per year, to the Authority, if the City of Flint is unable to, or decides not to, proceed with constructing the project or implementing the asset management program for which the funding is provided within three (3) years of the Grant award

4. The Grant, if repayable, shall be a first budget obligation of the City of Flint, and the City of Flint is required, if necessary, to levy ad valorem taxes on all taxable property in the City for the payment thereof, subject to applicable constitutional, statutory and local tax rate limitations.

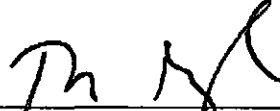
5. The City of Flint shall not invest, reinvest or accumulate any moneys deemed to be Grant funds, nor shall it use Grant funds for the general local government administration activities or activities performed by municipal employees that are unrelated to the project.

6. The Authorized Representative is hereby jointly or severally authorized to take any actions necessary to comply with the requirements of the MFA and the DEQ in connection with the issuance of the Grant. The Authorized Representative is hereby jointly or severally authorized to execute and deliver such other contracts, certificates, documents, instruments, applications and other papers as may be required by the MFA or the DEQ or as may be otherwise necessary to effect the approval and delivery of the Grant.

7. The City of Flint acknowledges that the SAW Grant Agreement is a contract between the City, the MFA and the DEQ.

8. All resolutions and parts of resolutions insofar as they conflict with the provisions of this Resolution are rescinded.

APPROVED AS TO FORM:



Peter M. Bade, City Attorney

FOR THE CITY OF FLINT:



Natasha L. Henderson, City Administrator

APPROVED AS TO FINANCE:



Jody N. Lundquist, Chief Financial Officer

APPROVED BY THE FLINT CITY COUNCIL:

150864

RESOLUTION NO.: CA0962015

PRESENTED: 10-2-15

ADOPTED: _____

**RESOLUTION AUTHORIZING AN AGREEMENT WITH GENESEE COUNTY FOR
OPERATION OF THE FLINT HOLDING FACILITY**

BY THE CITY ADMINISTRATOR:

The City of Flint Police Department includes a 110-person holding facility with the ability to hold detainees for up to 72 hours; and

The City desires to continue utilizing the holding facility and has sought funding from the State of Michigan to operate the facility; and

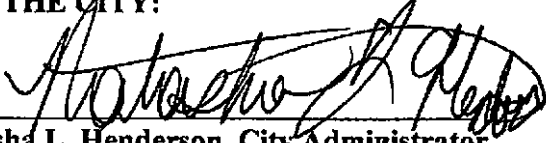
The Genesee County Sheriff currently operates the holding facility. The City and the Sheriff have agreed to the terms of a contract for the Sheriff to continue operating the facility. Pursuant to that agreement, the Sheriff will operate the Flint Holding Facility for a contract price not-to-exceed \$2,764,275.00; and

The agreement between the City and County is contingent on the City receiving funding from the State of Michigan to pay the full costs of the contract, and the Sheriff receiving a continued waiver from the Michigan Department of Corrections; and

It is the determination of the City that it is in its best interests to enter into a contract with the Sheriff to continue operating the holding facility.

IT IS RESOLVED that the City Administrator authorizes the appropriate City Officials to do all things necessary to enter into the attached agreement with Genesee County for operation of the Flint Holding Facility.

FOR THE CITY:

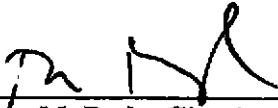


Natasha L. Henderson, City Administrator



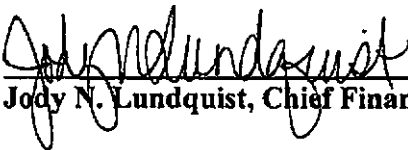
Dayne Walling, Mayor

APPROVED AS TO FORM:



Peter M. Bade, City Attorney

APPROVED AS TO FINANCE:



Jody N. Lundquist, Chief Financial Officer

APPROVED BY THE CITY COUNCIL:

**CITY OF FLINT AND GENESEE COUNTY
AGREEMENT FOR OPERATION OF FLINT HOLDING FACILITY
BY GENESEE COUNTY SHERIFF
FY2016-16**

This is an agreement between the City of Flint (hereinafter "City") and Genesee County (hereinafter "County") for operation of the Flint Police Department pre-arraignment holding facility (hereinafter "Holding Facility") by the Genesee County Sheriff (hereinafter "Sheriff") (together, the "Parties").

The Holding Facility is a 110 person pre-arraignment lodging facility located on the second floor of the City of Flint Police Department. The Sheriff shall operate the Holding Facility in accordance with the following terms and conditions:

1. **Applicable Law:** This contract shall be governed by and interpreted according to the laws of the State of Michigan pertaining to contracts made and to be performed in this state.
2. **Arbitration:** County agrees that for all claims, counterclaims, disputes, and other matters arising out of or relating to this agreement, County must request the City's consent to arbitrate within 30 days from the date the County knows or should have known the facts giving rise to the claim, dispute or question.
 - (a) Notice of a request for arbitration must be submitted to the City in writing by certified mail or personal service upon the City Attorney.
 - (b) Within 60 days from the date a request for arbitration is received by the City, the City shall inform County whether it agrees to arbitrate. If the City does not consent, County may proceed with an action in the appropriate court. If the City does consent, then within 30 days of the consent each party shall submit to the other the name of one person to serve as an arbitrator. The two arbitrators together shall then select a third person, the three together shall then serve as a panel in all proceedings. Any decision concurred in by a majority of the three shall be a final binding decision. The City's failure to respond to a timely, conforming request for arbitration is deemed consent to arbitration.
 - (c) The costs of the arbitration shall be split and borne equally between the parties and such costs are not subject to shifting by the arbitrator.
 - (d) The remedy for County's failure to comply with this provision is dismissal of the action.
3. **City Income Tax Withholding:** County and any subcontractor engaged in this contract shall withhold from each payment to its employees the City income tax on all of their compensation subject to tax, after giving effect to exemptions, as follows:
 - (a) Residents of the City: At a rate equal to 1% of all compensation paid to the employee who is a resident of the City of Flint.
 - (b) Non-residents: At a rate equal to 1/2% of the compensation paid to the employee for work done or services performed in the City of Flint.

These taxes shall be held in trust and paid over to the City of Flint in accordance with City ordinances and State law. Any failure to do so shall constitute a substantial and material breach of this contract.

4. **Compensation:** This agreement is contingent on certain conditions described below. In the event the City receives funding, the City shall pay for such services, as set forth herein, a contract price not to exceed \$2,764,275.00 for services as described in the original 3 and 6 page "Genesee County Sheriff's Office Flint City Lockup Proposals" and the attachment to this contract titled, "Genesee County Fund #899- City of Flint Lockup-Fiscal Year 2015/16," which governs pricing for this contract term, with the amounts stated in this document superseding any inconsistent amounts stated in the proposals. The contract price includes all anticipated costs of operating the facility including transport, meals, insurance, service fees, and personnel costs. In no event will County be entitled to a greater amount of payment than is set forth in this contract, nor will the County perform services or acquire equipment for which it will not be reimbursed. Other costs may include vacation payouts upon retirement for time accrued while assigned to the Holding Facility. County expressly recognizes that oral agreements by City officials to pay a greater amount are not binding.

The Parties agree that if the above contract price is not approved by the State, County will provide, and the City of Flint will accept, a revised budget and services based on the available funding.

- (1) County shall submit itemized invoices for all services provided under this Agreement identifying:
- (a) The date of service
 - (b) The name of person providing the service and a general description of the service provided.
 - (c) The unit rate and the total amount due.

Invoices shall be submitted to:

City of Flint
Accounts Payable
P.O. Box 246
Flint, MI 48501-0246

- (2) Invoices shall be paid by the City within forty-five (45) days of submission of a proper invoice.
- (3) It is solely within the discretion of the City as to whether County has provided a proper invoice. The City may require additional information or waive requirements as it sees fit.
- (4) If, during the period covered by this Agreement, an increase in salary, fringe benefits or other costs is implemented as a result of negotiation between the County and the collective bargaining organization (labor union) of the employees or as a result of rate increases, this Agreement shall be amended to include the increased cost of providing the services covered by this Agreement, and the City agrees to reimburse the County to the extent of the increased costs and available funding.

5. **Contingencies:** This agreement is contingent on the City receiving funding to pay the full costs of this contract from the State of Michigan for the Holding Facility, and the Sheriff receiving a continued waiver from the Michigan Department of Corrections regarding the standards applicable to the Holding Facility. Failure to obtain either contingency shall render this contract void.
6. **Contract Documents:** The invitation for bids, instructions to bidders, proposal, affidavit, addenda (if any), statement of bidder's qualifications (when required), general conditions, special conditions, performance bond, labor and material payment bond, insurance certificates, technical specifications, and drawings, together with this agreement, form the contract, and they are as fully a part of the contract as if attached hereto or repeated herein.
7. **Disclaimer of Contractual Relationship with Subcontractors:** Nothing contained in the Contract Documents shall create any contractual relationship between the City and any Subcontractor or Sub-subcontractor.
8. **Term:** The term of this contract is October 1, 2015 through September 30, 2016.
9. **Certification, Licensing, Debarment, Suspension and Other Responsibilities:** County warrants and certifies that County and/or any of its principals are properly certified and licensed to perform the duties required by this contract in accord with laws, rules, and regulations, and is not presently debarred, suspended, proposed for debarment or declared ineligible for the award of any Federal contracts by any Federal agency. County may not continue to or be compensated for any work performed during any time period where the debarment, suspension or ineligibility described above exists or may arise in the course of County contractual relationship with the City. Failure to comply with this section constitutes a material breach of this Contract. Should it be determined that County performed work under this contract while in non-compliance with this provision, County agrees to reimburse the City for any costs that the City must repay to any and all entities.
10. **Force Majeure:** Neither party shall be responsible for damages or delays caused by Force Majeure or other events beyond the control of the other party and which could not reasonably have been anticipated or prevented. For purposes of this Agreement, Force Majeure includes, but is not limited to, adverse weather conditions, floods, epidemics, war, riot, strikes, lockouts, and other industrial disturbances; unknown site conditions, accidents, sabotage, fire, and acts of God. Should Force Majeure occur, the parties shall mutually agree on the terms and conditions upon which the services may continue.
11. **Good Standing:** County must remain current and not be in default of any obligations due the City of Flint, including the payment of taxes, fines, penalties, licenses, or other monies due the City of Flint. Violations of this clause shall constitute a substantial and material breach of this contract. Such breach shall constitute good cause for the termination of this contract should the City of Flint decide to terminate on such basis.
12. **Liability:** Each party to this Agreement will remain responsible for any claims arising out of that party's performance of this Agreement, as provided for in this Agreement or by law. This Agreement is not intended to either increase or decrease either party's liability to, or immunity from, tort claims.

This Agreement is not intended to, nor will it be interpreted as giving, either party a right of indemnification either by contract or at law for claims arising out of the performance of this Agreement.

13. **Independent County:** No provision of this contract shall be construed as creating an employer-employee relationship. It is hereby expressly understood and agreed that County is an "independent contractor" as that phrase has been defined and interpreted by the courts of the State of Michigan and, as such, County is not entitled to any benefits not otherwise specified herein.
14. **Insurance/Worker's Compensation:** County shall provide evidence of having acquired the insurance within 10 days of the State appropriation of funding for this Contract. All coverage shall be obtained from insurance companies licensed and authorized to do business in the State of Michigan unless otherwise approved by the City's Risk Manager. Policies shall be reviewed by the City's Risk Manager for completeness and limits of coverage. All coverage shall be with insurance carriers acceptable to the City of Flint. County shall maintain the following insurance coverage for the duration of the contract.
 - (a) Commercial General Liability coverage of not less than \$11,000,000 combined single limit with the City of Flint, and including all elected and appointed officials, all employees and volunteers, all boards, commissions and/or authorities and their board members, employees and volunteers, named as "Additional Insureds." This coverage shall include: Bodily Injury, Personal Injury, Property Damage, Contractual Liability, Products and Completed Operations, Independent Contractors; Broad Form Commercial General Liability Endorsement, (XCU) Exclusions deleted and a per contract aggregate coverage. This coverage shall be primary to the Additional Insureds, and not contributing with any other insurance or similar protection available to the Additional Insureds, whether said other available coverage be primary, contributing, or excess.
 - (b) Workers Compensation Insurance in accordance with Michigan statutory requirements. The Parties agree that this coverage is included in the personnel costs in the Proposal.
 - (c) SIR Charges. It is understood that no County resources will be expended which are not reimbursed. County shall establish and maintain, and City shall pay into, an account to be utilized solely as the Self Insured Retention source of funding for settlements or payments on claims, including legal fees, arising from the Holding Facility. The contribution into this account agreed upon by the Parties for this term is \$50,000 to be invoiced and paid in the first billing cycle. County agrees to provide a quarterly accounting of this fund.

County shall furnish to City two certificates of insurance for all coverage requested with original endorsements for those policies requiring the Additional Insureds. All certificates of insurance must provide the City of Flint with not less than 30 days advance written notice in the event of cancellation, non-payment of premium, non-renewal, or any material change in policy coverage. County must provide, upon request, certified copies of all insurance policies. If any of the above policies are due to expire during the term of this contract, County shall deliver renewal certificates and copies of the new policies to the City of Flint at least ten days prior to the expiration date. County shall ensure that all subcontractors utilized obtain and maintain all insurance coverage required by this provision.

15. **Laws and Ordinances:** County shall obey and abide by all of the laws, rules and regulations of the Federal Government, the Constitution of the United States, State of Michigan, Genesee County and the City of Flint, applicable to the performance of this agreement, including, but not limited to, labor laws, and laws regulating or applying to public improvements.
16. **Modifications:** Any modifications to this contract must be in writing and signed by the parties or the authorized employee, officer, board or council representative of the parties authorized to make such contractual modifications under State law and local ordinances.
17. **Non-Assignability:** County shall not assign or transfer any interest in this contract without the prior written consent of the City provided, however, that claims for money due or to become due to County from the City under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the City.
18. **Non-Disclosure/Confidentiality:** County agrees that the documents identified herein as the contract documents are confidential information intended for the sole use of the City and that County will not disclose any such information, or in any other way make such documents public, without the express written approval of the City or the order of the court of appropriate jurisdiction or as required by the laws of the State of Michigan.
19. **Non-Discrimination:** County shall not discriminate against any employee or applicant for employment with respect to hiring or tenure; terms, conditions, or privileges of employment; or any matter directly or indirectly related to employment, because of race, color, creed, religion, ancestry, national origin, age, sex, height, weight, disability or other physical impairment, marital status, or status with respect to public assistance.
20. **No Third Party Beneficiaries:** There are no third party beneficiaries of this contract.
21. **Notices:** Notices to the City of Flint shall be deemed sufficient if in writing and mailed, postage prepaid, addressed to Flint City Attorney, City of Flint, 1101 S. Saginaw St., Flint, Michigan 48502 and Flint City Clerk, City of Flint, 1101 S. Saginaw Street, Flint, Michigan 48502, or to such other address as may be designated in writing by the City from time to time. Notices to County shall be deemed sufficient if in writing and mailed, postage prepaid, addressed to Genesee County Corporation Counsel, 1101 Beach St., Flint, MI 48502, or to such other address as may be designated in writing by County from time to time.
22. **Records Property of City:** All documents, information, reports and the like prepared or generated by County as a result of this contract shall be shared with the City of Flint at the City's request.
23. **Scope of Services:** County shall provide all of the personnel, materials, labor, equipment, supplies, machinery, tools, cleaning, superintendence, insurance and other accessories and services necessary to provide the service in accordance with the original 3 and 6 page proposals titled "Genesee County Sheriff's Office Flint City Lockup Proposal," the attachment to this agreement titled, "Genesee County Fund #899- City of Flint Lockup-Fiscal Year 2015/16," which governs pricing for this contract term, and the special conditions stated within this agreement. City will provide the physical space as well as all utilities and general maintenance of the space. If there is any inconsistency between the

proposal and the conditions stated in this document or in the other attachments to this document, the terms of the proposal are superseded to the extent of such inconsistency.

