Pleyte, Beth (Treasury)

From: Baird, Richard (GOV)
Sent: Wednesday, February 10, 2016 11:27 PM
To: Khouri, Nick (TREASURY)
Cc: Saxton, Thomas (Treasury); Hollins, Harvey (GOV); Steckelberg, Larry (TREASURY)
Subject: Re: FWICC subcommittee

I already weighed in by phone on this one. Let me know if you need anything. I think an impact analysis around the switching process is the right approach. GC should not panic nor should anyone conclude without reason that anything is "off the table" if reasoned experts conclude it makes no sense.

Sent from my Verizon Wireless 4G LTE DROID
On Feb 10, 2016 10:29 AM, "Khouri, Nick (TREASURY)" <KhouriN@michigan.gov> wrote:

Rich and Harvey

Similar to Zimmer's email, I was going to send this to the FWICC KWA subcommittee (including Jamie Curtis)

Does this capture our subcommittee's to-do?

I miss one meeting, and look what happens

We are the "KWA Subcommittee" of the FWIC

My understanding, and why I what to check-in with you, is we are to address 3 questions (our 3 objectives):

(1) What is the updated, long-term, financial cost/benefit analysis for Flint residents of KWA vs staying with DWSD?

(2) What are Flint's formal commitments to KWA?

(3) What are updated projections for Flint resident's water rates? What is driving future rates in the city?

I think the tasks fall into:

(1) Update the prior cost/benefit analysis with revised estimates, including transition costs

(2) Review the long term assumptions of Flint rates if they stay with DWSD

(3) Agree on any non-financial reasons for Flint to choose one option or the other

(4) Review bond covenants and other contractual relations between Flint and KWA

(5) Given reasonable assumptions, project typical Flint water rates for the next 5 and 10 years

We still need to work up a specific work plan and schedule, but the goal is to report back to the full committee by early June

Please let me know you thoughts

Cline, Richard (Treasury)

From: Jody Lundquist <jlundquist@cityofflint.com>
Sent: Wednesday, February 10, 2016 11:52 AM
To: Cline, Richard (Treasury)
Subject: Fwd: 24 Month Cash Flow Attached
Attachments: Draft City of Flint 24 Month Cash Flows Water & Sewer Funds v02092016.2.xlsx

Please find the most recent cash flow iteration provided to Treasury attached.

Best regards,

Jody N. Lundquist
Chief Financial Officer
City of Flint
1101 S. Saginaw Street, 2nd Floor
Flint, MI 48502
jlundquist@cityofflint com
(810) 237-2441

---------- Forwarded message ----------
From: **Jody Lundquist** <jlundquist@cityofflint.com>
Date: Wed, Feb 10, 2016 at 11:05 AM
Subject: 24 Month Cash Flow Attached
To: Cary Vaughn <VaughnC2@michigan.gov>
Cc: "Steckelberg, Larry (TREASURY)" <SteckelbergL@michigan.gov>, Natasha Henderson <nhenderson@cityofflint.com>, "Khouri, Nick (TREASURY)" <KhouriN@michigan.gov>

Cary,

Per our conversation, please find attached the cash flow which extends projections through June 30, 2017. I have also included additional assumptions for:
1. how customer bill relief will be distributed from the State to the City (amount and # of months)
2. an area for assumptions should the State appropriate additional funding for GLWA water purchase (amount and # of months)
3. Rate increase and collection rate assumptions for the period following 1/1/2017 through 6/30/2017

Please let me know if you have any 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) 237-2441

CITY OF FLINT
WATER FUND
24 MONTH CASH FLOW
FOR THE PERIOD JULY 1, 2015 THROUGH JUNE 30, 2017
Actual Activity Reported through December 31, 2015

Assumptions Defined Below

REVENUE ASSUMPTIONS:

1. User Charges for the period January 2015-December 2016 were based on YTD billing activity and collection rates
2. Rate increase assumptions effective March 1, 2016 and July 1, 2016 may be modified in the grey box below
3. Restoring the FY16 Master Fee Schedule rates per the amended preliminary injunction order would result in a rate increase of approximately 22% and would impact collections beginning in March 2016
4. If the Master Fee Schedule rates are restored in FY16 then any rate increase assumption for FY17 must also include 22%.
5. Issuance of shut off notices and disconnection of services has a tremendous impact on the City's ability to enforce payment for services rendered. In August, prior to the Preliminary Injunction Order the City's average monthly collection rate was 98%. The average collection rate for the period August through December 2015 has fallen to 83%, with a low point in October of 70%.

EXPENDITURE ASSUMPTIONS:

1. Expenditure activity for the period January 2016-June 2016 reflect unspent funds as of December 31, 2015 divided equally over the remaining 6 months of the fiscal year
2. Expenditure activity for the period July 2016-December 2016 assumes the FY17 budget projection as included in the Biennial FY16 & FY17 Budget as adopted by emergency manager order
3. The City will likely have to continue purchasing treated water from the Great Lakes Water Authority through the first quarter of FY17. An amount for illustrative purposes is shown

	Until 6/30/2016	After 7/1/2016	After 1/1/2017
Average Monthly Collection Rate	60%	45%	75%
Rate Increase	0%	0%	0%

GLWA Water Purchase $ 1,333,333
# of Months of FY17 GLWA Water 6

Amount of State Assisted GLWA Purchase $ -
# of Months Allocated to City -

* Regarding Rate Increases:
FY16 has been set such that an increase would impact bills beginning in March 2016.
Any rate increase assumption for FY17 must also include any rate assumption made for FY16
For Example FY16 restoration of Master Fee Schedule equals approximately 22% Budgeted FY17 projection of 5% must be entered as 27%.

Amount of State Assisted Bill Relief $ 30,000,000
# of Months Allocated to City 3

	ACTUAL JULY 2,015	ACTUAL AUGUST 2015	ACTUAL SEPTEMBER 2015	ACTUAL OCTOBER 2015	ACTUAL NOVEMBER 2015	ACTUAL DECEMBER 2015	PROJECTED JANUARY 2016	PROJECTED FEBRUARY 2016	PROJECTED MARCH 2016	PROJECTED APRIL 2016	PROJECTED MAY 2016	PROJECTED JUNE 2016
BEGINNING CASH BALANCE	19,997,365	19,921,378	20,768,899	19,284,648	16,289,463	16,002,098	16,240,839	15,266,166	13,291,493	21,316,821	30,342,148	37,873,300
CASH RECEIPTS												
User Charges	2,921,585	2,595,455	2,214,755	1,750,177	1,864,184	2,020,248	1,324,483	1,324,483	1,324,483	1,324,483	1,324,483	1,324,483
Grants and State Appropriations				8,000,000			1,000,000			1,000,000		
Customer Bill Relief									10,000,000	10,000,000	10,000,000	
Other Revenue	1,326			677	55		8,333	8,333	8,333	8,333	8,333	8,333
Certificate of Deposit Activity			(91,821)	129,285	20,408	(8,051)						
TOTAL CASH RECEIPTS	2,922,912	2,595,455	2,122,934	9,880,140	1,884,646	2,012,197	2,332,816	1,332,816	11,332,816	12,332,816	11,332,816	1,332,816
CASH DISBURSEMENTS												
Salaries and Benefits	922,659	914,807	914,048	1,103,360	900,592	897,993	988,350	988,350	988,350	988,350	1,482,525	988,350
Supplies	253,373	147,058	187,527	186,152	46,298	48,535	409,039	409,039	409,039	409,039	409,039	409,039
Contractual Services	752,353	26,584	1,526,880	900,188	526,945	252,300	726,892	726,892	726,892	726,892	726,892	726,892
Purchase of Water				10,000,000								2,000,000
Claims												
Utilities	41,588	147,607	81,183	62,630	50,729	37,166	185,173	185,173	185,173	185,173	185,173	185,173
Equipment Operation	161,162	122,045	262,911	151,449	254,416	145,231	304,310	304,310	304,310	304,310	304,310	304,310
Repairs and Maintenance	482,400	10,815	255,380	89,901	11,136	13,041	310,613	310,613	310,613	310,613	310,613	310,613
Insurance												
KWA Pipeline Connection												
KWA bond payment												
KWA operating & maintenance cost												
Transfers to Debt Service Fund	174,522	174,522	174,522	174,522	174,522	174,522	174,522	174,522	174,522	174,522	174,522	174,522
Other Expenses	116,676	110,331	110,568	112,957	113,206	110,502	114,425	114,425	114,425	114,425	114,425	114,425
Transfers Out	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167
TOTAL CASH DISBURSEMENTS	2,998,898	1,747,935	3,607,185	12,875,325	2,172,011	1,773,455	3,307,489	3,307,489	3,307,489	3,307,489	3,801,664	5,307,489
NET CASH FLOW	(75,987)	842,521	(1,484,251)	(2,995,185)	(287,365)	238,741	(974,673)	(1,974,673)	8,025,327	9,025,327	7,531,152	(3,974,673)
ENDING CASH BALANCE	19,921,378	20,763,899	19,284,648	16,289,463	16,002,098	16,240,839	15,266,166	13,291,493	21,316,821	30,342,148	37,873,300	33,898,627