County shall perform the work in accordance with the General Conditions and any Special Conditions provided for in this contract and warrants to the City that all materials and equipment furnished under this contract will be new unless otherwise specified, and that all work will be of good quality, free from faults and defects and in conformance with the contract documents.

24. Special Conditions: The following special conditions shall supersede any and all inconsistent provisions:

(a) Detainee Booking – Detainees will be booked at the Holding Facility. Sheriff agrees that he formally takes custody and control over the detainee when the detainee is presented for booking and detainee remains in his custody and control until release. Detainees will be booked using the City's Live Scan equipment. Sheriff shall be solely responsible for supervision and care of detainees while they are under his custody and control. The County's Jail Admission Policy shall govern when the Holding Facility reaches 100 detainees.

(b) Jail Policy and Procedures –The County and the Sheriff agree that all detainees will be accepted for holding in the Holding Facility as provided for in this Agreement. Failure to accept detainees as provided by this agreement, except when the population is over 100 as provided in section 24 (a) above, is a material breach of this Agreement and is cause for termination of this Agreement with 30 days written notice. County agrees that, for the duration of the Sheriff's administration of the Holding Facility, the County is legally responsible for costs and damages that may result from incidents related to the provision of these services occurring within the Facility.

(c) Healthcare – The Sheriff is responsible for determining whether a detainee needs healthcare, including mental or physical care. If a detainee who does not meet the County's Jail Admission Policy needs healthcare, the Sheriff or his designee will immediately seek consent from an authorized City representative, as designated by the Flint Police Department, to release the detainee from custody. If the City consents, the Sheriff will transport detainee to a health care provider. Upon delivery of the detainee to the provider, the detainee will be discharged from custody. The City is not liable for health care costs for detainees if it has consented to their release from custody.

If a detainee who meets the County's Jail Admission Policy needs healthcare, the Sheriff or his designee will immediately seek consent from an authorized City representative, as designated by the Flint Police Department, to transport the detainee to a health care provider. If the City consents, the Sheriff will transport detainee to a health care provider and ensure proper personnel from the county jail are there to receive custody of the detainee. Upon delivery of the detainee to the provider, the detainee will be discharged from custody of the Holding Facility and transferred to the custody of the Sheriff. The City is not liable for health care costs for detainees if it has consented to their release from custody.

(d) Use of Holding Facility – Any person arrested on an original charge within the City may be lodged at the Holding Facility regardless of agency making the arrest.

Any person arrested within the City on an outstanding warrant from the 67th District Court district or the Seventh Circuit Court may be lodged in the Holding Facility regardless of agency making the arrest.

Any person arrested on a warrant from the 68th District Court district or, upon consolidation, the 5th Division of the 67th District Court may be lodged in the holding facility regardless of the location of arrest or agency making the arrest.

Any person arrested within the County, not within the City limits, on an outstanding warrant from the 67th District Court district or the Seventh Circuit Court may be lodged in the Holding Facility, unless the person is arrested on a charge that otherwise meets the County's Jail Admission Policy, in which case the arrested person shall be lodged in the County Jail. This paragraph applies unless the County Jail is under a County Jail Overcrowding State of Emergency described in Public Act 352 of 1982, as amended, that is beyond 14 days as described in MCL 801.56.

Any person arrested in the City on a warrant(s) issued from a jurisdiction other than those listed above may be lodged at the Holding Facility, provided that the warrant holding agency confirms the validity of the warrant and commits to picking up the detainee within 24 hours.

(e) Performance Objectives – City and County will develop financial and performance objectives. The objectives shall include, but will not be limited to, determining how many detainees were lodged in the jail who did not meet the County Jail Admission Policy; how many detainees were arraigned; and the reported crime as compared to the period preceding the operation of the Holding Facility. The metrics will be reviewed every 6 months. After review, if necessary, the terms of this contract will be revised so as to facilitate satisfaction of the agreed upon benchmarks.

(f) Organization Chart – City and County will develop and continuously update an organization chart which will set forth all corrections staff employees and their positions. In no event will the total number of employees assigned to the Holding Facility fall below the number provided in the Proposals.

(g) Detainee Reimbursement – County may seek reimbursement from detainees as allowed by law. The total price of the contract will be reduced by the amount recovered.

(h) Meeting/Reporting - The City and County will designate representatives of the Sheriff and Flint Police Departments to confer as needed, but no less than a weekly basis, to ensure the safe and efficient operation of the Holding Facility, as well as compliance with the terms of this Agreement. The Sheriff will provide the Flint Police Department with access to operational data and regularly report on the operation of the Holding Facility.

(i) Collect Calling Service - The City may offer detainees collect calling service, including but not limited to installation of phones in the Holding Facility, and the City will recover all revenue generated. The County assumes no responsibility for this service or its maintenance.

(j) Monitoring System - The County will continue to maintain the previously installed video monitoring system in the facility.

25. **Severability:** In the event that any provision contained herein shall be determined by a court or administrative tribunal to be contrary to a provision of state or federal law or to be unenforceable for any reason, then, to the extent necessary and possible to render the remainder of this Agreement enforceable, such provision may be modified or severed by such court or administrative tribunal so as to, as nearly as possible, carry out the intention of the parties hereto, considering the purpose of the entire Agreement in relation to such provision. The invalidation of one or more terms of this contract shall not affect the validity of the remaining terms.
26. **Standards of Performance:** County agrees to exercise independent judgment and to perform its duties under this contract in accordance with sound professional practices. The City is relying upon the professional reputation, experience, certification, and ability of County. County agrees that all of the obligations required by it under this Contract shall be performed by the County and its employees and working under County direction and control.
27. **Subcontracting:** No subcontract work, if permitted by the City, shall be started prior to the written approval of the subcontractor by the City. The City reserves the right to accept or reject any subcontractor.
28. **Termination:** Either party may terminate this contract upon giving written notice 2 months in advance. The contract will be automatically terminated should the State of Michigan not provide funds to operate the Holding Facility. The City will immediately notify the County if it learns that the State will not renew funding for the Holding Facility for the purpose of implementing an organized transition or shut down of the Facility.
29. **Time of Performance:** County's services shall commence immediately upon receipt of the notice to proceed and shall be carried out forthwith and without reasonable delay.
30. **Waiver:** Failure of the any of the Parties to insist upon strict compliance with any of the terms, covenants, or conditions of this Agreement shall not be deemed a waiver of any term, covenant, or condition. Any waiver or relinquishment of any right or power hereunder at any one or more times shall not be deemed a waiver or relinquishment of that right or power at any other time.
31. **Whole Agreement:** This written agreement and the documents cited herein embody the entire agreement between the parties. Any additions, deletions or modifications hereto must be in writing and signed by both parties.

SIGNATURE PAGE FOLLOWS

HOLDING FACILITY CONTRACT 2015-16
SIGNATURE PAGE

COUNTY OF GENESEE:

Jamie W. Curtis, Chairperson
Genesee County Board of Commissioners

Date

Robert J. Pickell, Sheriff

Date

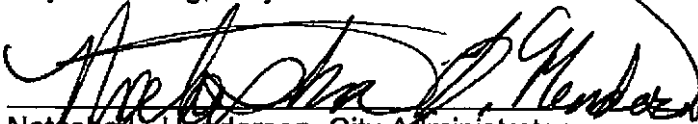
CITY OF FLINT, a Michigan Municipal Corp.:



Dayne Walling, Mayor

10/5/15

Date

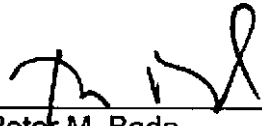


Natasha L. Henderson, City Administrator

10-2-2015

Date

APPROVED AS TO FORM:



Peter M. Bade
Chief Legal Officer

Date

Celeste D. Bell
Chief Assistant Prosecuting Attorney-Civil Division

Date

Genesee County
Fun # 899 - City of Flint Lockup - Fiscal Year Ending September 30, 2016

	2015/2016 BUDGET
<u>Expenditures</u>	
<u>Personnel:</u>	
Straight Time	1,186,702
Overtime	134,258
Overtime Holiday Pay	32,777
Shift Premium	52,668
Longevity	42,267
Court Time	4,575
Total Salary	<u>1,453,247</u>
Social Security	110,694
Health Care-Current	227,624
Optical	2,551
Dental	24,642
Life	17,857
Retirement	409,123
Workers Comp.	45,993
Unemployment	1,455
Health Care-Retirement	238,805
Total Fringes	<u>1,078,744</u>
Total Personnel	2,531,991
 <u>Other:</u>	
Laundry - Robes/Uniforms	2,487
Supplies-Food	27,309
Supplies-Uniforms	1,218
Supplies-Other	17,373
Supplies-Inmate clothing	6,631
Repair Equipment	302
Internet Provider Charges	1,668
Liability Insurance	57,195
Motor Pool Charges	1,101
SIR Charges	50,000
Controller Services	67,000
Total Other	<u>232,284</u>
Total Expenditures	<u><u>2,764,275</u></u>

10/02/2015

REVENUE AND EXPENDITURE REPORT FOR CITY OF FLINT
PERIOD ENDING 10/31/2015

GL NUMBER	DESCRIPTION	2015-16 ORIGINAL BUDGET	2015-16 AMENDED BUDGET	YTD BALANCE 10/31/2015	NENCUMBERED BALANCE
Fund 101 - General Fund					
Dept 302.205-Pol Admin - City Lock up					
101-302.205-539.000	State Grants	2,554,329.00	2,835,843.07	431,022.21	2,404,820.86
101-302.205-801.000	Professional Service	2,424,329.00	2,725,843.07	431,022.21	2,294,820.86
101-302.205-977.000	Equipment	110,000.00	110,000.00	0.00	110,000.00
Net - Dept 302.205-Pol Admin - City Lock up		20,000.00	0.00	0.00	0.00
Fund 101 - General Fund:					
TOTAL REVENUES		2,554,329.00	2,835,843.07	431,022.21	2,404,820.86
TOTAL EXPENDITURES		2,534,329.00	2,835,843.07	431,022.21	2,404,820.86
NET OF REVENUES & EXPENDITURES		20,000.00	0.00	0.00	0.00
TOTAL REVENUES - ALL FUNDS		2,554,329.00	2,835,843.07	431,022.21	2,404,820.86
TOTAL EXPENDITURES - ALL FUNDS		2,534,329.00	2,835,843.07	431,022.21	2,404,820.86
NET OF REVENUES & EXPENDITURES		20,000.00	0.00	0.00	0.00

City of Flint, Michigan

*Third Floor, City Hall
1101 S. Saginaw Street
Flint, Michigan 48502
www.cityofflint.com*



Meeting Minutes 2 - Final

Monday, October 12, 2015

6:20 PM

RTAB SUMMARY

Council Chambers

CITY COUNCIL

*Joshua M. Freeman, President, Ward 4
Wantwaz D. Davis, Vice President, Ward 5*

*Eric Mays, Ward 1
Kerry Nelson, Ward 3
Monica Galloway, Ward 7*

*Jacqueline Poplar, Ward 2
Herbert J. Winfrey, Ward 6
Victoria VanBuren, Ward 8
Scott Kincaid , Ward 9*

Inez M . Brown, City Clerk

ROLL CALL

Present: Councilperson: Councilperson Poplar, Councilperson Nelson, Freeman, Davis, Councilperson Galloway, Councilperson VanBuren, Councilperson Kincaid and Councilperson Mays

Absent: Councilperson: Councilperson Winfrey

ROLL CALL

Councilperson Davis left the Council Chambers at 7:25 p.m.

Present: Councilperson: Councilperson Poplar, Councilperson Nelson, Freeman, Councilperson Galloway, Councilperson VanBuren, Councilperson Kincaid and Councilperson Mays

Absent: Councilperson: Davis and Councilperson Winfrey

RESOLUTIONS

150828.1 Approval/Obsolete Property Rehabilitation District/Lapeer Road and Averill Avenue

Resolution resolving that the legally described parcels of land situated within the City of Flint, Genesee County, and State of Michigan, be and are hereby established as an Obsolete Property Rehabilitation District (3501 Lapeer Road Area District) pursuant to the provision of the Public Act 146 of 2000, as amended. [NOTE: The district encompasses properties located at 3501 Lapeer Road, 3711 Lapeer Road and 1620 Averill Avenue.]

This Matter was ADOPTED BY THE MASTER RESOLUTION on the Consent Agenda.

150863 SAW Grant Agreement/City of Flint/Michigan Finance Authority (MFA)/Michigan Department of Environmental Quality (DEQ)/Strategic Water Quality Initiatives Grant Program

Resolution resolving that the City Administrator, a position currently held by Natasha L. Henderson, is designated as the Authorized Representative for purposes of the SAW Grant Agreement, AND, the proposed form of the SAW Grant Agreement between the City of Flint, the MFA and the DEQ is hereby approved and the Authorized Representative is authorized and directed to execute the SAW Grant Agreement with such revisions as are permitted by law and agreed to by the Authorized Representative, AND, the City of Flint shall repay the Grant, within ninety (90) days of being informed to do so, with interest at a rate NOT-TO-EXCEED eight (8) percent per year, to the Authority, if the City of Flint is unable to, or decides not to, proceed with constructing the project or implementing the asset management program for which the funding is provided within three (3) years of the Grant award, AND, the Grant, if repayable, shall be a first budget obligation for the City of Flint and the City of Flint is required, if necessary, to levy ad valorem taxes on all taxable property in the City for the payment thereof, subject to applicable constitutional, statutory and local tax rate limitations, AND, the City of Flint shall not invest, reinvest or

accumulate any moneys deemed to be Grant funds, nor shall it use Grant funds for the general local government administration activities or activities performed by municipal employees that are unrelated to the project, AND, the Authorized Representative is hereby jointly or severally authorized to take any actions necessary to comply with the requirements of the MFA and the DEQ in connection with the issuance of the Grant. The Authorized Representative is hereby jointly or severally authorized to execute and deliver such other contracts, certificates, documents, instruments, applications and other papers as may be required by the MFA or the DEQ or as may be otherwise necessary to effect the approval and delivery of the Grant, AND, the City of Flint acknowledges that the SAW Grant Agreement is a contract between the City, the MFA and the DEQ, AND, all resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are rescinded. [NOTE: Part 52 of the Natural Resources and Environmental Protection Act, as amended, provides that the MFA, in consultation with the DEQ, shall establish a strategic water quality initiatives grant program to provide grants to municipalities for sewage collection and treatment systems or storm water or non-point source pollution control. The City of Flint is requesting \$2,000,000.00 to establish an asset management plan.] [NOTE: Agreement is not attached.]