	PROJECTED JULY 2016	PROJECTED AUGUST 2016	PROJECTED SEPTEMBER 2016	PROJECTED OCTOBER 2016	PROJECTED NOVEMBER 2016	PROJECTED DECEMBER 2016	PROJECTED JANUARY 2017	PROJECTED FEBRUARY 2017	PROJECTED MARCH 2017	PROJECTED APRIL 2017	PROJECTED MAY 2017	PROJECTED JUNE 2017
BEGINNING CASH BALANCE	33,898,627	30,894,547	27,890,467	22,886,388	10,794,308	5,702,228	(389,852)	(1,488,357)	(2,582,862)	(3,679,367)	(4,775,872)	(5,872,377)
CASH RECEIPTS												
User Charges	993,362	993,362	993,362	993,362	993,362	993,362	1,655,604	1,655,604	1,655,604	1,655,604	1,655,604	1,655,604
Grants and State Appropriations												
Customer Bill Relief												
Other Revenue	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333
Certificate of Deposit Activity												
TOTAL CASH RECEIPTS	1,001,696	1,001,696	1,001,696	1,001,696	1,001,696	1,001,696	1,663,937	1,663,937	1,663,937	1,663,937	1,663,937	1,663,937
CASH DISBURSEMENTS												
Salaries and Benefits	996,726	996,726	996,726	996,726	996,726	996,726	996,726	996,726	996,726	996,726	996,726	996,726
Supplies	213,617	213,617	213,617	213,617	213,617	213,617	213,617	213,617	213,617	213,617	213,617	213,617
Contractual Services	649,128	649,128	649,128	649,128	649,128	649,128	649,128	649,128	649,128	649,128	649,128	649,128
Purchase of Water	1,333,333	1,333,333	1,333,333	1,333,333	1,333,333	1,333,333						
Claims												
Utilities	108,750	108,750	108,750	108,750	108,750	108,750	108,750	108,750	108,750	108,750	108,750	108,750
Equipment Operation	157,380	157,380	157,380	157,380	157,380	157,380	157,380	157,380	157,380	157,380	157,380	157,380
Repairs and Maintenance	128,581	128,581	128,581	128,581	128,581	128,581	128,581	128,581	128,581	128,581	128,581	128,581
Insurance												
KWA Pipeline Connection			2,000,000	2,000,000	2,000,000	3,000,000						
KWA bond payment				7,000,000								
KWA operating & maintenance cost				88,000	88,000	88,000	88,000	88,000	88,000	88,000	88,000	88,000
Transfers to Debt Service Fund	260,147	260,147	260,147	260,147	260,147	260,147	260,147	260,147	260,147	260,147	260,147	260,147
Other Expenses	63,946	63,946	63,946	63,946	63,946	63,946	63,946	63,946	63,946	63,946	63,946	63,946
Transfers Out	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167
TOTAL CASH DISBURSEMENTS	4,005,775	4,005,775	6,005,775	13,093,775	6,093,775	7,093,775	2,760,442	2,760,442	2,760,442	2,760,442	2,760,442	2,760,442
NET CASH FLOW	(3,004,080)	(3,004,080)	(5,004,080)	(12,092,080)	(5,092,080)	(6,092,080)	(1,096,505)	(1,096,505)	(1,096,505)	(1,096,505)	(1,096,505)	(1,096,505)
ENDING CASH BALANCE	30,894,547	27,890,467	22,886,388	10,794,308	5,702,228	(389,852)	(1,488,357)	(2,582,862)	(3,679,367)	(4,775,872)	(5,872,377)	(6,968,882)

2/10/2016
jpi

February 10, 2016
Billing vs Cash Flow is [illegible]

Cary Vaughn

PPC Progress?

~~Trent~~ Al & Amanda
2 issues   Credit generator (CG)
1) $10.2 set aside preliminary injunction case
a. Injunction   Removed from billing history
b. Interchange   trying to move back on to accounts
2) Billing utility for county. That BSA will need to create.
c. Then the credit generator (Build & test 1st)
- Run a test db then bring back $10.2
potential for doubling up
Timing of credit generator - 3 weeks
Timeline & hurdles (our goals)
9 billing cycles. 2 more bills before credits
7 million records   April earliest for Bill w/ credit

Deep Dive [illegible] later

Facts sheets - Distressed units
Go over New Plan - Because it is moving forward
Fleet fixes in Storage - yet?
Thermos Bike
~~Update~~ Replies to Water task force?

email
June 2011
through 7/2014

* ORGANIZE PLANT

* FOIA

~~Tony stepping out of office~~

lawsuit 4/15/2011 35% increase
8/2014 inspection
no longer collect fees
that includes the 35%
35% in 2011
→ 22% water
17% sewer
master fee schedule

How much fees? How much collected to date?

Mike 11

Deb Cherry - Co Treas

(a) 2014 lien 4,000 accounts

County will not collect on water. (Tatters)

Buy back from county? State pays 65% ; city stuck w/ 35% since Treas Will not pursue

~~2014~~ Roll 2014 Back in

But not all (35%) will

Not be Reimb. by State

All appeared as fully paid in Flint's Books.

because county made them whole

Foreclosure?

(a) Refund those that have already paid 2014 lien

(b) Late fees waved?? + 65% Reimb?

same
commercial is multi use residential

Deloitte model based on actual data.

Late fees built in? $28 M Water + sewer not split out

$2.5 M late fee reduct? estimates

~~Best~~ 28.5 + 2.5 + (b) 3-4 M? Revenue estimate

Top Ten Questions

1. How to handle residents who have moved
2. Whether residents in apartments get the 65% or the owner of the building receives 20%.
    a. If the residents are to receive the credit, how will this work?
3. By accepting the credit, do the residents waive their rights to future claims?
    a. If so, how would this work?
4. When will the water fund run out of cash?
5. What is needed when the water fund runs out of cash?
6. Should the $30 million be distributed over several months or should it be credited to a customer's account at one time.
7. When will the water be given a clean bill of health?
8. When will the city be able to resume collecting past due accounts?

Is the assumption that the consumption for the water remains constant throughout the cash flow period?

Please clarify GLWA fees. $10 million and $2 million in escrow? Is the $10 million already spent (in October of 2015)?

Bond payments for KWA –
We see the 2016 payment of $7 million. Is this a yearly payment? Once each year?
The copy from last Friday from the *Jones & Henry Engineers* shows a $690,000 payment for FY 2015. This does not show on the cash flow. Why?
Would you please give me the amortization schedule for the bond payments to KWA?

Upcoming bond sale –
What and when? What does that do to the bond payment?

How many gallons of usage is the cash flow based on?
Is the usage number for 2017 (1.6 million) the expected final number or is there reduced payment or usage – GM water usage – in 2015 numbers (the 2017 numbers look reduced)? <u>Will GM come back?</u>
The cash flow takes into account the GM exit. Jody does not know about when or if they will reenter the system.

What is the contractual obligation for Detroit water? When does that end? What needs to be negotiated? Start/stop date – runs through?
GLWA payments of $1.3 million after June 2016 is speculative. There is no contract.
$12 million for FY 2016 is in escrow. The actual amount of outflows could be more or less depending on what happens with the water.

Is there a cost for testing and treating water for KWA? Does not show on cash flow.
You mentioned that the testing and treating of KWA water is in the line item, Capital Improvements. Which line is that on your cash flow? If it is in the cash flow, do I understand you correctly that you know of no additional costs for this?
Transition, backup, and treatment fees baked in?

Does the "Transfers to Debt Service Fund" line item take into account the restructuring of DWRF loans? We have a yearly amount of $1.8 million. Is that what this line is?

Notes

Two Questions for Larry:

① Cash Flow doesn't appear to include payments to KWA for water. Is it some place else or why isn't it included?

② Sewer Fund may need cash. Can it take from Water (after influx of assistance) or does it have to take from GF?

Suzanne

Is the $88K really the ongoing amount?

Stanton, Terry A. (Treasury)

From: Calvert, Scott <scott.calvert@wsj.com>
Sent: Wednesday, February 10, 2016 1:11 PM
To: Stanton, Terry A. (Treasury)
Subject: Re: WSJ reporter getting in touch re: Michigan's emergency manager law and program

Got it. I won't quote you on the Mike Brown personal issues stuff. I too heard he left for family reasons.

On Wed, Feb 10, 2016 at 12:54 PM, Stanton, Terry A. (Treasury) <StantonT@michigan.gov> wrote:

In July 2013, Mr. Kurtz retired and was replaced by Mike Brown, who could serve as EM pursuant to PA 436. Mr. Earley replaced Mr. Brown when he stepped down in October 2013. **Please do not attribute the following to me:** It's my understanding a member of Mr. Brown's family had fallen ill and he left to spend time with that individual.

Mr. Earley then was named EM for DPS in January 2015 and Mr. Ambrose was appointed...with the expectation he would likely conclude his work by spring. He then left in April 2015, after indicating to the governor that the financial emergency had been adequately addressed.

From: Calvert, Scott [mailto:scott.calvert@wsj.com]
Sent: Wednesday, February 10, 2016 11:35 AM

To: Stanton, Terry A. (Treasury) <StantonT@michigan.gov>
Subject: Re: WSJ reporter getting in touch re: Michigan's emergency manager law and program

Terry,

Can you give me a short (one or two sentence) explanation for why various Flint EMs left the position?

I know why Ed Kurtz took over for Michael Brown in August 2012.

But why did Michael Brown return as EM in July 2013 and why did Darnell Early become EM in October 2013? Put another way, why did Ed Kurtz leave and why did Michael Brown stop being EM the second time?

When Darnell Earley left Flint, was that because he'd been named EM of the Detroit Public Schools?

And did Jerry Ambrose's tenure end in April 2015 because that's when the governor determined that Flint's fiscal emergency ended?

Thanks,

Scott

On Tue, Feb 9, 2016 at 3:17 PM, Stanton, Terry A. (Treasury) <StantonT@michigan.gov> wrote:

I can call you in a couple of minutes...

From: Calvert, Scott [mailto:scott.calvert@wsj.com]
Sent: Tuesday, February 09, 2016 1:23 PM

To: Stanton, Terry A. (Treasury) <StantonT@michigan.gov>
Subject: Re: WSJ reporter getting in touch re: Michigan's emergency manager law and program

Terry, can you please give me a call when you get a few minutes? I just left you a voice message and said I think it'd be easier to talk by phone rather than over email. I want to better understand interactions between EMs, the treasurer, Treasury Department and the governor.

My number is 443-955-9390. I expect to be free all afternoon. As I said in the message, if you can give me a couple minutes' heads-up that you'll be calling, I can make sure I'm available to take the call.

Thanks,

Scott

On Tue, Feb 9, 2016 at 11:15 AM, Stanton, Terry A. (Treasury) <StantonT@michigan.gov> wrote:

Emergency managers serve at the pleasure of the Governor. There is no set "end date."

There is a provision in PA 436 that after serving 18 months, an individual EM can be removed by a vote of the legislative body (w mayoral support if a strong mayor system). If it were to vote out an EM, the local unit would then have to negotiate a consent agreement with the state.

Under PA 436, the State pays EMs...though salary is determined on a case-by-case basis. Contracts are posted on the following web-page:

http://www.michigan.gov/treasury/0,4679,7-121-1751_51556_64472---,00.html

From: Calvert, Scott [mailto:scott.calvert@wsj.com]
Sent: Tuesday, February 09, 2016 10:21 AM

To: Stanton, Terry A. (Treasury) <StantonT@michigan.gov>
Subject: Re: WSJ reporter getting in touch re: Michigan's emergency manager law and program

Terry,

Do emergency managers serve set terms? If so, how long? And how much are they paid (and who pays them)? Thanks.

On Wed, Feb 3, 2016 at 12:27 PM, Stanton, Terry A. (Treasury) <StantonT@michigan.gov> wrote:

They do...and are to be posted on each local unit's website. Sometimes, once a manager leaves, the local unit makes the reports less obvious. The Flint reports, for example, are at the url below.

https://www.cityofflint.com/finance/finanical-reports/

From: Calvert, Scott [mailto:scott.calvert@wsj.com]
Sent: Wednesday, February 03, 2016 12:13 PM

To: Stanton, Terry A. (Treasury) <StantonT@michigan.gov>
Subject: Re: WSJ reporter getting in touch re: Michigan's emergency manager law and program

Thanks, that's helpful.

Do the EMs submit reports on a regular basis -- e.g., quarterly -- to the governor or treasury outlining steps taken and progress made?

On Wed, Feb 3, 2016 at 11:03 AM, Stanton, Terry A. (Treasury) <StantonT@michigan.gov> wrote:

Sorry...the first employee was hired in January 2012...and staffing ramped up from there.

From: Stanton, Terry A. (Treasury)
Sent: Wednesday, February 03, 2016 11:03 AM
To: 'Calvert, Scott' <scott.calvert@wsj.com>
Subject: RE: WSJ reporter getting in touch re: Michigan's emergency manager law and program

There is a Fiscal Responsibility Section within the Local Government Financial Services Division of Treasury's Bureau of Local Government Services. Staff does not "oversee" Emergency Managers, per se. EMs are appointed by the Governor and serve at the pleasure of the Governor. Staff does provide technical support to EMs and local units with a Receivership Transition Advisory Board, working under a Consent Agreement or Neutral Condition (mediation).

The Fiscal Responsibility Section (7 employees) can provide any local unit of government (not just those with EMs) with state-wide technical expertise and policy recommendations to ensure proper implementation of state and federal laws, regulations, requirements, accounting standards, and financial controls and to help develop strategies that help locals retain strong fiscal health, and avoid financial stress or crisis.

From: Calvert, Scott [mailto:scott.calvert@wsj.com]
Sent: Wednesday, February 03, 2016 9:45 AM

To: Stanton, Terry A. (Treasury) <StantonT@michigan.gov>
Subject: Re: WSJ reporter getting in touch re: Michigan's emergency manager law and program

OK, thanks. And someone told me the treasury department has an office of fiscal responsibility that oversees emergency managers. Is that right, and if so when was that office established?

On Wed, Feb 3, 2016 at 9:43 AM, Stanton, Terry A. (Treasury) <StantonT@michigan.gov> wrote:

My apologies...it is a typo. Should be 2011.

As for EM "applicants"...there is not a formal application process to become a manager (as noted yesterday) so I am not aware of a compilation of resumes per se, for potential and/or selected Ems/EFMs. I will check with staff.

Terry

From: Calvert, Scott [mailto:scott.calvert@wsj.com]
Sent: Wednesday, February 03, 2016 9:31 AM
To: Stanton, Terry A. (Treasury) <StantonT@michigan.gov>

Subject: Re: WSJ reporter getting in touch re: Michigan's emergency manager law and program

Thanks, Terry.

The year on this is wrong. Can you pls check? 2011, maybe?

Lou Schimmel appointed EM (PA4) in October 2001, by Gov. Snyder

Also, where do things stand on the resumes for individuals considered/chosen to be EFMs and EMs?

On Tue, Feb 2, 2016 at 4:44 PM, Stanton, Terry A. (Treasury) <StantonT@michigan.gov> wrote:

Scott,

I compiled a list of the managers who have been appointed to MI municipalities and school districts, since the inception of an emergency (financial) manager statute in 1988. As you might have expected, the Wikipedia list has some of the information but does not appear to be an exhaustive list (only municipalities are in the table) and some of the dates were off, when compared to my information.