This Matter was ADOPTED BY THE MASTER RESOLUTION on the Consent Agenda.

150864 Contract/City of Flint/County of Genesee/Flint Holding Facility Operation

Resolution resolving that the City Administrator authorizes the appropriate city officials to do all things necessary to enter into the attached agreement with Genesee County for operation of the Flint Holding Facility. [NOTE: The City of Flint Police Department includes a 110-person holding facility with the ability to hold detainees for up to 72 hours. The Genesee County Sheriff currently operates the holding facility. The city and the sheriff have agreed to the terms of a contract for the sheriff to continue operating the facility for a contract price NOT-TO-EXCEED \$2,764,275.00. The agreement is contingent on the city receiving funding from the State of Michigan to pay the full costs of the contract and the Sheriff receiving a continued waiver from the Michigan Department of Corrections.] [NOTE: Agreement is attached.]

This Matter was ADOPTED BY THE MASTER RESOLUTION on the Consent Agenda.

Passed The Consent Agenda

A motion was made by Councilperson Kincaid, seconded by Councilperson Nelson, including all the preceding items marked as having been adopted on a Consent Agenda. The motion carried by the following vote:

Aye: 7 - Councilperson Poplar, Councilperson Nelson, Chairperson Freeman, Councilperson Galloway, Councilperson VanBuren, Councilperson Kincaid and Councilperson Mays

Absent: 2 - Vice President Davis and Councilperson Winfrey

RESOLUTIONS - MAY BE REFERRED FROM COTW

- 150865** Budget Amendments/FY2016 Budget of the City of Flint/General Fund/Drug Law Enforcement Fund/Public Improvement Fund

Resolution resolving that the FY2016 Budget of the City of Flint is hereby amended to reflect the changes in the attached list of budget adjustments to the city's General, Drug Law Enforcement and Public Improvement Funds, dated October 7, 2015, AND, the Chief Financial Officer is authorized to do all things necessary to incorporate the attached changes into the (FY2016) Budget and to assign the appropriate account numbers. [NOTE: Budget adjustments are attached.] [City Administrator Submission No. CA0982015.]

SEPARATED FROM MASTER RESOLUTION

- 150866** Budget Amendments/FY2016 Budget of the City of Flint/Water Fund/Sewer Fund

Resolution resolving that the FY2016 Budget of the City of Flint is hereby amended to reflect the changes in the attached list of budget adjustments to the city's Water and Sewer Funds, dated October 7, 2015, AND, the Chief Financial Officer is authorized to do all things necessary to incorporate the attached changes into the (FY2016) Budget and to assign the appropriate account numbers. [NOTE: Budget adjustments are attached.] [City Administrator Submission No. CA0992015.]

SEPARATED FROM MASTER RESOLUTION

- 150872** Budget Amendment/Water and Sewer Budget/Switch Back to Detroit Water and Sewerage Department (DWSD) Water Supply

Resolution resolving that the Finance Department is authorized to process a budget amendment to the appropriate Water and Sewer funds to facilitate the switch back to the Detroit water system as soon as practicable, with specific revenue and expenditure line items to be provided by the Chief Financial Officer. [NOTE: The State of Michigan and C.S. Mott Foundation have committed \$6 million and \$4 million dollars respectively to assist the City with the cost of purchasing water from the Detroit Water and Sewerage Department (DWSD) and its successor, the Great Lakes Water Authority (GLWA), until the City is able to received water from the Karegnondi Water Authority (KWA). At this time the KWA reports that construction is on schedule to be completed by June 30, 2015 [2016]. The City estimates the total cost to purchase water through DWSD will be \$12 million for nine months. The balance of \$2 million not covered by the pledges of State and Local resources is the responsibility of the City. A budget amendment is necessary to reflect both an increase in revenues for the receipt of \$10 million in assistance and \$2 million of budgeted Use of Fund Balance, and an increase in expenditures of \$12 million for the purchase of DWSD water supply.]

SEPARATED FROM MASTER RESOLUTION

- 150875** Authorization/Agreements/City Administrator/Conversion to Detroit Water

System

Resolution resolving that the City Administrator is authorized to enter into agreements with the Detroit Water and Sewerage Department (DWSD) and Genesee County Drain Commission (GCDC) for conversion to the Detroit Water System.

SEPARATED FROM MASTER RESOLUTION**150876 Establishment/Indigenous Peoples Day**

Resolution resolving that the City of Flint shall recognize Indigenous Peoples Day on the second Monday in October and use it to reflect upon the invaluable contributions made by Indigenous Peoples to our community.

SEPARATED FROM MASTER RESOLUTION**SEPARATED FROM MASTER RESOLUTION****150865 Budget Amendments/FY2016 Budget of the City of Flint/General Fund/Drug Law Enforcement Fund/Public Improvement Fund**

Resolution resolving that the FY2016 Budget of the City of Flint is hereby amended to reflect the changes in the attached list of budget adjustments to the city's General, Drug Law Enforcement and Public Improvement Funds, dated October 7, 2015, AND, the Chief Financial Officer is authorized to do all things necessary to incorporate the attached changes into the (FY2016) Budget and to assign the appropriate account numbers. [NOTE: Budget adjustments are attached.] [City Administrator Submission No. CA0982015.]

A motion was made by Councilperson Kincaid, seconded by Councilperson Nelson, that this matter be Adopted. The motion carried by the following vote:

Aye: 7 - Councilperson Poplar, Councilperson Nelson, Chairperson Freeman, Councilperson Galloway, Councilperson VanBuren, Councilperson Kincaid and Councilperson Mays

Absent: 2 - Vice President Davis and Councilperson Winfrey

ROLL CALL

Councilperson Davis returned to the Council Chamber at 7:29 p.m.

Present: Councilperson: Councilperson Poplar, Councilperson Nelson, Freeman, Davis, Councilperson Galloway, Councilperson VanBuren, Councilperson Kincaid and Councilperson Mays

Absent: Councilperson: Councilperson Winfrey

150866 Budget Amendments/FY2016 Budget of the City of Flint/Water Fund/Sewer Fund

Resolution resolving that the FY2016 Budget of the City of Flint is hereby amended to reflect the changes in the attached list of budget adjustments to

the city's Water and Sewer Funds, dated October 7, 2015, AND, the Chief Financial Officer is authorized to do all things necessary to incorporate the attached changes into the (FY2016) Budget and to assign the appropriate account numbers. [NOTE: Budget adjustments are attached.] [City Administrator Submission No. CA0992015.]

A motion was made by Councilperson Kincaid, seconded by Councilperson Nelson, that this matter be Adopted. The motion carried by the following vote:

Aye: 8 - Councilperson Poplar, Councilperson Nelson, Chairperson Freeman, Vice President Davis, Councilperson Galloway, Councilperson VanBuren, Councilperson Kincaid and Councilperson Mays

Absent: 1 - Councilperson Winfrey

150872

Budget Amendment/Water and Sewer Budget/Switch Back to Detroit Water and Sewerage Department (DWSD) Water Supply

Resolution resolving that the Finance Department is authorized to process a budget amendment to the appropriate Water and Sewer funds to facilitate the switch back to the Detroit water system as soon as practicable, with specific revenue and expenditure line items to be provided by the Chief Financial Officer. [NOTE: The State of Michigan and C.S. Mott Foundation have committed \$6 million and \$4 million dollars respectively to assist the City with the cost of purchasing water from the Detroit Water and Sewerage Department (DWSD) and its successor, the Great Lakes Water Authority (GLWA), until the City is able to received water from the Karegnondi Water Authority (KWA). At this time the KWA reports that construction is on schedule to be completed by June 30, 2015 [2016]. The City estimates the total cost to purchase water through DWSD will be \$12 million for nine months. The balance of \$2 million not covered by the pledges of State and Local resources is the responsibility of the City. A budget amendment is necessary to reflect both an increase in revenues for the receipt of \$10 million in assistance and \$2 million of budgeted Use of Fund Balance, and an increase in expenditures of \$12 million for the purchase of DWSD water supply.]

A motion was made by Councilperson Kincaid, seconded by Councilperson Nelson, that this matter be Adopted. The motion carried by the following vote:

Aye: 8 - Councilperson Poplar, Councilperson Nelson, Chairperson Freeman, Vice President Davis, Councilperson Galloway, Councilperson VanBuren, Councilperson Kincaid and Councilperson Mays

Absent: 1 - Councilperson Winfrey

150875

Authorization/Agreements/City Administrator/Conversion to Detroit Water System

Resolution resolving that the City Administrator is authorized to enter into agreements with the Detroit Water and Sewerage Department (DWSD) and Genesee County Drain Commission (GCDC) for conversion to the Detroit Water System.

A motion was made by Councilperson Kincaid, seconded by Councilperson Nelson, that this matter be Adopted. The motion carried by the following vote:

Aye: 8 - Councilperson Poplar, Councilperson Nelson, Chairperson Freeman, Vice President Davis, Councilperson Galloway, Councilperson VanBuren, Councilperson Kincaid and Councilperson Mays

Absent: 1 - Councilperson Winfrey

150876 Establishment/Indigenous Peoples Day

Resolution resolving that the City of Flint shall recognize Indigenous Peoples Day on the second Monday in October and use it to reflect upon the invaluable contributions made by Indigenous Peoples to our community.

A motion was made by Councilperson Kincaid, seconded by Councilperson Nelson, that this matter be Adopted. The motion carried by the following vote:

Aye: 8 - Councilperson Poplar, Councilperson Nelson, Chairperson Freeman, Vice President Davis, Councilperson Galloway, Councilperson VanBuren, Councilperson Kincaid and Councilperson Mays

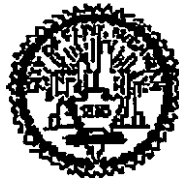
Absent: 1 - Councilperson Winfrey

ADJOURNMENT

This regular Flint City Council meeting was adjourned at 9:09 p.m.

City of Flint, Michigan

*Third Floor, City Hall
1101 S. Saginaw Street
Flint, Michigan 48502
www.cityofflint.com*



Meeting Agenda - Final

Monday, October 26, 2015

6:00 PM

**AMENDED AGENDA
(To Add Reso. No. 150893)
Council Chambers**

CITY COUNCIL

***Joshua M. Freeman, President, Ward 4
Wantwaz D. Davis, Vice President, Ward 5***

***Eric Mays, Ward 1
Kerry Nelson, Ward 3
Monica Galloway, Ward 7***

***Jacqueline Poplar, Ward 2
Herbert J. Winfrey, Ward 6
Victoria VanBuren, Ward 8
Scott Kincaid, Ward 9***

Inez M. Brown, City Clerk

CALL TO ORDER**ROLL CALL****PLEDGE OF ALLEGIANCE****PRESENTATION OF COMMITTEE/COUNCIL MINUTES**

150883 Summary Minutes/Flint City Council/Regular Meeting/October 12, 2015

Summary Minutes of the Flint City Council regular meeting held Monday, October 12, 2015, at 6:20 p.m., in the City Council Chambers, 3rd Floor, City Hall.

PUBLIC HEARINGS**PUBLIC COMMENT**

Per the amended Rules Governing Meetings of the Council (as adopted by the City Council on Monday, April 27, 2015), members of the public may address the Council for three (3) minutes on ANY ITEM PERTAINING TO THIS AGENDA.

PETITIONS AND UNOFFICIAL COMMUNICATIONS

150884 Government Affairs Organization/Comcast

Communication dated October 16, 2015, Comcast to Flint City Clerk, re: Mr. John P. Gardner, Director, External Affairs, is the new Comcast government affairs liaison for the City of Flint.

COMMUNICATIONS FROM CITY OFFICIALS

150885 Traffic Engineering/Closure Permits

Lane Closures (3) dated October, 2015, re: (1) Selby Street (installing gas services-Nov. 6th); (2) Court Street (water tap-Nov. 2nd); and (3) Selby Street (installing gas main-Oct. 26th).

ADDITIONAL COMMUNICATION**APPOINTMENTS****LICENSES****RESOLUTIONS**

RESOLUTIONS - MAY BE REFERRED FROM COTW

- 150886** **Brown & Sons Co./Annual Supply/Brake Parts, Bulbs, Breakers, Sprays and Filters**
- Resolution resolving that the Finance Department is hereby authorized to issue purchase orders for FY2016, FY2017, and FY2018 to Brown & Sons Co. for the annual supply of brake parts, bulbs, breakers, sprays, and filters, as requested by Fleet, in an annual amount NOT-TO-EXCEED \$140,000.00, for an aggregate amount of \$420,000.00 (pending adopting of the FY18 Budget), AND, resolving that the Finance Department has the discretion to spend an additional amount of NO-MORE-THAN 5% of the annual requested spend amount to Brown & Sons Co. for unanticipated requests that may be submitted during the next three years [Fleet/Central Garage Fund Acct. No. 661-000.000-110.400]. [City Administrator Submission No. CA1022015]
- 150887** **CO#1/Contract/Zito Construction/Water Main Cut-In Project**
- Resolution resolving that the Mayor and City Administrator do all things necessary to enter into change order #1 to the contract with Zito Construction to extend the contract into the current fiscal year and pay additional work that was needed to complete the project, as requested by the Water Plant, in an amount NOT-TO-EXCEED \$19,570.00, for a revised contractual amount of \$695,870.00 [Water Fund Acct. No. 591-536.100-801.000]. [City Administrator Submission No. CA1032015]
- 150888** **Contract/Stansley Industries/Biosolids Sludge Transportation-Hauling Services**
- Resolution resolving that the Mayor and City Administrator are authorized to enter into a three-year contract with Stansley Industries for [a] biosolids sludge cake transportation/hauling agreement, as requested by the Water Pollution Control, for a FY2016 amount of \$60,000.00, and pending adoption of FY2017 [Budget] of \$80,000.00, and FY2018 Budget amount of \$85,000.00, for a total award of \$225,000.00 [Sewer Fund Acct. No. 590-550.100-801.500]. [City Administrator Submission No. CA1042015]
- 150889** **Contract/Waste Management-Venice Park Landfill/Biosolids Sludge Disposal Services**
- Resolution resolving that the Mayor and City Administrator are authorized to enter into a three-year contract with Waste Management/Venice Park for the disposal of the biosolids sludge cake, as requested by the Water Pollution Control, for a FY2016 amount of \$150,000.00, and pending adoption of FY2017 and FY2018 Budget amounts of \$200,000.00 each year, for a total award of \$550,000.00 [Sewer Fund Acct. No. 590-550.100-801.500]. [City Administrator Submission No. CA1052015]
- 150890** **Budget Amendment/Department of Public Works (DPW)/Michigan Department of Transportation (MDOT) Contracts**