As you are likely aware, given statutory changes that occurred here between 2001 and 2013, three Acts were intertwined, which makes the compiling of, and understanding of a list, somewhat difficult. That said, the attached has managers listed by local unit, with the Act they were appointed under noted. Under PA72 of 1990, the Local Financial Assistance Loan Board (commonly referred to as the Emergency Loan Board or ELB) appointed emergency financial managers. The ELB is made up of three Gubernatorial appointees; The State Treasurer, the Director of the Department of Technology Management and Budget, and the Director of the Department of Licensing and Regulatory Affairs. Under PA4 (which fell to a statewide voter referendum) and PA436, the Governor appoints managers. Also, under PA436, local units can elect which of four potential remedies they would like to proceed under; an emergency manager, consent agreement, neutral evaluation, or chapter 9 bankruptcy. Please also note the "note" at the bottom of the document.

To date, 15 local units of government have had a manager appointed. Clearly, there have been multiple managers for a number of the local units.

As for EM "applicants"...there is not a formal application process to become a manager.

Under PA436, these are Gubernatorial appointments, so individuals may express an interest in being named an appointee by the Governor, for any given potential post...and those with the financial acumen and or municipal finance expertise could certainly find themselves under consideration.

As you might understand, Treasury staff also interact with, know of, and/or become aware of, individuals who have municipal finance backgrounds and expertise in the area, who may be interested in and have the ability to serve in such a post.

I hope this proves helpful.

Terry

From: Calvert, Scott [mailto:scott.calvert@wsj.com]
Sent: Monday, February 01, 2016 2:15 PM
To: Stanton, Terry A. (Treasury) <StantonT@michigan.gov>
Subject: Re: WSJ reporter getting in touch re: Michigan's emergency manager law and program

Hi Terry,

My editor is looking for me to get as much info as possible by tomorrow morning or afternoon. Of the two things I asked about, I'm hoping you can get the list of managers pretty quickly. We don't use Wikipedia as a source, but the chart I found there would seem to be a good guide:

https://en.wikipedia.org/wiki/Financial_emergency_in_Michigan

The basic selection process should be pretty straightforward, too, right? I would imagine someone there could explain to me how managers are chosen.

Then we are still interested in the resumes of applicants/would-be managers. Depending on how those are filed, I could see that taking a bit longer. I'm an optimist, though, so I start off thinking those could be sitting in the same file cabinet or computer file.

Please keep me posted.

Scott

On Mon, Feb 1, 2016 at 2:01 PM, Stanton, Terry A. (Treasury) <StantonT@michigan.gov> wrote:

Scott...

When are you hoping to have this information by? I can compile it but it's going to take some legwork, etc.

Terry

From: Calvert, Scott [mailto:scott.calvert@wsj.com]
Sent: Monday, February 01, 2016 11:05 AM
To: Stanton, Terry A. (Treasury) <StantonT@michigan.gov>
Subject: WSJ reporter getting in touch re: Michigan's emergency manager law and program

Hi Terry,

I'm a Wall Street Journal reporter working with Kris Maher on a story about Michigan's emergency manager law(s) and program. I just left a couple voicemail messages for you and am following up with a quick email.

As I mentioned in the messages, we're looking for a list of all emergency managers and emergency financial managers who've been appointed by various governors since the program began, along with their tenures (and which governor made the appointment).

We're also looking for more information on the process by which these managers are selected. Do they apply? Or does the governor work from a list provided by staff? Is there some other process? In addition, we would like to see the resumes of everyone who applied or has been considered for these positions, which obviously would include the ones appointed as emergency managers.

I know the Treasury Department has a lot of information on its website, but I didn't see what I describe above. Please give me a call at 443-955-9390 at your earliest convenience.

Thanks,

Scott Calvert

--

Scott Calvert

Wall Street Journal reporter

443-955-9390

scott.calvert@wsj.com

Royal Oak Township

Steve Smaka appointed EFM (PA101 of 1988) in January 1990, by the Emergency Loan Board (Blanchard Admin.)

George Smith appointed EFM (PA101) in July, 1990, by the Emergency Loan Board (Blanchard Admin.)

City of Hamtramck

Lou Schimmel appointed EFM (PA72 of 1990) in November 2000, by the Emergency Loan Board (Engler Admin.)

Cathy Square appointed EM (PA436) in July 2013, by Gov. Snyder

City of Highland Park

Ramona Henderson-Pearson appointed EFM (PA72) in June 2001, by the Emergency Loan Board (Engler Admin.)

Art Blackwell appointed EFM (PA72) in March 2005, by the Emergency Loan Board (Granholm Admin.)

Robert Mason appointed EFM (PA72) in April 2009, by the Emergency Loan Board (Granholm Admin.)

Inkster Public Schools

W. Howard Morris appointed EFM (PA72) in 2002, by Governor Engler

Village of Three Oaks

Pam Amato appointed EFM (PA72) in December 2008, by the Emergency Loan Board (Granholm Admin.)

Detroit Public Schools

Robert Bobb appointed EFM (PA72) in March 2009, by Governor Granholm

Roy Roberts appointed EM (PA4) in May 2012, by Gov. Snyder

*Roy Roberts appointed EFM (PA72) in August 2012, by Gov. Snyder

Jackie Martin appointed EM (PA4 of 2011) in July 2013, by Gov. Snyder

Darnell Earley appointed EM (PA436) in January 2015, by Gov. Snyder

City of Pontiac

Fred Leeb appointed EFM (PA72) in March 2009, by the Emergency Loan Board (Granholm Admin.)

Michael Stampfler appointed EFM (PA72) in July 2010, by the Emergency Loan Board (Granholm Admin.)

Lou Schimmel appointed EM (PA4) in October 2001, by Gov. Snyder

*Lou Schimmel appointed EFM (PA72) in August 2012 by Emergency Loan Board (Snyder Admin.)

City of Ecorse

Joyce Parker appointed EFM (PA72) in October 2009, by the Emergency Loan Board (Granholm Admin.)

*Joyce Parker appointed EFM (PA72) in August 2012, by the Emergency Loan Board (Snyder Admin.)

City of Benton Harbor

Joe Harris appointed EFM in April 2010, by the Emergency Loan Board (Granholm Admin.)

*Joe Harris appointed EFM (PA72) in August 2012, by the Emergency Loan Board (Snyder Admin.)

Tony Saunders appointed EFM in February 2013, by the Emergency Loan Board (Snyder Admin.)

City of Flint

Ed Kurtz appointed EFM (PA72) in July 2002, by the Emergency Loan Board (Engler Admin.)

Michael Brown appointed EM (PA4) in November 2011, by Gov. Snyder

*Ed Kurtz appointed EFM (PA72) in August 2012, by the Emergency Loan Board (Snyder Admin.)

Michael Brown appointed EM (PA436) in July 2013, by Gov. Snyder

Darnell Earley appointed EM (PA436) in October 2013, by Gov. Snyder

Gerald Ambrose appointed EM (436) in January 2015, by Gov. Snyder

Highland Park Schools

Jackie Martin appointed EM (PA4) in January 2012, by Governor Snyder

Joyce Parker appointed EM (PA4) in May 2012, by Gov. Snyder

*Joyce Parker appointed EFM (PA72) in August 2012, by Gov. Snyder

Donald Weatherspoon appointed EFM (PA72) in October 2012, by Gov. Snyder

Donald Weatherspoon appointed EM (PA436) in March 2013, by Gov. Snyder

Gregory Weatherspoon appointed EM (PA436) in October 2013, by Gov. Snyder

Donald Weatherspoon appointed EM (PA436) in April 2015, by Gov. Snyder

Muskegon Heights Schools

Donald Weatherspoon appointed EM (PA4) in April 2012, by Gov. Snyder

*Donald Weatherspoon appointed EFM (PA72) in August 2012, by Gov. Snyder

Donald Weatherspoon appointed EM (PA436) in March 2013, by Gov. Snyder

Gregory Weatherspoon appointed EM (PA436) in October 2013, by Gov. Snyder

Steven Schiller appointed EM (PA436) in April 2015, by Gov. Snyder

City of Allen Park

Joyce Parker appointed EFM (PA72) in October 2012, by Gov. Snyder

City of Detroit

Kevyn Orr appointed EFM (PA72) in March 2013, by the Emergency Loan Board (Snyder Admin.)