Resolution resolving that the Department of Public Works' FY2016 Budget shall be amended with the transfer of \$189,301.57 from fund balance to Professional Services Line Item No. 202-441.702-801.000. [NOTE: In order to comply with the contractual agreement between MDOT and DPW for bridge work on I-69, and the contractual agreement between MDOT, the City of Flint, and Rowe Professional Services for the Leith Street-Stewart Avenue Bridge Project, it is necessary to replace funds liquidated during the year-end closing process and increase the FY2016 Budget with those remaining funds, for remaining project funding in the amounts of \$101,432.82 and \$87,868.75, respectively.] [City Administrator Submission No. CA1062015]

150891 Contract/Fleis & Vandenbrink/Preliminary Design and Engineering Services/Fenton Road Project

Resolution resolving that the Mayor and City Administrator are authorized to enter into a contract with Fleis & Vandenbrink using TIP funds for the preliminary design and engineering services for the Fenton Road Project, as requested by Transportation, in an amount NOT-TO-EXCEED \$156,748.60 [Major Street Fund Acct. No. 202-441.702-801.000]. [City Administrator Submission No. CA1072015]

150892 Contract/Wade Trim, Inc./Preliminary Design and Engineering Services/Kearsley Street Rehabilitation Project

Resolution resolving that the Mayor and City Administrator are authorized to enter into a contract with Wade Trim, Inc. using TIP funds for the preliminary design and engineering services for the Kearsley Street Rehabilitation Project, as requested by Transportation, in an amount NOT-TO-EXCEED \$94,000.00 [Major Street Fund Acct. No. 202-441.702-801.000]. [City Administrator Submission No. CA1082015]

150893 Charitable Gaming License/State of Michigan Lottery Charitable Gaming Division/Flint Cultural Center Corporation, Inc./Raffle

Resolution recognizing the Flint Cultural Center Corporation, Inc. as a non-profit organization operating in the City of Flint for the purpose of obtaining a charitable gaming license, issued by the Michigan Lottery Charitable Gaming Division, relative to conducting a raffle during their "Night at the Museum" event on November 14, 2015, as allowed by Act 382 of the Public Acts of 1972, as amended. [City Administrator Submission No. CA1092015]

LIQUOR LICENSES

ORDINANCES - First Reading

ORDINANCES - Second Reading

PUBLIC SPEAKERS

Per the amended Rules Governing Meetings of the Council (as adopted by the City Council on Monday, April 27, 2015), members of the public may address the Council for three (3) minutes IN GENERAL.

ADJOURNMENT



City of Flint, Michigan

Summary Meeting Minutes For CITY COUNCIL

150883

Third Floor, City Hall
1101 S. Saginaw Street
Flint, Michigan 48502
www.cityofflint.com

Joshua M. Freeman, President, Ward 4
Wantwaz D. Davis, Vice President, Ward 5

Eric Mays, Ward 1
Kerry Nelson, Ward 3
Monica Galloway, Ward 7
Jacqueline Poplar, Ward 2
Herbert J. Winfrey, Ward 6
Victoria VanBuren, Ward 8
Scott Kincaid, Ward 9

Inez M. Brown, City Clerk

Monday, October 12, 2015

6:20 PM

Council Chambers

SUMMARY FOR 10/26/2015 CITY COUNCIL AGENDA

150873 **Summary Minutes/Flint City Council/Regular Meeting/September 28, 2015**

Summary Minutes of the Flint City Council regular meeting held Monday, September 28, 2015, at 6:01 p.m., in the City Council Chambers, 3rd Floor, City Hall.

A motion was made by Councilperson Mays, seconded by Councilperson Kincaid, that this matter be Placed on File. The motion carried by the following vote:

Aye: 8 - Councilperson Poplar, Councilperson Nelson, Chairperson Freeman, Vice President Davis, Councilperson Galloway, Councilperson VanBuren, Councilperson Kincaid and Councilperson Mays

Absent: 1 - Councilperson Winfrey

150874 **Traffic Engineering/Closure Permit**

Short-Term Street/Lane Closure Permit dated October 7, 2015, re: Kearsley, Robert T. Longway, Horrigan, Court, and Crapo Streets on Saturday, October 10th (Making Strides Against Breast Cancer Walk).

A motion was made by Councilperson Mays, seconded by Councilperson Nelson, that this matter be Placed on File. The motion carried by the following vote:

Aye: 8 - Councilperson Poplar, Councilperson Nelson, Chairperson Freeman, Vice President Davis, Councilperson Galloway, Councilperson VanBuren, Councilperson Kincaid and Councilperson Mays

Absent: 1 - Councilperson Winfrey

150828.1 Approval/Obsolete Property Rehabilitation District/Lapeer Road and Averill Avenue

Resolution resolving that the legally described parcels of land situated within the City of Flint, Genesee County, and State of Michigan, be and are hereby established as an Obsolete Property Rehabilitation District (3501 Lapeer Road Area District) pursuant to the provision of the Public Act 146 of 2000, as amended. [NOTE: The district encompasses properties located at 3501 Lapeer Road, 3711 Lapeer Road and 1620 Averill Avenue.]

This Matter was ADOPTED BY THE MASTER RESOLUTION on the Consent Agenda.

150863

SAW Grant Agreement/City of Flint/Michigan Finance Authority (MFA)/Michigan Department of Environmental Quality (DEQ)/Strategic Water Quality Initiatives Grant Program

Resolution resolving that the City Administrator, a position currently held by Natasha L. Henderson, is designated as the Authorized Representative for purposes of the SAW Grant Agreement, AND, the proposed form of the SAW Grant Agreement between the City of Flint, the MFA and the DEQ is hereby approved and the Authorized Representative is authorized and directed to execute the SAW Grant Agreement with such revisions as are permitted by law and agreed to by the Authorized Representative, AND, the City of Flint shall repay the Grant, within ninety (90) days of being informed to do so, with interest at a rate NOT-TO-EXCEED eight (8) percent per year, to the Authority, if the City of Flint is unable to, or decides not to, proceed with constructing the project or implementing the asset management program for which the funding is provided within three (3) years of the Grant award, AND, the Grant, if repayable, shall be a first budget obligation for the City of Flint and the City of Flint is required, if necessary, to levy ad valorem taxes on all taxable property in the City for the payment thereof, subject to applicable constitutional, statutory and local tax rate limitations, AND, the City of Flint shall not invest, reinvest or accumulate any moneys deemed to be Grant funds, nor shall it use Grant funds for the general local government administration activities or activities performed by municipal employees that are unrelated to the project, AND, the Authorized Representative is hereby jointly or severally authorized to take any actions necessary to comply with the requirements of the MFA and the DEQ in connection with the issuance of the Grant. The Authorized Representative is hereby jointly or severally authorized to execute and deliver such other contracts, certificates, documents, instruments, applications and other papers as may be required by the MFA or the DEQ or as may be otherwise necessary to effect the approval and delivery of the Grant, AND, the City of Flint acknowledges that the SAW Grant Agreement is a contract between the City, the MFA and the DEQ, AND, all resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are rescinded. [NOTE: Part 52 of the Natural Resources and Environmental Protection Act, as amended, provides that the MFA, in consultation with the DEQ, shall establish a strategic water quality initiatives grant program to provide grants to municipalities for sewage collection and treatment systems or storm water or non-point source pollution control. The City of Flint is requesting \$2,000,000.00 to establish an asset management plan.] [NOTE: Agreement is not attached.]

This Matter was ADOPTED BY THE MASTER RESOLUTION on the Consent Agenda.

150864 Contract/City of Flint/County of Genesee/Flint Holding Facility Operation

Resolution resolving that the City Administrator authorizes the appropriate city officials to do all things necessary to enter into the attached agreement with Genesee County for operation of the Flint Holding Facility. [NOTE: The City of Flint Police Department includes a 110-person holding facility with the ability to hold detainees for up to 72 hours. The Genesee County Sheriff currently operates the holding facility. The city and the sheriff have agreed to the terms of a contract for the sheriff to continue operating the facility for a contract price NOT-TO-EXCEED \$2,764,275.00. The agreement is contingent on the city receiving funding from the State of Michigan to pay the full costs of the contract and the Sheriff receiving a continued waiver from the Michigan Department of Corrections.] [NOTE: Agreement is attached.]

This Matter was ADOPTED BY THE MASTER RESOLUTION on the Consent Agenda.

150865 Budget Amendments/FY2016 Budget of the City of Flint/General Fund/Drug Law Enforcement Fund/Public Improvement Fund

Resolution resolving that the FY2016 Budget of the City of Flint is hereby amended to reflect the changes in the attached list of budget adjustments to the city's General, Drug Law Enforcement and Public Improvement Funds, dated October 7, 2015, AND, the Chief Financial Officer is authorized to do all things necessary to incorporate the attached changes into the (FY2016) Budget and to assign the appropriate account numbers. [NOTE: Budget adjustments are attached.] [City Administrator Submission No. CA0982015.]

SEPARATED FROM MASTER RESOLUTION

150866 Budget Amendments/FY2016 Budget of the City of Flint/Water Fund/Sewer Fund

Resolution resolving that the FY2016 Budget of the City of Flint is hereby amended to reflect the changes in the attached list of budget adjustments to the city's Water and Sewer Funds, dated October 7, 2015, AND, the Chief Financial Officer is authorized to do all things necessary to incorporate the attached changes into the (FY2016) Budget and to assign the appropriate account numbers. [NOTE: Budget adjustments are attached.] [City Administrator Submission No. CA0992015.]

SEPARATED FROM MASTER RESOLUTION

150872 Budget Amendment/Water and Sewer Budget/Switch Back to Detroit Water and Sewerage Department (DWSD) Water Supply

Resolution resolving that the Finance Department is authorized to process a budget amendment to the appropriate Water and Sewer funds to facilitate the switch back to the Detroit water system as soon as practicable, with specific revenue and expenditure line items to be provided by the Chief Financial Officer. [NOTE: The State of Michigan and C.S. Mott Foundation have committed \$6 million and \$4 million dollars respectively to assist the City with the cost of purchasing water from the Detroit Water and Sewerage Department (DWSD) and its successor, the Great Lakes Water Authority (GLWA), until the City is able to received water from the Karegnondi Water Authority (KWA). At this time the KWA reports that construction is on schedule to be completed by June 30, 2015 [2016]. The City estimates the total cost to purchase water through DWSD will be \$12 million for nine months. The balance of \$2 million not covered by the pledges of State and Local resources is the responsibility of the City. A budget amendment is necessary to reflect both an increase in revenues for the receipt of \$10 million in assistance and \$2 million of budgeted Use of Fund Balance, and an increase in expenditures of \$12 million for the purchase of DWSD water supply.]

SEPARATED FROM MASTER RESOLUTION

150875 Authorization/Agreements/City Administrator/Conversion to Detroit Water System

Resolution resolving that the City Administrator is authorized to enter into agreements with the Detroit Water and Sewerage Department (DWSD) and Genesee County Drain Commission (GCDC) for conversion to the Detroit Water System.

SEPARATED FROM MASTER RESOLUTION

150876 Establishment/Indigenous Peoples Day

Resolution resolving that the City of Flint shall recognize Indigenous Peoples Day on the second Monday in October and use it to reflect upon the invaluable contributions made by Indigenous Peoples to our community.

SEPARATED FROM MASTER RESOLUTION

150865 Budget Amendments/FY2016 Budget of the City of Flint/General Fund/Drug Law Enforcement Fund/Public Improvement Fund

Resolution resolving that the FY2016 Budget of the City of Flint is hereby amended to reflect the changes in the attached list of budget adjustments to the city's General, Drug Law Enforcement and Public Improvement Funds, dated October 7, 2015, AND, the Chief Financial Officer is authorized to do all things necessary to incorporate the attached changes into the (FY2016) Budget and to assign the appropriate account numbers. [NOTE: Budget adjustments are attached.] [City Administrator Submission No. CA0982015.]

A motion was made by Councilperson Kincaid, seconded by Councilperson Nelson, that this matter be Adopted. The motion carried by the following vote:

Aye: 7 - Councilperson Poplar, Councilperson Nelson, Chairperson Freeman, Councilperson Galloway, Councilperson VanBuren, Councilperson Kincaid and Councilperson Mays

Absent: 2 - Vice President Davis and Councilperson Winfrey

150866 Budget Amendments/FY2016 Budget of the City of Flint/Water Fund/Sewer Fund

Resolution resolving that the FY2016 Budget of the City of Flint is hereby amended to reflect the changes in the attached list of budget adjustments to the city's Water and Sewer Funds, dated October 7, 2015, AND, the Chief Financial Officer is authorized to do all things necessary to incorporate the attached changes into the (FY2016) Budget and to assign the appropriate account numbers. [NOTE: Budget adjustments are attached.] [City Administrator Submission No. CA0992015.]

A motion was made by Councilperson Kincaid, seconded by Councilperson Nelson, that this matter be Adopted. The motion carried by the following vote:

Aye: 8 - Councilperson Poplar, Councilperson Nelson, Chairperson Freeman, Vice President Davis, Councilperson Galloway, Councilperson VanBuren, Councilperson Kincaid and Councilperson Mays

Absent: 1 - Councilperson Winfrey

150872 Budget Amendment/Water and Sewer Budget/Switch Back to Detroit Water and Sewerage Department (DWSD) Water Supply

Resolution resolving that the Finance Department is authorized to process a budget amendment to the appropriate Water and Sewer funds to facilitate the switch back to the Detroit water system as soon as practicable, with specific revenue and expenditure line items to be provided by the Chief Financial Officer. [NOTE: The State of Michigan and C.S. Mott Foundation have committed \$6 million and \$4 million dollars respectively to assist the City with the cost of purchasing water from the Detroit Water and Sewerage Department (DWSD) and its successor, the Great Lakes Water Authority (GLWA), until the City is able to received water from the Karegnondi Water Authority (KWA). At this time the KWA reports that construction is on schedule to be completed by June 30, 2015 [2016]. The City estimates the total cost to purchase water through DWSD will be \$12 million for nine months. The balance of \$2 million not covered by the pledges of State and Local resources is the responsibility of the City. A budget amendment is necessary to reflect both an increase in revenues for the receipt of \$10 million in assistance and \$2 million of budgeted Use of Fund Balance, and an increase in expenditures of \$12 million for the purchase of DWSD water supply.]

A motion was made by Councilperson Kincaid, seconded by Councilperson Nelson, that this matter be Adopted. The motion carried by the following vote:

Aye: 8 - Councilperson Poplar, Councilperson Nelson, Chairperson Freeman, Vice President Davis, Councilperson Galloway, Councilperson VanBuren, Councilperson Kincaid and Councilperson Mays

Absent: 1 - Councilperson Winfrey

150875 Authorization/Agreements/City Administrator/Conversion to Detroit Water System

Resolution resolving that the City Administrator is authorized to enter into agreements with the Detroit Water and Sewerage Department (DWSD) and Genesee County Drain Commission (GCDC) for conversion to the Detroit Water System.

A motion was made by Councilperson Kincaid, seconded by Councilperson Nelson, that this matter be Adopted. The motion carried by the following vote:

Aye: 8 - Councilperson Poplar, Councilperson Nelson, Chairperson Freeman, Vice President Davis, Councilperson Galloway, Councilperson VanBuren, Councilperson Kincaid and Councilperson Mays

Absent: 1 - Councilperson Winfrey

150876 Establishment/Indigenous Peoples Day

Resolution resolving that the City of Flint shall recognize Indigenous Peoples Day on the second Monday in October and use it to reflect upon the invaluable contributions made by Indigenous Peoples to our community.

A motion was made by Councilperson Kincaid, seconded by Councilperson Nelson, that this matter be Adopted. The motion carried by the following vote:

Aye: 8 - Councilperson Poplar, Councilperson Nelson, Chairperson Freeman, Vice President Davis, Councilperson Galloway, Councilperson VanBuren, Councilperson Kincaid and Councilperson Mays

Absent: 1 - Councilperson Winfrey

15-5243
150886

(Bid #16000022)

SUBMISSION NO.: CA1022015

PRESENTED: 10-21-15

ADOPTED: _____

**RESOLUTION TO BROWN & SONS CO. FOR THE ANNUAL SUPPLY OF BRAKE PARTS,
BULBS, BREAKERS, SPRAYS AND FILTERS**

BY THE CITY ADMINISTRATOR

RESOLUTION

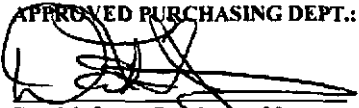
The Finance Department, Purchases and Supplies Division, has solicited a bid for brake parts, bulbs, breakers, sprays and filters for a three year period as requested by the Fleet Division; and

Brown & Sons Co., 1720 Davison Rd., Flint, Michigan was the lowest responsive bidder from nine solicitations for said supplies. The funding for this purchase will come from the following account: 661-000.000-110.400; and

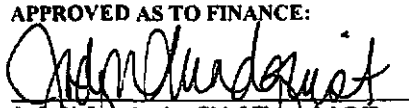
IT IS RESOLVED, that the Finance Department is authorized to issue purchase orders for FY16, FY17, and FY18 to Brown & Sons Co. for the annual supplies of brake parts, bulbs, breakers, sprays and filters in an annual amount not to exceed \$140,000.00 which results in an aggregate amount of \$420,000.00 over the three year period. (Fleet/Central Garage Fund) \$140,000 for FY16, \$140,000 for FY17, and \$140,000 pending adoption of the FY18 budget.

BE IT FURTHER RESOLVED, that the Finance Department has the discretion to spend an additional amount of no more than 5% of the annual requested spend amount to Brown & Sons Co for unanticipated requests that may be submitted during the next three years.

APPROVED PURCHASING DEPT.:


Derrick Jones, Purchasing Manager

APPROVED AS TO FINANCE:


Jody N. Lundquist, Chief Financial Officer

APPROVED AS TO FORM:


Peter M. Bade, Chief Legal Officer


Natasha L. Henderson, City Administrator

RECEIVERSHIP TRANSITION
ADVISORY BOARD:

CITY COUNCIL:

Joshua Freeman, Council President

FY16 – KRN

RESOLUTION STAFF REVIEW

DATE:

10/19/15

Agenda Item Title:

Annual Supply of Brake Parts, Bulbs, Breakers, Sprays and Filters

Prepared By:

Mike Rule

Background/Summary of Proposed Action:

The Fleet Garage is requesting a purchase order for our annual supply of aftermarket vehicle replacement parts. Parts to be purchased include brakes, bulbs, filters, sprays, steering, and suspension related items. These aftermarket parts allow the garage to repair our fleet of vehicles at a lower cost than purchasing OEM components.

Financial Implications:

Budgeted? Yes ☒ No ☐ Please explain if no:

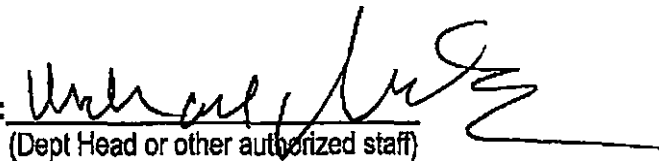
Account No.: 661-000.000-110.400

Pre-encumbered? Yes ☒ No ☐ **Req#** 150000404

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

Staff Recommendation: Approval

Staff Person:


(Dept Head or other authorized staff)

**SEALED BID RECEIVED PURCHASING DEPARTMENT ON OCTOBER 15, 2015
FOR THREE (3) YEAR PRICING ON ANNUAL SUPPLIES OF BRAKE PARTS, BULBS, BREAKERS, SPRAYS, & FILTERS
BID #16-022**

VENDOR	*Brown & Sons Co. 1720 Davison Rd. Flint, MI	*Universal Lift Parts 3752 Robert T. Longway Flint, MI	*Mid-Michigan Auto Parts 2153 Richfield Rd. Flint, MI	**O'Reilly Auto Parts 233 S. Patterson Springfield, MO
Brake Parts	\$8,147.36/unit price	\$9,321.51/unit price	\$8,663.19/unit price	\$8,602.64/unit price (represents one yr only)
Steering & Suspension	\$7,745.73/unit price	\$8,476.74/unit price	\$8,597.19/unit price	\$1,714.76/unit price (represents one yr only)
Miscellaneous	\$15,082.42/unit price	\$17,286.6/unit price	\$14,815.08/unit price	\$2,308.86/unit price (represents one yr only)
Bulbs & Breakers	\$314.27/unit price	\$370.98/unit price	\$331.56/unit price	\$153.57/unit price (represents one yr only)
Sprays	\$247.56/unit price	\$356.07/unit price	\$257.46/unit price	\$102.31/unit price (represents one yr only)
Filters	\$1,869.41/unit price	\$2,129.16/unit price	\$2,615.49/unit price	\$699.67/unit price (represents one yr only)

*The pricing that is listed represents the total three year unit pricing for each item listed in bid solicitation

**Vendor submit pricing for only one year and stated for the remaining two years that pricing will be provided at end of each fiscal year.

150887¹⁵-5244

(Purchasing Req. 150000845)

SUBMISSION NO.: CA1032015

PRESENTED: 10-21-15

ADOPTED: _____

RESOLUTION TO ZITO CONSTRUCTION FOR WATERMAIN CUT-IN PROJECT

BY THE CITY ADMINISTRATOR

RESOLUTION

The Finance Department, Purchasing and Supplies Division, solicited a bid in March 2014 for an initial watermain cut-in at the Water Plant and Zito Construction, 8033 Fenton Rd., Grand Blanc, Mi was the sole bidder to submit a bid; and

On March 26, 2014, the Emergency Manager authorized the Proper City Officials to enter into a contract with Zito Construction for said watermain project in an amount not to exceed \$676,300.00; and

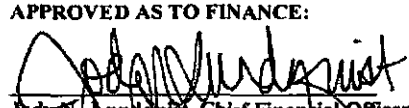
The Water Plant is requesting the issuance of change order #1 to said contract in order to extend the contract into the current fiscal year (July 1, 2015 – June 30, 2016) and to pay for additional work that was needed to complete the project in an amount not to exceed \$19,570.00. Funding will come from the following account: 591-536.100-801.000; and

IT IS RESOLVED, that the Mayor and City Administrator do all things necessary to enter into change order #1 to the contract with Zito Construction to extend the contract into the current fiscal year and pay additional work that was needed to complete the project in an amount not to exceed \$19,570.00 for a revised contractual amount of \$695,870.00. (Water Fund)

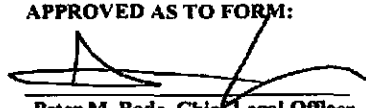
APPROVED PURCHASING DEPT.:


Derrick Jones, Purchasing Manager

APPROVED AS TO FINANCE:


Jody N. Lundquist, Chief Financial Officer

APPROVED AS TO FORM:


Peter M. Bade, Chief Legal Officer


Natasha L. Henderson, City Administrator

RECEIVERSHIP TRANSITION ADVISORY
BOARD:

CITY COUNCIL:

Joshua Freeman, Council President

FY16 - KRN

RESOLUTION STAFF REVIEW

DATE: September 28, 2015

Agenda Item Title: Amend Contract to Enter into Change Order #1 with Zito Construction

Background/Summary of Proposed Action

The City of Flint DPW/Utilities entered into contract 14-008 with Zito Construction for a water main cut-in for upgrades at the Water Plant. DPW/Utilities is requesting authorization to amend contract 14-088 to continue to work past the expiration date and enter into change order #1 for additional work to complete the project at a price not to exceed \$19,570.00 for a total contract price of \$695,870.00.

Financial Implications: None

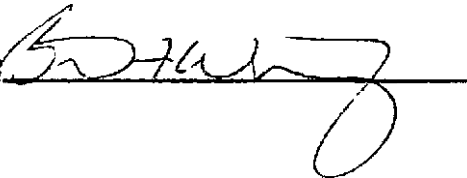
Pre-encumbered?: Yes x No ___ Requisition: 15000932

Account No: 591-536.100-801.000

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

Staff Recommendation: Recommend Approval

Staff Person:

A handwritten signature in black ink, appearing to be "B. H. H.", is written over a horizontal line.

**PURCHASE ORDERS PENDING COUNCIL AND RTAB APPROVAL
WATER FUND (591) - NOVEMBER 2015 SUMMARY**

Reso #	Council Review Date	Description	Division	Approval Status	591-536.100-801.000
Amended Budget					\$ 2,320,000.00
Year-to-date Balance					\$ 232,049.25
Purchase Orders Approved					\$ 135,747.74
Available Balance					\$ 1,952,203.01
 CA0602015	 7/27/2015	 Rowe Engineering, Inc. - Engineering Svc	 DPW	 RTAB Approved 8/12/15	 \$ 25,000.00
CA1032015	10/26/2015	Zito Construction - Watermain Cut-In Project	Water Plant		\$ 19,570.00
Pending RTAB Approval Totals					\$ 44,570.00
Ending Year to Date Balance Pending Council and RTAB Approval					\$ 1,907,633.01

(Proposal #16-525)

15-5235
150888
SUBMISSION NO.: CA1042015

PRESENTED: 10-21-15

ADOPTED: _____

**RESOLUTION TO STANLEY INDUSTRIES FOR THREE (3) YR. BIOSOLIDS SLUDGE
TRANSPORTATION/HAULING SERVICES**

BY THE CITY ADMINISTRATOR

RESOLUTION

The Finance Department, Purchases & Supplies Division, has solicited proposals for a three (3) yr. biosolids sludge disposal and waste hauling services agreement for removal of the sludge cake from the Utilities Water Pollution Control Facility's new biosolids loading facility; and

Stanley Industries, 3793 Silica Road, Sylvania, OH was the lowest responsive proposal for transportation/hauling fees for a three (3) year period from five proposals received. The funding for this request will come from the following account number: 590-550.100-801.500; and

IT IS RESOLVED, that the Mayor and City Administrator are authorized to enter into a three (3) yr. contract with Stanley Industries for biosolids sludge cake transportation/hauling agreement for an FY16 amount of \$60,000.00 and pending the adoption of FY17 of \$80,000.00 and FY18 budget amount of \$85,000.00 for a total award of \$225,000.00 (Sewer Fund)

APPROVED PURCHASING DEPT.:


Derrick Jones, Purchasing Manager

APPROVED AS TO FINANCE:


Jody N. Lundquist, Chief Financial Officer

APPROVED AS TO FORM:


Peter M. Bade, Chief Legal Officer


Natasha L. Henderson, City Administrator

RECEIVERSHIP TRANSITION ADVISORY
BOARD:

CITY COUNCIL:

Joshua Freeman, Council President

FY16 – BDB

RESOLUTION STAFF REVIEW

September 2, 2015

Agenda Item Title: Biosolids Cake Hauling and Disposal Services

Prepared By: Robert J. Case, WPC Supervisor

Background/Summary of Proposed Action:

WPC is abandoning its multiple hearth incinerators to dispose of sewage sludge, and henceforth will send it to a landfill, as a cost-saving measure. A new Biosolids Loadout Facility under construction will soon enable offsite disposal. Contracts are now needed with a suitable licensed landfill and a trucker to transport and dispose of the cake offsite.

Financial Implications:

A significant reduction in utility and manpower costs will result, and also avoid the need to spend millions to bring the incinerators into compliance with new regulations. Please approve a three year agreement for Sludge Hauling and Disposal for fiscal years 2016, 2017, and 2018. The approved FY2016 budgeted amount is \$210,000.00 (\$150,000 Landfill, \$60,000 Sludge Hauling), future allocations to be determined upon budget adoption. Use account number 590-550.100-801.500.