Kevyn Orr appointed EM (PA436) in March 2013, by Gov. Snyder

City of Lincoln Park

Brad Coulter appointed EM (PA436) in July 2014, by Gov. Snyder

Note:

***Due to the suspension of Act 4 of 2011 on August 8, 2012, existing Emergency Managers were reappointed as Emergency Financial Managers under revived Act 72 of 1990. Upon repeal of Act 72 by Act 436 of 2012, existing Emergency Financial Managers were converted by operation of law to Emergency Managers and executed new contracts, but were not formally reappointed.**

Flint February 10, 2016

1. TO DO 2/28 1. Jody 2. BSrA
   a. 2/3 page write up on the details of the water credit program (When?)
   b. Re-estimate the cost
   c. 18 month cash flow of water/sewer with or without credit program (when?)
2. FWICC
   a. Three questions (Work Plan, Timeline)
      a. Does it still make financial sense to go to KWA vs. DWSD?
      b. What are Flint's contracted obligations to KWA?
      c. 3-5 year forecast of customer rates i.e.: anything we can do to reduce rates?
3. Issues
   a. Flint Water project resources- internal, external (D&T)?
   b. Who? attends each week
   c How do we stay connected?
   d. How do we stay connected with the City and the Governor's Office?
   e $s - audit how is
   f how do we support Jody
6. Fed $ CMF, State info
7. SRD

- week
- memo 2-3 pg
- Cashflow 2 week

- Broad outline
- list of questions
- FAQ

Frontloaded vs $ Spread out
renters
DHS
When collation enforcement

Costs to
connect.
Rates KWA
Rates DWSD

Ryan, Howard (Treasury)

From:	Peruchietti, Cindy (Treasury)
Sent:	Wednesday, February 10, 2016 4:33 PM
To:	Saxton, Thomas (Treasury); Osborne, Ken (TREASURY); Durfee, Sally (TREASURY); Ryan, Howard (Treasury)
Cc:	Walsh, Julie (Treasury)
Subject:	FW: List of Emergency Managers
Attachments:	EFM-EM Appointment Summary 1-28-16.docx

You guys ok with me sharing this list with Corey Savino with the SFA?

From: Koryzno, Edward (Treasury)
Sent: Wednesday, February 10, 2016 4:31 PM
To: Peruchietti, Cindy (Treasury) <PeruchiettiC@michigan.gov>
Subject: FW: List of Emergency Managers

FYI

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

From: Schafer, Suzanne K. (Treasury)
Sent: Wednesday, February 10, 2016 4:27 PM
To: Ryan, Howard (Treasury) <RyanH1@michigan.gov>
Cc: Headen, Frederick (Treasury) <HeadenF@michigan.gov>; Steckelberg, Larry (TREASURY) <SteckelbergL@michigan.gov>; Koryzno, Edward (Treasury) <KoryznoE@michigan.gov>
Subject: RE: List of Emergency Managers

See attached. I updated Fred's version to include Lincoln Park.

From: Ryan, Howard (Treasury)
Sent: Wednesday, February 10, 2016 4:22 PM
To: Schafer, Suzanne K. (Treasury) <SchaferS7@michigan.gov>
Cc: Headen, Frederick (Treasury) <HeadenF@michigan.gov>; Steckelberg, Larry (TREASURY) <SteckelbergL@michigan.gov>
Subject: FW: List of Emergency Managers

I'm getting a bunch of these.

From: Nick Plescia [mailto:NPlescia@senate.michigan.gov]
Sent: Wednesday, February 10, 2016 3:20 PM
To: Ryan, Howard (Treasury) <RyanH1@michigan.gov>
Subject: List of Emergency Managers

Dear Howard,

Sen. Colbeck is looking for a list of all Emergency Managers by city since the law went into effect.

I found this Wikipedia page that lists all of the EM's in Michigan (including one in Hamtramck in 1988). I was wondering if this list was accurate? And, if not, does Treasury have a complete list?

Thanks,

Nick Plescia, MPP
Legislative Director
Office of Senator Colbeck
517-373-7350

Michigan Department of Treasury, Office of Legal Affairs
Emergency Financial Manager/Emergency Manager Appointments Summarized by Act[1]
January 28, 2016 (supersedes all previous versions)

Statute	Local Unit	EFM/EM	Appointment Date	Administration	Appointed By
Act 101	Royal Oak Township	Steve Smaka George Smith	January 1990 July 2, 1990	Governor Blanchard Governor Blanchard	Emergency Loan Board Emergency Loan Board
Act 72	Allen Park, City of	Joyce A. Parker[6]	October 29, 2012	Governor Snyder	Governor Snyder
	Benton Harbor, City of	Joseph L. Harris Joseph L Harris[2] Tony R. Saunders II[5]	April 1, 2010 August 8, 2012 February 1, 2013	Governor Granholm Governor Snyder Governor Snyder	Emergency Loan Board Emergency Loan Board Emergency Loan Board
	Detroit, City of	Kevyn D. Orr	March 14, 2013	Governor Snyder	Emergency Loan Board
	Detroit Public Schools	Robert Bobb Roy A. Roberts[2]	March 2, 2009 August 8, 2012	Governor Granholm Governor Snyder	Governor Granholm Governor Snyder
	Ecorse, City of	Joyce A. Parker Joyce A. Parker[2, 3]	October 30, 2009 August 8, 2012	Governor Granholm Governor Snyder	Emergency Loan Board Emergency Loan Board
	Flint, City of	Edward J. Kurtz Edward J. Kurtz[2]	July 8, 2002 August 8, 2012	Governor Engler Governor Snyder	Emergency Loan Board Emergency Loan Board
	Hamtramck, City of	Louis H. Schimmel	November 16, 2000	Governor Engler	Emergency Loan Board
	Highland Park, City of	Ramona Henderson Pearson Arthur Blackwell II Robert Mason	June 19, 2001 March 17, 2005 April 17, 2009	Governor Engler Governor Granholm Governor Granholm	Emergency Loan Board Emergency Loan Board Emergency Loan Board
	Highland Park Schools	Joyce A. Parker Joyce A. Parker[2] Donald B. Weatherspoon	May 21, 2012 August 8, 2012 October 29, 2012	Governor Snyder Governor Snyder Governor Snyder	Governor Snyder Governor Snyder Governor Snyder
	Inkster Public Schools	W. Howard Morris	2002	Governor Engler	Governor Engler
	Muskegon Heights Schools	Donald B. Weatherspoon[2]	August 8, 2012	Governor Snyder	Governor Snyder

Michigan Department of Treasury, Office of Legal Affairs
Emergency Financial Manager/Emergency Manager Appointments Summarized by Act[1]
January 28, 2016 (supersedes all previous versions)

Statute	Local Unit	EFM/EM	Appointment Date	Administration	Appointed By
Act 72 continued					
	Pontiac, City of	Fred P. Leeb	March 19, 2009	Governor Granholm	Emergency Loan Board
		Michael L. Stampfler	July 1, 2010	Governor Granholm	Emergency Loan Board
		Louis H. Schimmel	October 6, 2011	Governor Snyder	Governor Snyder
		Louis H. Schimmel[2, 4]	August 8, 2012	Governor Snyder	Emergency Loan Board
	Three Oaks, Village of	Pamela Amato	December 1, 2008	Governor Granholm	Emergency Loan Board
Act 4	Detroit Public Schools	Roy A. Roberts	May 16, 2012	Governor Snyder	Governor Snyder
	Flint, City of	Michael K. Brown	November 28, 2011	Governor Snyder	Governor Snyder
	Highland Park Schools	Jackie Martin	January 27, 2012	Governor Snyder	Governor Snyder
		Jackie Martin	March 2, 2012	Governor Snyder	Governor Snyder
		Joyce A. Parker	May 21, 2012	Governor Snyder	Governor Snyder
	Muskegon Heights Schools	Donald B. Weatherspoon	April 23, 2012	Governor Snyder	Governor Snyder
Act 436	Detroit, City of	Kevyn D. Orr[7]	March 26, 2013	Governor Snyder	Governor Snyder
	Detroit Public Schools	Jackie Martin	July 16, 2013	Governor Snyder	Governor Snyder
		Darnell Earley	January 13, 2015	Governor Snyder	Governor Snyder
	Flint, City of	Michael K. Brown	July 4, 2013	Governor Snyder	Governor Snyder
		Darnell Earley	October 8, 2013	Governor Snyder	Governor Snyder
		Gerald W. Ambrose[9]	January 13, 2015	Governor Snyder	Governor Snyder
	Hamtramck, City of	Cathy L. Square[8]	July 1, 2013	Governor Snyder	Governor Snyder
	Highland Park Schools	Donald B. Weatherspoon	March 26, 2013	Governor Snyder	Governor Snyder
		Gregory D. Weatherspoon	October 16, 2013	Governor Snyder	Governor Snyder
		Donald B. Weatherspoon	April 15, 2015	Governor Snyder	Governor Snyder