Budgeted Expenditure: Yes: ☒ No: ☐ Please explain if no:

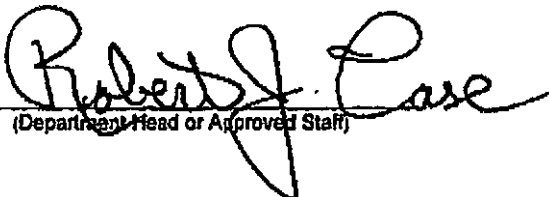
Account No.: 590-550.100-801.500 - \$210,000.00

Pre-encumbered: Yes: ☒ No: ☐ Requisition: 1500000547

Other Implications (i.e., collective bargaining): None

Staff Recommendation: Approve

Staff Person:


(Department Head or Approved Staff)

SEALED PROPOSAL RECEIVED PURCHASING DEPARTMENT ON AUGUST 3, 2015
FOR THREE (3) YEAR BIOSOLIDS WASTE HAULING & DISPOSAL SERVICES
PROPOSAL #16-525

HAULING SERVICES

VENDOR	Stansley Industries 3793 Silica Rd. Sylvania, OH	Metro Sanitation 9831 Tuscola Cllo, MI
Yr. 1	\$7.00/ton	\$14.48/ton
Yr. 2	\$7.25/ton	\$15.40/ton
Yr. 3	\$7.50/ton	\$16.42/ton

**PURCHASE ORDERS PENDING COUNCIL AND RTAB APPROVAL
SEWER FUND (590) - NOVEMBER 2015 SUMMARY**

Reso #	Council Review Date	Description	Division	Approval Status	590-550.100-801.500
Amended Budget					
Year-to-date Balance					
Purchase Orders Approved					
Available Balance					
					\$ 200,000.00
					\$ -
					\$ -
					\$ 200,000.00
CA1042015	10/26/2015	Stansley Industries - Biosolids Sludge Hauling	WPC		60,000.00
CA1052015	10/26/2015	Waste Management/Venice Park Landfill - Biosolids Sludge Disposal	WPC		140,000.00
Pending RTAB Approval Totals					\$ 200,000.00
Ending Year to Date Balance Pending Council and RTAB Approval					\$ -

(Proposal #16-525)

SUBMISSION NO.:

150889
CA 1052015

PRESENTED:

10-21-15

ADOPTED:

**RESOLUTION TO WASTE MANAGEMENT/VENICE PARK LANDFILL FOR THREE (3) YR.
BIOSOLIDS SLUDGE DISPOSAL SERVICES**

BY THE CITY ADMINISTRATOR

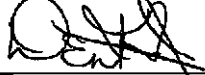
RESOLUTION

The Finance Department, Purchases & Supplies Division, has solicited proposals for a three (3) yr. biosolids sludge disposal and waste hauling services agreement for removal of the sludge cake from the Utilities Water Pollution Control Facility's new biosolids loading facility; and

Waste Management/Venice Park, 9536 Lennon Road, Lennon, Michigan was the best total cost solution for landfill disposal fees in conjunction with transportation/hauling fees with the city's recommended sludge hauling contractor for a three (3) year period from five proposals received. The funding for this request will come from the following account number: 590-550.100-801.500; and

IT IS RESOLVED, that the Mayor and City Administrator are authorized to enter into a three (3) yr. contract with Waste Management/Venice Park for the disposal of the biosolids sludge cake for an FY16 amount of \$150,000.00 and pending the adoption of FY17 and FY18 budget amounts of \$200,000.00 each year for a total award of \$550,000.00 (Sewer Fund)

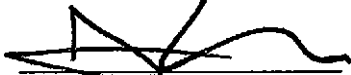
APPROVED PURCHASING DEPT.:

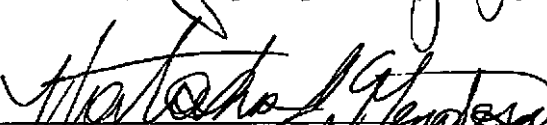

Derrick Jones, Purchasing Manager

APPROVED AS TO FINANCE:


Jody N. Lundquist, Chief Financial Officer

APPROVED AS TO FORM:


Peter M. Bade, Chief Legal Officer


Natasha L. Henderson, City Administrator

RECEIVERSHIP TRANSITION ADVISORY
BOARD:

CITY COUNCIL:

Joshua Freeman, Council President

FY16 – BDB

**SEALED PROPOSAL RECEIVED PURCHASING DEPARTMENT ON AUGUST 3, 2015
FOR THREE (3) YEAR BIOSOLIDS WASTE HAULING & DISPOSAL SERVICES
PROPOSAL #16-525**

DISPOSAL SERVICES

VENDOR	Republic - Citizens 2361 W. Grand Blanc Rd. Grand Blanc, MI	*Waste Management 9536 E. Lennon Rd. Lennon, MI	Brent Run 8385 Vienna Rd. Montrose, MI
Yr. 1	\$18.00/ton	\$19.00/ton	\$26.93/ton
Yr. 2	\$18.00/ton	\$19.79/ton	\$27.86/ton
Yr. 3	\$18.00/ton	\$20.61/ton	\$28.83/ton

*An Alternate Proposal from Waste Management was included in its sealed proposal and reviewed. This proposal appears to offer the lowest cost and best value solution for the City. Waste Management offers to accept 11,000 tons per year of biosolids cake at the Venice Park landfill with no tip fee. In exchange, the City WPC Facilities would accept 11,000,000 gallons per year of leachate trucked in from two other landfills owned by Waste Management. As a result of this trade in services, the City will incur no cost landfill biosolid cakes.

RESOLUTION STAFF REVIEW

September 2, 2015

Agenda Item Title: Biosolids Cake Hauling and Disposal Services

Prepared By: Robert J. Case, WPC Supervisor

Background/Summary of Proposed Action:

WPC is abandoning its multiple hearth incinerators to dispose of sewage sludge, and henceforth will send it to a landfill, as a cost-saving measure. A new Biosolids Loadout Facility under construction will soon enable offsite disposal. Contracts are now needed with a suitable licensed landfill and a trucker to transport and dispose of the cake offsite.

Financial Implications:

A significant reduction in utility and manpower costs will result, and also avoid the need to spend millions to bring the incinerators into compliance with new regulations. Please approve a three year agreement for Sludge Hauling and Disposal for fiscal years 2016, 2017, and 2018. The approved FY2016 budgeted amount is \$210,000.00 (\$150,000 Landfill, \$60,000 Sludge Hauling), future allocations to be determined upon budget adoption. Use account number 590-550.100-801.500.

Budgeted Expenditure: Yes: ☒ No: Please explain if no:

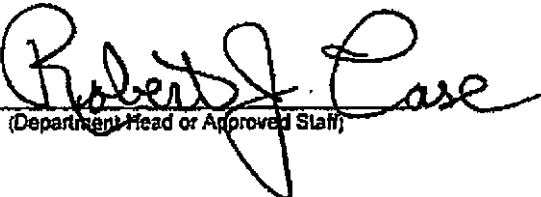
Account No.: 590-550.100-801.500 - \$210,000.00

Pre-encumbered: Yes: ☒ No: Requisition: 1500000547

Other Implications (i.e., collective bargaining): None

Staff Recommendation: Approve

Staff Person:


(Department Head or Approved Staff)

**PURCHASE ORDERS PENDING COUNCIL AND RTAB APPROVAL
SEWER FUND (590) - NOVEMBER 2015 SUMMARY**

Reso #	Council Review Date	Description	Division	Approval Status	590-550.100-801.500
Amended Budget					
Year-to-date Balance					
					\$ 200,000.00
Purchase Orders Approved					
					\$ -
Available Balance					
					\$ -
					\$ 200,000.00
CA1042015	10/26/2015	Stanley Industries - Biosolids Sludge Hauling	WPC		60,000.00
CA1052015	10/26/2015	Waste Management/Venice Park Landfill - Biosolids Sludge Disposal	WPC		140,000.00
Pending RTAB Approval Totals				\$	200,000.00
Ending Year to Date Balance Pending Council and RTAB Approval				\$	-

150890

CA SUBMISSION NO.: CA1062015

PRESENTED: 10-21-15

ADOPTED: _____

Resolution Authorizing Appropriate City of Flint Officials to Do All Things Necessary to Process a Budget Amendment to Transfer \$189,301.57 From Fund Balance Into the 202-441.702-801.000 Ledger Account

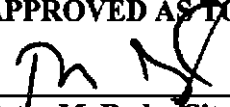
BY THE CITY ADMINISTRATOR:

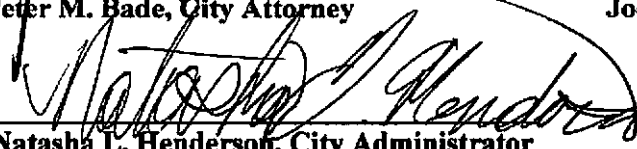
EM2332014 authorized the City of Flint to enter into contract with MDOT to perform reconstruction, bridge widening, and bridge replacement work on I-69. In order to comply with the contractual agreement between MDOT and Department of Public Works, it is necessary replace funds liquidated during the year-end closing process and increase the FY16 budget by those remaining funds. Funding remaining on this project is \$101,432.82.

EMO742013 authorized the City of Flint to enter into contract with Rowe Professional Services for preliminary and construction engineering services on the MDOT Leith St.-Stewart Ave Bridge project. In order to comply with the contractual agreement between City of Flint, MDOT, and Rowe Professional Services, it is necessary replace funds liquidated during the year-end closing process and increase the FY16 budget by those remaining funds. Funding remaining on this project is \$87,868.75.

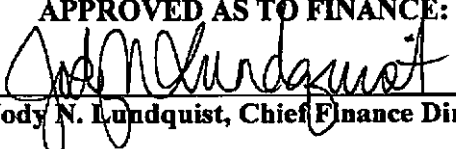
IT IS RESOLVED, that Department of Public Works' FY16 budget shall be amended with the transfer of \$189,301.57 from fund balance to line item 202-441.702-801-000 Professional Services.

APPROVED AS TO FORM:


Peter M. Bade, City Attorney


Natasha L. Henderson, City Administrator

APPROVED AS TO FINANCE:


Jody N. Lundquist, Chief Finance Director

CITY COUNCIL:

Joshua Freeman, Council President

RESOLUTION STAFF REVIEW

DATE: October 21, 2015

Agenda Item Title: Budget Amendment

Prepared By: Shawanda Roebuck for Howard Croft, Director of Department of Public Works

Background/Summary of Proposed Action: On April 11, 2014, resolution number EME2332014 was adopted giving the City of Flint authorization to enter into contract # 14-020 with MDOT to perform reconstruction, bridge widening, and bridge replacement work on I-69. The local share of the construction project estimated at \$343,000.00, however, the project was not completed in FY15, and the remaining authorized funds were rolled into fund balance. Approval for use of fund balance is needed to comply with contractual terms of the contract.

In addition, on July 13, 2013 resolution number EMO742013 authorized the City of Flint to enter into contract # 15-083 with Rowe Professional Services to provide preliminary and construction engineering services for the MDOT Leith St. -Stewart Ave Bridge project for \$137,940.00. The project was not completed in FY14, and the authorized funds were rolled into fund balance. Approval for use of fund balance is needed to comply with contractual terms of the contract.

Financial Implications: MDOT has the authority under Public Act 51 of 1951 to request the Treasurer to withhold the City's MTF payment to secure the City's participation in the I-69 project, as well as being in breach of contract for failure to comply with payment terms of the Leith St.-Stewart Ave Bridge project.

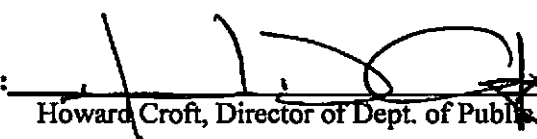
Budgeted Expenditure? Yes ☒ No ☐ Please explain if no:

Account No.: 202-441.702-801.000

Pre-encumbered? Yes ☐ No ☐ Requisition #

Other Implications (i.e., collective bargaining): None

Staff Recommendation: Recommend Approval

Staff Person: 
Howard Croft, Director of Dept. of Public Works

150891

SUBMISSION NO.: CA1072015

PRESENTED: 10-21-15

ADOPTED: _____

**RESOLUTION TO FLEIS & VANDENBRINK FOR PRELIMINARY DESIGN AND
ENGINEERING SERVICES FOR FENTON ROAD PRELIMINARY ENGINEERING**

BY THE CITY ADMINISTRATOR:

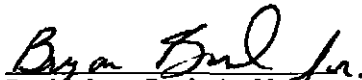
RESOLUTION

The Department of Public Works & Utilities, Transportation Department has solicited a proposal from one of the pre-qualified engineering vendors for the preliminary design and engineering services for the Fenton Road project, and

Fleis & Vandenbrink, 9475 Holly Rd., Suite 201, Grand Blanc, MI submitted a proposal to provide said services to the Fenton Rd. project. The funding for this request will come from the following account number: 202-441.702-801.000; and

IT IS RESOLVED, that the Mayor and City Administrator are authorized to enter into a contract with Fleis & Vandenbrink using TIP funds for the preliminary design and engineering services for the Fenton Road project in the amount not to exceed \$156,748.60 (Major Street Fund)

APPROVED PURCHASING DEPT.:


Derrick Jones, Purchasing Manager

APPROVED AS TO FINANCE:


Jody N. Lundquist, Chief Financial Officer

APPROVED AS TO FORM:


Peter M. Bade, Chief Legal Officer


Natasha L. Henderson, City Administrator

RECEIVERSHIP TRANSITION ADVISORY
BOARD:

CITY COUNCIL:

Joshua Freeman, Council President

102015 -- KRN

RESOLUTION STAFF REVIEW

Date: October 21, 2015

Agenda Item Title: Resolution to Fleis & Vandenbrink for PE services for Fenton Rd. rehabilitation project

Prepared By: Kathryn Neumann on behalf of Howard Croft

Background/Summary of Proposed Action:

The City of Flint has four pre-qualified engineering firms. Fleis & Vandenbrink was selected to submit a proposal for the Fenton Rd. rehabilitation project.

The Fenton Rd. rehabilitation project will include design in accordance with MDOT standards and specifications and will be completed in accordance with MDOT's Local Agency Program Plan Preparation and 3R Design Guidelines. Proposed work will include reducing Fenton Rd. from four lanes to three lanes, resurfacing the roadway, storm sewer improvements, curb repairs/replacements as needed, joint repairs, structure adjustments, driveway approaches, sidewalk repairs/replacements as needed as well as ADA sidewalk ramps at all controlled intersections.

Financial Implications: The City must expedite the design of the project in order for the project to be submitted to MDOT for review and approval prior to the funding obligation deadline. If the plans are not completed and approved, MDOT cannot obligate federal funds to the project.

Budgeted Expenditure? Yes ☒ No Please explain if no:

Account No.: 202-441.702-801.000

Pre-encumbered? Yes ☒ No Requisition # 15-972

Other Implications (i.e., collective bargaining): None

Staff Recommendation: Recommend Approval

Staff Person: _____

Howard Croft, Director of Public Works

Hudson, Deanna (TREASURY)

From: Heimann, Alexandr (TREASURY)
Sent: Thursday, October 29, 2015 10:09 AM
To: Cline, Richard (Treasury); Hudson, Deanna (TREASURY)
Subject: RE: Materials for November 12th RTAB Meeting

Eric/Deanna,

I started looking at revenue v expenditure document that you'd sent us, and here is my feedback:

FLINT Financial Review – 9/30/15 Budget to Actual

10/29/15

Overall:

- **No cash flow document** - We have not been furnished with a cash flow and projections, so we might be missing some critical information. So far (9/30/15), the cash flow can be inferred to be in OK shape, they have collected \$41M for the year, and only have spent \$30M in total.
- **Other Grants Fund deficit in amended budget** - There is one item in the budget that is budgeted to be about a \$1.9M deficit, in the "Other Grants Fund" fund, I am not sure why this is, my guess is that there are funds from other year's that are being carried over into this one, but I would like to be sure:

2015-16 Amended Budget

Fund Items	Revenues	Expenditure	Net
Fund 101 - General Fund	\$51,399,548.00	\$51,399,546.00	\$2.00
Fund 202 - Major Street Fund	\$8,622,714.00	\$8,622,713.00	\$1.00
Fund 203 - Local Street Fund	\$3,637,757.00	\$3,637,757.00	\$0.00
Fund 205 - Public Safety	\$6,181,948.00	\$6,181,948.00	\$0.00
Fund 207 - Police Fund	\$1,323,944.00	\$1,323,944.00	\$0.00
Fund 208 - Park/Recreation Fund	\$406,971.00	\$406,971.00	\$0.00
Fund 219 - Street Light	\$2,824,204.00	\$2,824,203.00	\$1.00
Fund 226 - Rubbish Collection Fund	\$4,829,508.00	\$4,829,502.00	\$1.00
Fund 265 - Drug Law Enforcement Fund	\$172,174.00	\$172,174.00	\$0.00
Fund 274 - HUD CDBG, ESG, & HOME GRANTS	\$8,532,130.00	\$8,091,647.00	\$440,483.00
Fund 296 - Other Grants Fund	\$5,249,245.00	\$7,127,170.00	-\$1,877,925.00
Fund 402 - Public Improvement Fund	\$2,828,967.00	\$2,828,967.00	\$0.00
Fund 542 - Building Inspection Fund	\$1,966,717.00	\$1,966,716.00	\$1.00
Fund 590 - Sewer Fund	\$32,337,768.00	\$32,347,768.00	-\$10,000.00
Fund 591 - Water Fund	\$37,055,802.00	\$35,980,087.00	\$1,075,715.00
(blank)			
Grand Total	\$167,369,392.00	\$167,741,113.00	-\$371,721.00

Water and Sewer

- **Does not include \$ for new deal with DWSD** - This budget and the expenses does not appear to include the \$12M revenues or expenditures associated with transferring back to the Detroit Water and Sewerage System
- **Water fund and Sewer fund projecting major deficits, possibly higher than estimated** - In trying to replicate N. Henderson's estimate of an \$11M revenue shortfall for the Water fund and the Sewer fund I am not as optimistic. A lot can happen in a month, so this being a month behind might be the cause of the difference of opinion, but as of 9/30/15, they were only collecting about 65% of their "Charges for services rendered". If we project that out for the year, we are looking at a much larger deficit than \$11M (p. 13-14):

Revenues	Sum of 2015-16 Adopted Budget	Collected	Projected collection
Fund 590- Sewer Fund (TOTAL)	\$ 32,337,768.00	\$ 5,186,513.00	\$
Charges for service rendered	\$ 30,434,895.00	\$ 5,184,142.00	\$
Drawings from fund balance	\$ 1,091,873.00	\$ -	\$
Interest and dividend income	\$ -	\$ -	\$
Other revenues	\$ 11,000.00	\$ 2,371.00	\$
Transfers in	\$ 800,000.00	\$ -	\$
Fund 591- Water Fund (TOTAL)	\$ 37,055,802.00	\$ 5,547,970.00	\$
Charges for service rendered	\$ 36,943,802.00	\$ 5,475,780.00	\$
Drawings from fund balance	\$ -	\$ -	\$
Fines and forfeitures	\$ -	\$ 416.00	\$
Gain on sale of fixed assets	\$ 100,000.00	\$ 58,400.00	\$
Interest and dividend income	\$ -	\$ -	\$
Other revenues	\$ 12,000.00	\$ 13,374.00	\$

Alexandr Heimann
Municipal Analyst
Local Government Financial Services Division
Michigan Department of Treasury
Office (517) 373-2434

From: Cline, Richard (Treasury)
Sent: Wednesday, October 28, 2015 3:43 PM
To: Hudson, Deanna (TREASURY) <HudsonD4@michigan.gov>; Heimann, Alexandr (TREASURY) <HeimannA@michigan.gov>
Subject: FW: Materials for November 12th RTAB Meeting

Deanna/Alex:

Attached is a packet from the City of Flint for the upcoming RTAB meeting.

I am not sure if this will be their only submission, however, it is a start.

For this packet, please begin to review the materials and note any thoughts, concerns, or items that need follow-up.

Be prepared to discuss your observations.

If you wish to discuss the "packet analysis" process, let me know.

Regards,

Eric Cline | Department Manager | State of Michigan
Michigan Department of Treasury | Local Government Financial Services Division | Fiscal Responsibility Section
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: Maxine Murray [<mailto:mmurray@cityofflint.com>]

Sent: Wednesday, October 28, 2015 3:36 PM

To: Cline, Richard (Treasury) <cliner1@michigan.gov>; Dempkowski, Angela (Treasury) <DempkowskiA@michigan.gov>

Cc: Natasha Henderson <nhenderson@cityofflint.com>; Sean Kammer <skammer@cityofflint.com>

Subject: Materials for November 12th RTAB Meeting

Good afternoon,

Please find attached materials for the RTAB meeting being held November 12, 2015.

Thank you.

--

Maxine Murray
Executive Assistant to
Mayor Dayne Walling
1101 S. Saginaw Street
Flint, MI 48502
810.237.2035 Telephone
810.766.7218 Fax

Stanton, Terry A. (Treasury)

From: Stanton, Terry A. (Treasury)
Sent: Thursday, October 29, 2015 2:26 PM
To: Lindsey Smith
Subject: Re: Former Flint EMs

Let me know if Friday about 10 works...

Will not make it in today.

On Oct 29, 2015, at 1:33 PM, Stanton, Terry A. (Treasury) <StantonT@michigan.gov> wrote:

[REDACTED]

While I was not planning to be in the office tomorrow (I'm going out of state for a week), I probably can meet some time tomorrow morning...perhaps 10ish...

On Oct 29, 2015, at 12:58 PM, Lindsey Smith <lmsmi@umich.edu> wrote:

I can do 4 or 430 or tomorrow. It's really gotta be in person. If we have to push til Monday that'll work too. Please let me know. I don't want to drive out today if we're not talking

On Thursday, October 29, 2015, Stanton, Terry A. (Treasury) <StantonT@michigan.gov> wrote:
Lindsey...

I hate to tell you this but I might not be in the office later this pm.

I am still hoping to be there by 4...but I can't promise I will be.

I know you wanted to speak in person and I totally appreciate that for sound quality etc but if we HAVE to speak by phone, could that work?

TS

On Oct 27, 2015, at 3:30 PM, Lindsey Smith <lmsmi@umich.edu> wrote:

If you have any reliable info at all re: cost savings, I'd appreciate it. I'm digging around. See you Thursday. Best~

On Fri, Oct 23, 2015 at 4:48 PM, Stanton, Terry A. (Treasury) <StantonT@michigan.gov> wrote:

Ok.

TS

On Oct 23, 2015, at 4:45 PM, Lindsey Smith
<lmsmi@umich.edu> wrote:

Thursday would be better on my end. I'll plan on heading out your way, maybe crash a conference room over there or something?

On Fri, Oct 23, 2015 at 1:02 PM, Stanton, Terry A. (Treasury) <StantonT@michigan.gov> wrote:
How about weds between 930 and 11...or 330-4 on Thursday?

TS

On Oct 22, 2015, at 5:30 PM, Lindsey Smith
<lmsmi@umich.edu> wrote:

Hey not sure what day works for you... I now have until Nov 2.
Lemme know.

On Tue, Oct 20, 2015 at 10:50 AM, Stanton, Terry A. (Treasury) <StantonT@michigan.gov> wrote:

Hey Lindsey...

I can provide you with a list of the managers who worked in Flint, though I cannot promise I will be able to put you in contact with anyone directly.

I do think it is important for you to have the following background...and to reiterate that **the decision to move to KWA**, and thus the decision to use the Flint River as a temporary source (until KWA came on line) **was a decision made collectively by local**

**officials...they mayor, city council,
and others.**

Please see the information below
and attached for additional
background on timing, decision-
making, etc.

*Discussions about the possible
development of a Flint-
area/Genesee County water system
had been on-going since the early
2000's and the City of Flint had
been in discussions about the
possibility of joining KWA for much
of that time, certainly prior to the
appointment of an emergency
manager (Mike Brown) in
December 2011. The following M-
Live articles show the city was
looking at a possible move to KWA,
which Genesee County strongly
supported, well before a manager
was appointed.*

http://www.mlive.com/news/flint/index.ssf/2010/02/detroit_tells_genesee_county_w.html

http://www.mlive.com/news/flint/index.ssf/2011/01/water_pipeline_vs_flint_river.html

http://www.mlive.com/news/flint/index.ssf/2011/04/city_of_flint_still_mulling_wa.html

http://www.mlive.com/news/flint/index.ssf/2011/09/flint_officials_to_be_presente.html

http://www.mlive.com/news/flint/index.ssf/2011/12/so_far_so_good_genesee_county_1.html

Additionally, The Flint Journal supported the move to KWA in an editorial in Sept. 2011, again, prior to the appointment of a manager.

http://www.mlive.com/opinion/flint/index.ssf/2011/09/our_voice_its_decision_time_fo.html

Prior to the decision to move to KWA, which the Mayor and City Council fully supported (March 2013 Flint Journal story cites 7-1 City Council vote to join KWA); http://blog.mlive.com/newsnow_impact/print.html?entry=/2013/03/flint_city_council_approves_re.html the city's emergency manager (Mike Brown in June 2012; Ed Kurtz in Sept. 2012) twice requested permission from DWSD to blend river water with DWSD water to ensure high quality, safe drinking water for residents, while saving the city an estimated \$2-3 million annually (DWSD was proposing a 5x rate increase for the City of Flint).

*It is also important to note that the Genesee County Drain Commissioner, who had been heading up the KWA project, **required** that Flint's elected leaders approve of and sign-off on the transition to KWA as he believed it was important to have the city's elected officials make the decision and not an emergency manager (see attached).*

Under PA 436, an emergency manager's approval is required for transactions of \$50,000 or more, and thus Ed Kurtz did approve the

eventual move to KWA, again with full support and urging from the Mayor and City Council. Kurtz's letter, detailing that decision after consideration of DWSD's "last, best offer" is attached.

*This is **not** a situation where the Mayor and Council wanted to utilize one system with the EM reversing course. **All involved** in the decision-making process agreed **KWA was the best long-term option for the City of Flint**. With Flint's decision to go with KWA, DWSD terminated Flint's contract, effective April 17, 2014 (letter attached). Given that termination, Flint had two "options:"*

-sign a long-term (30 year) agreement with DWSD, which was not economically feasible given the city's decision to go with KWA

-Use Flint River as an interim source (it had long been the city's backup) until KWA was on-line

http://www.mlive.com/news/flint/index.ssf/2014/03/flint_drinking_water_to_come_f.html

It is also important to note that the current situation in Flint has been exacerbated by years of neglect and a lack of maintenance to the decades-old system. All this said, the most important issue now is moving things forward, through the collaborative State, City, and Foundation effort to ensure safe drinking water for the residents of Flint.

From: Lindsey Smith
[mailto:lmsmi@umich.edu]
Sent: Tuesday, October 20, 2015
9:43 AM
To: Stanton, Terry A. (Treasury)
<StantonT@michigan.gov>
Subject: Former Flint EMs

Hi Terry, Hope you're well.

We're producing a one hour documentary/podcast on Flint's water issues. Would really love to hear from the former EMs on this. Correct me if I'm wrong, but it seems there wasn't just one guy who decided to switch water sources, but maybe a few different people. Is there any way you can help me get interviews with the former EMs of Flint to talk about the decision and the issues that lead to it? Big ask, I know. But I need help if I'm going to do this right. I'm traveling now, so if you want to chat a bit, call my cell [810.923.5839](tel:810.923.5839).

All the best,

--

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

Robert, Carla M. (Treasury)

From: Michelle Zdrodowski <michelle.zdrodowski@treasury>
Sent: Thursday, October 29, 2015 3:53 PM
To: Hollins, Harvey (GOV)
Cc: connersp@michigan.gov; Muchmore, Dennis (GOV); W... (GOV); McPhee, Karen (GOV); Murray, David (GOV); Khouri, Nick (TREASURY); ... (GOV); Stanton, Terry A. (Treasury); Saxton, Thomas (Treasury); ... (GOV); Darnell Earley
Subject: Flint EM Order On Water Plant Upgrades
Attachments: Water Plant EO-Kurtz Order on Water Plant

Harvey,

Mr. Earley asked that you the attached executive order signed by ... and Kurtz, which clearly indicates that a ... ion on the use of Flint River water had been ... 13.

This was not included in the packet of documents that had previously been ... Treasury.

Any questions, please let him know.

Thanks,

Z

Michelle A. Zdrodowski
Executive Director of Communications
Detroit Public Schools
3011 W. Grand Boulevard, 4th Floor
Detroit, MI 48202
313.873.3238, office
313.421.2831, mobile

EM SUBMISSION NO.: 2013 Em140

PRESENTED: 6-21-13

ADOPTED: 6-26-13

BY THE EMERGENCY MANAGER:

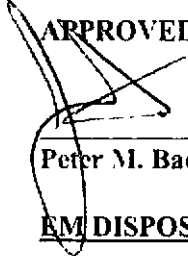
Resolution Authorizing Approval to Enter into a Professional Engineering Services Contract for the Implementation of Placing the Flint Water Plant into Operation

The City of Flint requires professional engineering services for assistance in placing the Flint Water Plant into operation using the Flint River as a primary drinking water source for approximately two years and then converting to KWA delivered lake water when available at a cost of \$171,000.00, and

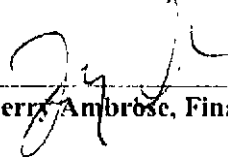
The City of Flint is seeking to enter into a sole source contract with Lockwood, Andrews & Newnam, Inc., with funding coming from the Utilities Administration FY14 account in 591-536.100-801 000, and

IT RESOLVED, That appropriate City Officials are authorized to enter into a Professional Engineering Services contract with Lockwood, Andrews & Newnam, Inc. for the administration of placing the Flint Water Plant into operation using the Flint River as a primary drinking water source at a cost of \$171,000 00. Funding will come from the Utilities Administration FY14 account 591-536.100-801 000

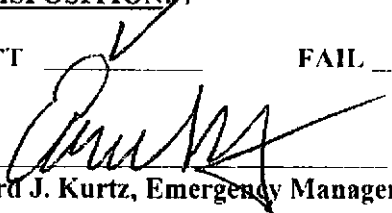
APPROVED AS TO FORM:


Peter M. Bade, Chief Legal Officer

APPROVED AS TO FINANCE:


Jerry Ambrose, Finance Director

EM DISPOSITION:

ENACT 

FAIL _____

DATED 6-26-13

Edward J. Kurtz, Emergency Manager

RESOLUTION STAFF REVIEW

Date, June 17, 2013

Agenda Item Title: Resolution Authorizing Approval to Enter into a Professional Engineering Services Contract for the implementation of Placing the Flint Water Plant into Operation

Prepared by.
Yolanda Gray, Utilities Accounting Coordinator

Summary of Proposed Action.
Resolution authorizing the City of Flint to enter into a sole source contract with Lockwood, Andrews & Newnam for professional engineering services to place the Flint Water Plant into operation using the Flint River as a primary drinking water source

Financial Implications:
\$171,000 00

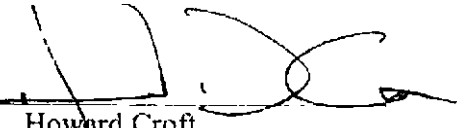
Pre-encumbered?: Yes _____ No X _____ Requisition: Funding will be available in the FY14 Utilities Administration budget.

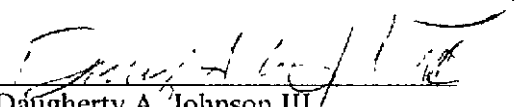
Account No. FY14 591-536.100-801 000

Other implications (i.e. collective bargaining):
No other implications are known at this time.