Michigan Department of Treasury, Office of Legal Affairs
Emergency Financial Manager/Emergency Manager Appointments Summarized by Act[1]
January 28, 2016 (supersedes all previous versions)

Statute	Local Unit	EFM/EM	Appointment Date	Administration	Appointed By
Act 436 continued					
	Lincoln Park, City of	Bradford Lee Coulter	July 7, 2014	Governor Snyder	Governor Snyder
	Muskegon Heights Schools	Donald B. Weatherspoon	March 26, 2013	Governor Snyder	Governor Snyder
		Gregory D. Weatherspoon	October 14, 2013	Governor Snyder	Governor Snyder
		Steven M. Schiller	April 14, 2015	Governor Snyder	Governor Snyder

[1] Originally compiled on February 25, 2013. Revised on July 1, 2013; January 27, 2014; June 4, 2014; June 23, 2014; September 29, 2014; January 16, 2015; April 1, 2015; April 15, 2015; September 3, 2015; October 16, 2015; January 28, 2016.

[2] Due to the suspension of Act 4 of 2011 on August 8, 2012, existing Emergency Managers were reappointed as Emergency Financial Managers under revived Act 72 of 1990. Upon repeal of Act 72 by Act 436 of 2012, existing Emergency Financial Managers were converted by operation of law to Emergency Managers and executed new contracts, but were not formally reappointed.

[3] Vacated Emergency Manager position on April 30, 2013, and was succeeded by a Receivership Transition Advisory Board.

[4] Vacated Emergency Manager position on August 19, 2013, and was succeeded by a Receivership Transition Advisory Board.

[5] Vacated Emergency Manager position on March 10, 2014, and was succeeded by a Receivership Transition Advisory Board.

[6] Vacated Emergency Manager position on September 25, 2014, and was succeeded by a Receivership Transition Advisory Board.

[7] Vacated Emergency Manager position on December 9, 2014, and was succeeded by a Financial Review Commission.

[8] Vacated Emergency Manager position on December 18, 2014, and was succeeded by a Receivership Transition Advisory Board.

[9] Vacated Emergency Manager position on April 29, 2015, and was succeeded by a Receivership Transition Advisory Board

[10] Vacated Emergency Manager position on December 21, 2015, and was succeeded by a Receivership Transition Advisory Board

Ryan, Howard (Treasury)

From: Ryan, Howard (Treasury)
Sent: Wednesday, February 10, 2016 4:41 PM
To: 'NPlescia@senate.michigan.gov'
Subject: FW: List of Emergency Managers
Attachments: EFM-EM Appointment Summary 1-28-16.docx

Here you go.....

From: Nick Plescia [mailto:NPlescia@senate.michigan.gov]
Sent: Wednesday, February 10, 2016 3:20 PM
To: Ryan, Howard (Treasury) <RyanH1@michigan.gov>
Subject: List of Emergency Managers

Dear Howard,

Sen. Colbeck is looking for a list of all Emergency Managers by city since the law went into effect.

I found this Wikipedia page that lists all of the EM's in Michigan (including one in Hamtramck in 1988). I was wondering if this list was accurate? And, if not, does Treasury have a complete list?

Thanks,

Nick Plescia, MPP
Legislative Director
Office of Senator Colbeck
517-373-7350

Stanton, Terry A. (Treasury)

From: Murray, David (GOV)
Sent: Wednesday, February 10, 2016 6:23 PM
To: 'Calvert, Scott'
Cc: Heaton, Anna (GOV); Biehl, Laura (GOV)
Subject: RE: WSJ reporter getting in touch re: emergency manager law/program

Hi Scott,

The emergency managers – there are now none in a Michigan city – work closely with the Treasury Department. They have a regular schedule of reporting information to the Treasury Department and would meet when the need arose. The state Treasurer regularly meets with the Governor and provides updates.

In the cases of the city of Detroit and the Detroit Public Schools, Governor has meet directly with the emergency manager, or the emergency manager would be included as a part of larger meeting with the Governor and members of the administration focused on Detroit's challenges.

The Governor was not part of the discussion about the switch to Flint River water. It's important to note that Virginia Tech professor Marc Edwards and other experts have said that the problems did not arise from the change of the water source, but that the new source was not treated with the corrosion control materials.

That transition is the subject of a study by the Governor's Flint Water Task Force, and it would be inappropriate to get a head of the task force's work. The group's report is expected next month.

Dave

PS: Here's a graphic of the emergency managers in Michigan. There are none in a Michigan city now. Three school districts have emergency managers, though one is expected to change at the end of the month.

http://www.michigan.gov/documents/snyder/FinancialEmergenciesGraph_509182_7.pdf

From: Calvert, Scott [mailto:scott.calvert@wsj.com]
Sent: Wednesday, February 10, 2016 3:39 PM
To: Murray, David (GOV) <MurrayD1@michigan.gov>
Cc: Stanton, Terry A. (Treasury) <StantonT@michigan.gov>; Heaton, Anna (GOV) <HeatonA@michigan.gov>; Biehl, Laura (GOV) <BiehlL@michigan.gov>
Subject: Re: WSJ reporter getting in touch re: emergency manager law/program

Hi Dave,

Terry and I did speak after I got your email, and he was very helpful from the treasury department's perspective. I'd still like to talk to you or someone on the governor's staff, given that emergency managers are appointed by the governor and serve at his pleasure. I'm interested in knowing how Gov. Snyder ensures EMs do the job he appointed them to do, and in the case of Flint, whether he was consulted or informed before the switch to river water in April 2014.

My number is 443-955-9390.

Thanks,
Scott

On Tue, Feb 9, 2016 at 3:17 PM, Murray, David (GOV) <MurrayD1@michigan.gov> wrote:

Scott,

I'm going to introduce you by way of email to Terry Stanton, the communications director at the Department of Treasury, which has oversight over emergency managers. Terry is super helpful and a really nice guy.

Dave

From: Calvert, Scott [mailto:scott.calvert@wsj.com]
Sent: Tuesday, February 09, 2016 3:12 PM
To: Murray, David (GOV) <MurrayD1@michigan.gov>
Subject: WSJ reporter getting in touch re: emergency manager law/program

Hi Dave,

I just left a voicemail message and am following up with a quick email. I'm a Wall Street Journal reporter and would like to speak to you for a story I've been asked to do on Michigan's emergency manager law and program. One thing I'm trying to better understand is how the governor and treasurer and their respective staffs monitor, oversee, etc., the work that the emergency managers do.

Can you please give me a call ASAP at 443-955-9390?

Thanks,

Scott Calvert

--

Scott Calvert

Pleyte, Beth (Treasury)

From:	SaxtonT@michigan.gov
Sent:	Thursday, February 11, 2016 5:37 AM
To:	wayne workman
Subject:	Fwd: FWICC subcommittee

See below. In talking to Nick yesterday (if it can work out) I was thinking this would be a good first task for you to 'shepherd'. My morning is sort of bad; maybe later in the afternoon we can chat.

Begin forwarded message:

> **From:** "Baird, Richard (GOV)" <bairdr@michigan.gov>
> **Date:** February 10, 2016 at 11:27:06 PM EST
> **To:** "Khouri, Nick (TREASURY)" <KhouriN@michigan.gov>
> **Cc:** "Saxton, Thomas (Treasury)" <SaxtonT@michigan.gov>, "Hollins, Harvey (GOV)" <hollinsh@michigan.gov>, "Steckelberg, Larry (TREASURY)" <SteckelbergL@michigan.gov>
> **Subject: Re: FWICC subcommittee**
>
> I already weighed in by phone on this one. Let me know if you need anything. I think an impact analysis around the switching process is the right approach. GC should not panic nor should anyone conclude without reason that anything is "off the table" if reasoned experts conclude it makes no sense.
>
> *Sent from my Verizon Wireless 4G LTE DROID*
> On Feb 10, 2016 10:29 AM, "Khouri, Nick (TREASURY)" <KhouriN@michigan.gov> wrote:
>
> Rich and Harvey
>
> Similar to Zimmer's email, I was going to send this to the FWICC KWA subcommittee (including Jamie Curtis)
>
> Does this capture our subcommittee's to-do?

I miss one meeting, and look what happens

We are the "KWA Subcommittee" of the FWIC

My understanding, and why I what to check-in with you, is we are to address 3 questions (our 3 objectives):

(1) What is the updated, long-term, financial cost/benefit analysis for Flint residents of KWA vs staying with DWSD?

(2) What are Flint's formal commitments to KWA?

(3) What are updated projections for Flint resident's water rates? What is driving future rates in the city?

I think the tasks fall into:

(1) Update the prior cost/benefit analysis with revised estimates, including transition costs

(2) Review the long term assumptions of Flint rates if they stay with DWSD

(3) Agree on any non-financial reasons for Flint to choose one option or the other

(4) Review bond covenants and other contractual relations between Flint and KWA

(5) Given reasonable assumptions, project typical Flint water rates for the next 5 and 10 years

We still need to work up a specific work plan and schedule, but the goal is to report back to the full committee by early June

Please let me know you thoughts

Steckelberg, Larry (TREASURY)

From: Khouri, Nick (TREASURY)
Sent: Thursday, February 11, 2016 7:58 AM
To: Creagh, Keith (DEQ); Hollins, Harvey (GOV); nhendeson@cityofflint.com; jcurtis@co.genesssee.mi.us; Steckelberg, Larry (TREASURY)
Cc: Saxton, Thomas (Treasury); Baird, Richard (GOV); Doyle, Maureen (Treasury)
Subject: FWICC Subcommittee

I miss one meeting, and look what happens

We are the "KWA Subcommittee" of the FWIC

My understanding, and why I what to check-in with you, is we are to address 3 questions (our 3 objectives):

(1) Can we update some of the basic assumptions underlying the city's transition to KWA? What has changed since the original estimates? Are the updated transition costs reflected in the city's sewer / water cash flows?
(2) What are Flint's dollar commitments to KWA (both amount and timing)?
(3) Can we update projections for Flint resident's future water rates? What is driving future rates in the city?

I think the tasks fall into:

(1) Update the prior analysis with revised estimates, including transition / construction costs and the costs for the upgrade of the Flint Water Treatment Plant
(2) Given reasonable assumptions, project typical Flint water rates for the next 5 and 10 years

We still need to work up a specific work plan and schedule, but the goal is to report back to the full committee by mid-April

Please let me know you thoughts

I'll try and schedule a quick call early next week, or we can use group email if that's easier

Nick

Pleyte, Beth (Treasury)

From:	Saxton, Thomas (Treasury)
Sent:	Thursday, February 11, 2016 8:04 AM
To:	Khouri, Nick (TREASURY)
Cc:	Baird, Richard (GOV); Brader, Valerie (GOV)
Subject:	FW: Reimbursement for House Oversight Committee Deposition Testimony

fyi

From: achubb@cityofflint.com [mailto:achubb@cityofflint.com]
Sent: Thursday, February 11, 2016 7:19 AM
To: Darnell Earley <darnell.earley@detroitk12.org>
Cc: William Kim <wkim@cityofflint.com>; Bolden, A. Scott <ABolden@ReedSmith.com>; Valerie Mitchell <valerie.mitchell@detroitk12.org>; Headen, Frederick (Treasury) <HeadenF@michigan.gov>; Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>
Subject: Re: Reimbursement for House Oversight Committee Deposition Testimony

Darnell,
Per Ms. Henderson, the City will reimburse for expenses as requested not to exceed $1,000.

Anthony Chubb
Interim City Attorney
City of Flint

Sent from my iPhone

On Feb 10, 2016, at 12:42 PM, Darnell Earley <darnell.earley@detroitk12.org> wrote:

> Good Morning Tony:
>
> As you may know, I have been subpoenaed by the Chairman of the House of Representatives' Committee on Oversight and Government Reform to, "...testify at a deposition touching matters of inquiry committed to said committee or subcommittee." The matter is related to and entitled, "Examining Federal Administration of the Safe Drinking Water Act in Flint, Michigan." The deposition is scheduled for 10:00 a.m., Thursday, February 25, 2016. It will be held at 2154 Rayburn House Office Building: Washington, D.C. 20515.
>
> The Witness Instruction Sheet issued to Governmental Witnesses states in part:
>
> *"The Committee does not provide financial reimbursement for witness travel or accommodations..."*

Please consider this email as my request for reimbursement for my documented expenses in an amount not to exceed $1,000. The request is being made pursuant to the terms and conditions of my contract while serving as Flint Emergency Manager, with specific reference to coverage provided for legal matters arising from my tenure in service to the City of Flint.

Thank you for your attention to this matter.

DE

Darnell Earley, ICMA-CM, MPA
Emergency Manager
Detroit Public Schools

Robert, Carla M. (Treasury)

From: Saxton, Thomas (Treasury)
Sent: Wednesday, February 10, 2016 12:56 PM
To: Baird, Richard (GOV); Khouri, Nick (TREASURY); Brader, Valerie (GOV)
Subject: FW: Reimbursement for House Oversight Committee Deposition Testimony

Fyi... see below

From: Anthony Chubb [mailto:achubb@cityofflint.com]
Sent: Wednesday, February 10, 2016 12:44 PM
To: Darnell Earley <darnell.earley@detroitk12.org>; Jody Lundquist <jlundquist@cityofflint.com>; Natasha Henderson <nhenderson@cityofflint.com>
Cc: William Kim <wkim@cityofflint.com>; Bolden, A. Scott <ABolden@reedsmith.com>; Valerie Mitchell <valerie.mitchell@detroitk12.org>; Headen, Frederick (Treasury) <HeadenF@michigan.gov>; Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>
Subject: Re: Reimbursement for House Oversight Committee Deposition Testimony

Thank you Darnell. By way of this reply, I am copying in CFO Jody Lundquist and City Administrator Natasha Henderson to make this determination. Thanks,

Anthony Chubb
Interim City Attorney
City of Flint
1101 S. Saginaw Street, 3rd Floor
Flint, MI 48502

(810) 237-2078

This communication, along with any documents, files or attachments, is intended only for the use of the addressee and may contain legally privileged and confidential information. If you are not the intended recipient, you are hereby notified that any dissemination, distribution or copying of any information contained in or attached to this communication is strictly prohibited.

On Wed, Feb 10, 2016 at 12:42 PM, Darnell Earley <darnell.earley@detroitk12.org> wrote:

Good Morning Tony:

As you may know, I have been subpoenaed by the Chairman of the House of Representatives' Committee on Oversight and Government Reform to, "...testify at a deposition touching matters of inquiry committed to said committee or subcommittee." The matter is related to and entitled, "Examining Federal Administration of the Safe Drinking Water Act in Flint, Michigan." The deposition is scheduled for 10:00 a.m., Thursday, February 25, 2016. It will be held at 2154 Rayburn House Office Building: Washington, D.C. 20515.

The Witness Instruction Sheet issued to Governmental Witnesses states in part:

"The Committee does not provide financial reimbursement for witness travel or accommodations..."

Please consider this email as my request for reimbursement for my documented expenses in an amount not to exceed $1,000. The request is being made pursuant to the terms and conditions of my contract while serving as Flint Emergency Manager, with specific reference to coverage provided for legal matters arising from my tenure in service to the City of Flint.

Thank you for your attention to this matter.

DE
Darnell Earley, ICMA-CM, MPA
Emergency Manager
Detroit Public Schools

Robert, Carla M. (Treasury)

From:	Hollins, Harvey (GOV) <hollinsh@michigan.gov>
Sent:	Thursday, February 11, 2016 10:57 AM
To:	Kelenske, Chris (MSP); Creagh, Keith (DEQ); Khouri, Nick (TREASURY); Lyon, Nick (DHHS); Zimmer, Mike (LARA)
Cc:	Garza, Oralya (MSP); Thelen, Mary Beth (DEQ); Lord, Daniel (DNR); Doyle, Maureen (Treasury); Grijalva, Nancy (DHHS); Burton, Diane (LARA); Clayton, Stacie (GOV)
Subject:	FWICC Subcommittee Presentations on Friday

FWICC Subcommittee Chairs,

The following subcommittees will present their priorties list at the meeting on Friday:

Health and Education -- Chaired by Lyon
Water Quality - Chaired by Creagh
Water Infrastructure Integrity - Chaired by Creagh

The remaining 4 subcommittees will present next week, Feb. 19.