Staff Recommendation: Recommend Approval

Staff Person


Howard Croft
Infrastructure & Development Director


Daugherty A. Johnson III
Utilities Administrator

Robert, Carla M. (Treasury)

From: Workman, Wayne (TREASURY)
Sent: Thursday, October 29, 2015 4:22 PM
To: Rep. Sheldon Neeley (District 34)
Cc: Khouri, Nick (TREASURY)
Subject: RE: RTAB Recommendation

Rep. Neeley, Thank you for sending Ms. Williams resume for consideration for RTAB process for finding a replacement for Brian Larkin is just beginning. We will make sure M. Williams is considered for an RTAB appointment with the Governor's Appointments staff. Thank you for your help. Wayne

From: Rep. Sheldon Neeley (District 34) [mailto:SheldonNeeley@house.mi.gov]
Sent: Thursday, October 29, 2015 3:53 PM
To: Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>
Subject: RTAB Recommendation

This email is to request your consideration for the following person when looking at your options for the Receivership Transition Advisory Board (RTAB):

Brenda Williams
2520 Orchard Lane
Flint, MI 48505
(810) 577-0536

Ms. Williams is highly recommended for the position. She is a local area attorney who can provide a different/legal perspective to the RTAB. She is a former assistant prosecutor with a vast knowledge of the legal system, both profit and non-profit organizations in the faith-based community, and community leadership in the area. For your convenience, Ms. Williams resume is attached.

As such, I strongly recommend her for the RTAB vacancy.

Respectfully,

Sheldon A. Neeley

Dempkowski, Angela (Treasury)

From: Workman, Wayne (TREASURY)
Sent: Friday, October 30, 2015 10:20 AM
To: Headen, Frederick (Treasury); Saxton, Thomas (Treasury)
Subject: RE: Gerics v Ambrose dismissed /w prejudice

Good news, Thanks

From: Headen, Frederick (Treasury)
Sent: Friday, October 30, 2015 9:15 AM
To: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>
Subject: FW: Gerics v Ambrose dismissed /w prejudice

FYI.

From: Peter Bade [<mailto:pbade@cityofflint.com>]
Sent: Friday, October 30, 2015 8:59 AM
To: Jerry Ambrose <gambrose49@gmail.com>
Cc: Flint Mayor <dwalling@cityofflint.com>; Natasha Henderson <nhenderson@cityofflint.com>; Headen, Frederick (Treasury) <HeadenF@michigan.gov>
Subject: Fwd: Gerics v Ambrose dismissed /w prejudice

Jerry: good news. The lawsuit *Gerics v Ambrose* was dismissed by the federal court this morning.

Attorney Bill Kim of my office handled this and did a good job.

Have a great weekend.

Pete

Peter M. Bade
Chief Legal Officer
City of Flint
p 810 766 7146
f 810 232 2114

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

ADAM GERICS,

Plaintiff,

Case No. 15-cv-12992

v.

HONORABLE STEPHEN J. MURPHY, III

JERRY AMBROSE,

Defendant.

ORDER DISMISSING CASE

Plaintiff Adam Gerics filed the present case and claimed that the City of Flint violated the Constitution when it redrew the boundaries of the Carriage Town Historic District. On September 8, the parties stipulated that Gerics would have 14 days to submit a new complaint that conformed to the pleading standards contained in the Federal Rules. ECF No. 6. On September 18, Gerics filed a motion that requested additional time to respond. ECF No. 8. The Court granted the motion and gave Gerics until October 28 to file a new complaint that conformed to the Federal Rules. The order also stated that "[i]f the Court has not received a properly formatted complaint by that date, the Court will dismiss his case with prejudice under Civil Rule 41." ECF No. 10. October 28 has passed and Gerics has yet to file a corrected complaint. Accordingly, Gerics' case is **DISMISSED WITH PREJUDICE**.

SO ORDERED.

s/Stephen J. Murphy, III
STEPHEN J. MURPHY, III
United States District Judge

Dated: October 30, 2015

I hereby certify that a copy of the foregoing document was served upon the parties and/or counsel of record on October 30, 2015, by electronic and/or ordinary mail.

s/Carol Cohron

Case Manager

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

ADAM GERICS,

Plaintiff,

Case No. 15-12992

v.

HONORABLE STEPHEN J. MURPHY, III

JERRY AMBROSE,

Defendant.

JUDGMENT

IT IS ORDERED AND ADJUDGED that pursuant to this Court's order dated October 30, 2015, the complaint is **DISMISSED WITH PREJUDICE**.

DAVID J. WEAVER
CLERK OF THE COURT

BY: s/C. Cohron

APPROVED:

s/Stephen J. Murphy, III
STEPHEN J. MURPHY, III
UNITED STATES DISTRICT JUDGE

I hereby certify that a copy of the foregoing document was served upon the parties and/or counsel of record on October 30, 2015, by electronic and/or ordinary mail.

s/Carol Cohron
Case Manager

Hudson, Deanna (TREASURY)

From: Heimann, Alexandr (TREASURY)
Sent: Friday, October 30, 2015 1:40 PM
To: Cline, Richard (Treasury); Hudson, Deanna (TREASURY)
Subject: RE: Materials for November 12th RTAB Meeting

Hello Eric,

Deanna and I just conferenced on this assignment, and we have noticed that we appear to be missing some documents that we assumed would have been included in the materials that you sent over.

1. There doesn't seem to be a cash flow with projections document anywhere
2. City Council Mtg 10/12 – They didn't seem to include documentation for 5 of the City Council's resolutions: Res 150872, 150875, 150876, 150865, 150866

Alexandr Heimann
Municipal Analyst
Local Government Financial Services Division
Michigan Department of Treasury
Office (517) 373-2434

From: Cline, Richard (Treasury)
Sent: Wednesday, October 28, 2015 3:43 PM
To: Hudson, Deanna (TREASURY) <HudsonD4@michigan.gov>; Heimann, Alexandr (TREASURY) <HeimannA@michigan.gov>
Subject: FW: Materials for November 12th RTAB Meeting

Deanna/Alex:

Attached is a packet from the City of Flint for the upcoming RTAB meeting.

I am not sure if this will be their only submission, however, it is a start.

For this packet, please begin to review the materials and note any thoughts, concerns, or items that need follow-up.

Be prepared to discuss your observations.

If you wish to discuss the "packet analysis" process, let me know.

Regards,

Eric Cline | Department Manager | State of Michigan
Michigan Department of Treasury | Local Government Financial Services Division | Fiscal Responsibility Section
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: Maxine Murray [<mailto:mmurray@cityofflint.com>]

Sent: Wednesday, October 28, 2015 3:36 PM

To: Cline, Richard (Treasury) <cliner1@michigan.gov>; Dempkowski, Angela (Treasury) <DempkowskiA@michigan.gov>

Cc: Natasha Henderson <nhenderson@cityofflint.com>; Sean Kammer <skammer@cityofflint.com>

Subject: Materials for November 12th RTAB Meeting

Good afternoon,

Please find attached materials for the RTAB meeting being held November 12, 2015.

Thank you.

--

Maxine Murray
Executive Assistant to
Mayor Dayne Walling
1101 S. Saginaw Street
Flint, MI 48502
810.237.2035 Telephone
810.766.7218 Fax

Dempkowski, Angela (Treasury)

From: Headen, Frederick (Treasury)
Sent: Friday, October 30, 2015 5:54 PM
To: Connors, Paul (Treasury); Workman, Wayne (TREASURY); Koryzno, Edward (Treasury); Saxton, Thomas (Treasury)
Cc: Storberg, Ann Marie (TREASURY)
Subject: RE: Professional Liability Insurance

Paul:

That would not be my interpretation. You did not indicate how Meadowbrook staff reached the conclusion that governmental immunity no longer would apply to Darnell for acts taken by him while at the City of Flint. I will presume that they read § 20(1) of the Act to apply only to an Emergency Manager currently serving in the local government regarding which litigation arises and concluded it would not apply to Darnell since he no longer is Emergency Manager for the City of Flint. That conclusion may appear reasonable if § 20(1) is read in isolation. However, when read as a whole, § 20 is replete with instances where the term "Emergency Manager" refers to past as well as current occupants of that office.

Section 20 was intended to remedy two shortcomings in Act 72: providing legal representation for Emergency Financial Managers while in office and after *leaving* office. Section 20(2) was intended to address the former and § 20(5) to address the latter, which was of particular concern since two former Act 72 Emergency Financial Managers had been subjected to litigation after leaving office.

With one exception, the Attorney General's Office consistently took the position under Act 72 that it would not provide legal representation for Emergency Financial Managers because they were not State officials. Section 20(2) requires such representation, but only if litigation challenges: (a) the validity of the Act, (b) the authority of a State official or officer acting under the Act, or (c) the authority of an Emergency Manager and even then only if he or she was acting within the scope of his or her authority under the Act. If, hypothetically speaking, litigation were to be filed against Darnell for acts taken by him while at the City of Flint, the Attorney General's Office would be obligated to provide legal representation only if such litigation involved (a) or (c); (b) would not apply because Emergency Managers are neither State officials or officers.

As noted above, § 20(5) would address, again hypothetically speaking, litigation filed against Darnell for acts taken by him while at the City of Flint. If not covered by insurance, his litigation-related expenses, actual and *anticipated*, would be assessed against the City of Flint, if approved by the State Treasurer after determining that Darnell's conduct had been within the scope of his authority and occurred on behalf of a local government while it was in receivership. See § 20(5)(a) and (b).

Let me know should you have further questions.

Fred

From: Connors, Paul (Treasury)
Sent: Friday, October 30, 2015 2:00 PM
To: Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>; Koryzno, Edward (Treasury) <KoryznoE@michigan.gov>; Headen, Frederick (Treasury) <HeadenF@michigan.gov>; Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>

Cc: Storberg, Ann Marie (TREASURY) <StorbergA@michigan.gov>

Subject: RE: Professional Liability Insurance

Tom

I spoke to Meadowbrook and they are confident that they can find another carrier for Darnell. Their chief concern is that if Darnell is sued for an action taken as Flint EM, PA 436 governmental immunity no longer covers him--Section 20 (4) (5).

Fred is that your interpretation?

Also, insurance will cost approx. \$5,000 which, in their opinion, is probably less than it would cost the AG to defend him.

I talked to Darnell who really wants the additional protection and is discussing the matter further with Meadowbrook.

[http://www.legislature.mi.gov/\(S\(nojcl diedb45grz1rqeqbtvc\)\)/documents/mcl/pdf/mcl-141-1560.pdf](http://www.legislature.mi.gov/(S(nojcl diedb45grz1rqeqbtvc))/documents/mcl/pdf/mcl-141-1560.pdf)

From: Workman, Wayne (TREASURY)

Sent: Friday, October 30, 2015 12:52 PM

To: Connors, Paul (Treasury) <ConnorsP@michigan.gov>; Koryzno, Edward (Treasury) <KoryznoE@michigan.gov>

Cc: Storberg, Ann Marie (TREASURY) <StorbergA@michigan.gov>

Subject: RE: Professional Liability Insurance

Should let Tom know also

From: Connors, Paul (Treasury)

Sent: Friday, October 30, 2015 12:38 PM

To: Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>; Koryzno, Edward (Treasury) <KoryznoE@michigan.gov>

Cc: Storberg, Ann Marie (TREASURY) <StorbergA@michigan.gov>

Subject: FW: Professional Liability Insurance

I talked to Darnell and he wants Meadowbrook to find another carrier even though he knows as EM he has immunity. I think Ann makes some good points.

From: Storberg, Ann Marie (TREASURY)

Sent: Friday, October 30, 2015 12:36 PM

To: Connors, Paul (Treasury) <ConnorsP@michigan.gov>

Subject: RE: Professional Liability Insurance

He probably isn't trusting the state to back him up and wants added assurance of liability coverage, which is outlined in Sec. 20(4) of the statute. He also may not feel comfortable having the AG represent him and would again prefer to have the extra insurance coverage [which provide for legal defense if needed]. After reading Sec. 20(5) in the statute, there is reliance that the state treasurer will approve the legal expenses and determine that his actions fell within (5)(a)(b). I can see some possible holes in the statute that would make me feel uncomfortable, especially in light of all the legal threats being thrown his way.

From: Connors, Paul (Treasury)

Sent: Friday, October 30, 2015 12:20 PM

To: Storberg, Ann Marie (TREASURY) <StorbergA@michigan.gov>

Subject: RE: Professional Liability Insurance

Why is has immunity and AG representation?

From: Storberg, Ann Marie (TREASURY)

Sent: Friday, October 30, 2015 12:17 PM

To: Connors, Paul (Treasury) <ConnorsP@michigan.gov>

Subject: FW: Professional Liability Insurance

Interesting, but not surprising to hear that the prof liab insurance carrier doesn't want to renew coverage based on all of the negative media coverage. Since I worked at a med mal insurance co. for 10 years, I understand why an underwriter might have a difficult time assessing the risk for this coverage and would prefer to not be exposed to any "potential" risk going forward. Did the state provide coverage for Darnell? I was wondering why they would contact the state versus Darnell. I can also understand why Darnell would want to continue receiving this coverage. I would if I were in his shoes for a number of reasons.

The premiums on this coverage are sure to go up based on the potential risk, and that is if any carrier is willing to take on the risk.

From: Darnell Earley [mailto:darnell.earley@detroitk12.org]

Sent: Friday, October 30, 2015 11:58 AM

To: Connors, Paul (Treasury) <ConnorsP@michigan.gov>

Cc: Storberg, Ann Marie (TREASURY) <StorbergA@michigan.gov>; John Clark <jclark@gmhlaw.com>

Subject: Re: Professional Liability Insurance

Paul,

For any number of reasons, I want that coverage. I would ask that Meadowbrook identify a carrier. I am also curious as to why they didn't contact me. In any event, they should be asked to pursue this matter despite their concerns about media coverage of an event that clearly I was not liable for.

DE

Darnell Earley, ICMA-CM, MPA

Emergency Manager

Detroit Public Schools

From: Connors, Paul (Treasury) <ConnorsP@michigan.gov>

Sent: Friday, October 30, 2015 10:48 AM

To: Darnell Earley

Cc: Storberg, Ann Marie (TREASURY)

Subject: Professional Liability Insurance

Hi Darnell

I received an email today from Meadowbrook Insurance that ACE/Westchester gave notice that it will not renew your professional liability coverage. Meadowbrook is concerned that it will be difficult to find a new carrier because of a recent Freep article on Flint Water.

Do you need professional liability coverage? Section 20 of PA 436 provides that EM is immune from liability and that the AG shall defend any civil claim, demand, or lawsuit. As a result, I think you may not need additional coverage. However, before I respond to Meadowbrook, I want to get your thoughts on the matter. My cell is 517 899 1291 thanks

[http://www.legislature.mi.gov/\(S\(nojcldiedb45grz1rqeqbtvc\)\)/documents/mcl/pdf/mcl-141-1560.pdf](http://www.legislature.mi.gov/(S(nojcldiedb45grz1rqeqbtvc))/documents/mcl/pdf/mcl-141-1560.pdf)

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