This week we also will have a special presentation by representatives from the Netherlands regarding their experience in replacing lead lines in Amsterdam and how they can assist with the Flint infrastructure and drinking water issues. They are particularly interested in relaying how they built trust within the community as they replaced the lines.

The final agenda will be sent later today. Please let me know if you have any questions.

Best,
Harvey

Dempkowski, Angela (Treasury)

From:	Dempkowski, Angela (Treasury)
Sent:	Thursday, February 11, 2016 12:27 PM
To:	Zimmer, Mike (LARA)
Subject:	RE: FWICC Policy Subcommittee

Mike: Larry Steckelberg is available:

2/16 from 10 am – 5 pm
2/17 all day

Angela Dempkowski
Senior Executive Management Assistant
Department of Treasury

From: Cousineau, Sara (Treasury)
Sent: Thursday, February 11, 2016 10:44 AM
To: Zimmer, Mike (LARA) <zimmerm@michigan.gov>
Cc: Dempkowski, Angela (Treasury) <DempkowskiA@michigan.gov>
Subject: RE: FWICC Policy Subcommittee

Treasurer Khouri is asking that Larry to cover this. Angela can you please email Mike.

Thank you!

Sara

From: Zimmer, Mike (LARA)
Sent: Thursday, February 11, 2016 9:47 AM
To: Grijalva, Nancy (DHHS); Thelen, Mary Beth (DEQ); Cousineau, Sara (Treasury); lrey52@gmail.com; mvalacak@gchd.us; edwardsm@vt.edu; pnalternatives@yahoo.com
Subject: FW: FWICC Policy Subcommittee

Per Director Zimmer's e-mail below, I am asking you to check calendars for next week to schedule this phone conference on Tuesday or Wednesday next week. Below are dates/times for this discussion. Please let me know when you (or your boss) are available during either of these options. Ideally I'd like to schedule an hour for this discussion. Thank you.

P.S. Sara, if you could please respond on behalf of both Treasurer Khouri and Larry Steckelberg, that would be greatly appreciated.

Tues., 2/16 9:00-5:00
Wed., 2/17 8:00-1:15

From: Zimmer, Mike (LARA)
Sent: Tuesday, February 09, 2016 11:45 AM

To: Khouri, Nick (TREASURY) <KhouriN@michigan.gov>; Steckelberg, Larry (TREASURY) <SteckelbergL@michigan.gov>; 'edwardsm@vt.edu' <edwardsm@vt.edu>; Creagh, Keith (DEQ) <creaghk@michigan.gov>; Lyon, Nick (DHHS) <LyonN2@michigan.gov>; 'lrey52@gmail.com' <lrey52@gmail.com>; 'mvalacak@gchd.us' <mvalacak@gchd.us>
Cc: Grijalva, Nancy (DHHS) <GrijalvaN@michigan.gov>; Thelen, Mary Beth (DEQ) <THELENM2@michigan.gov>; Doyle, Maureen (Treasury) <DoyleM4@michigan.gov>
Subject: FWICC Policy Subcommittee

Good Morning:

I have been asked to chair the FWICC Policy Subcommittee on which you have all been selected to serve.

Our subcommittee has been assigned three general priorities/tasks:

1) Interagency Protocols
2) Statewide Policy
3) Lead and Copper Rule Change Recommendations

Of these, I think the Lead and Copper Rule Change Recommendations is the more straightforward - although certainly not the simplest. Interagency Protocols may prove more multifaceted as it could include protocols between state agencies, between state and local agencies, and between state and federal partners. The last, Statewide Policy, is at this point a holding category that could review implementation of policies requested by other work groups or items of interest to the committee members.

We have been asked to get our finalized list of priorities to Harvey by Thursday morning at 10:00. Given the short time frame and the fact that many of you serve on multiple subcommittees, at this point I am asking that you get back to me by COB tomorrow (Wednesday) indicating whether you agree with my reading of our assignments or would like any changes or modifications. Also, if there are any items on our list that are of particular interest to any of you, please note that.

I will be having my assistant, Diane Burton, reach out to you so that we can set up a telephone conference early next week to discuss scoping out our priorities and assign specific tasks, metrics, and timelines.

I look forward to working with all of you.

Mike

Mike Zimmer, Director
Dept. of Licensing and Regulatory Affairs
611 W. Ottawa Street
Lansing, Michigan 48909
517-241-7124

LICENSING AND REGULATORY AFFAIRS

Ryan, Howard (Treasury)

From: Steckelberg, Larry (TREASURY)
Sent: Thursday, February 11, 2016 2:06 PM
To: Osborne, Ken (TREASURY); Khouri, Nick (TREASURY); Saxton, Thomas (Treasury); Durfee, Sally (TREASURY); Ryan, Howard (Treasury)
Subject: RE: Flint Water Credit Supplemental

Ken,
For the last question: yes, it is our understanding relief can be provided on the water portion only. We intend to verify and document that the relief was for water and not sewer.

Larry

From: Osborne, Ken (TREASURY)
Sent: Thursday, February 11, 2016 2:02 PM
To: Khouri, Nick (TREASURY) <KhouriN@michigan.gov>; Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Steckelberg, Larry (TREASURY) <SteckelbergL@michigan.gov>; Durfee, Sally (TREASURY) <DurfeeS1@michigan.gov>; Ryan, Howard (Treasury) <RyanH1@michigan.gov>
Subject: Flint Water Credit Supplemental

I met with Rep. Poleski during House Session today. He is working on boilerplate to provide some additional guidance/ audit requirements for the money appropriated for credits. Will share the language when I get it, likely this afternoon or tomorrow.

The plan is for the bill to be up in House Appropriations next Wednesday at 9 a.m. How do we want to handle that? Nick, do you want to testify? If Howard and I are to cover it we'll need to spend some time getting a better understanding of the details.

Michelle Lange and Scott Starr were also present for the meeting, I told them we would coordinate with them, and DEQ for purposes of the hearing next week. About how we want to handle next week. But from my conversations with staff and members I think Treasury will be the subject of most of the questions on this.

Finally, Rep. Poleski has been looking at the financial statements for the Flint water system and noted that water and sewer were accounted for separately. I know this came up in our previous meeting with house staff, but he was very interested whether bills were also segregated between water and sewer and whether we could ensure that credits were authorized only for the water portion of the bills.

Ken Osborne
Legislative Liaison
Department of Treasury
Desk: 517-241-2474
Cell: 517-388-0968

Robert, Carla M. (Treasury)

From:	Clayton, Stacie (GOV) <claytons3@michigan.gov>
Sent:	Thursday, February 11, 2016 4:25 PM
To:	'jcurtis@co.genesee.mi.us'; Creagh, Keith (DEQ); Marc Edwards; Mona Hanna-Attisha; Natasha Henderson - City of Flint (nhenderson@cityofflint.com); Hollins, Harvey (GOV); Kelenske, Chris (MSP); Khouri, Nick (TREASURY); 'jim@koskiconsult.com'; Lyon, Nick (DHHS); 'Lawrence Reynolds'; Laura L. Sullivan (lsulliva@kettering.edu); 'mvalacak@gchd.us'; Karen Weaver - City of Flint (kweaver@cityofflint.com); Whiston, Brian (MDE); Guerrant, Kyle (MDE); Zimmer, Mike (LARA)
Cc:	'Bishop, Melissa'; Thelen, Mary Beth (DEQ); 'Shelly Casey'; 'skammer@cityofflint.com'; Garza, Oralya (MSP); Doyle, Maureen (Treasury); Grijalva, Nancy (DHHS); 'mmurray@cityofflint.com'; Houseman, Jennifer (MDE); Carefoot, Karen (MDE); Burton, Diane (LARA)
Subject:	Agenda for 2/12/16 FWICC Meeting
Attachments:	FWICC Agenda for 2.12.16.pdf; Flint Water Interagency Coordinating Committee Subcommittees.pdf

Greetings All,

Attached are the agenda and subcommittees for the FWICC meeting tomorrow, 2/12/16, at 10am. ***Please note the meeting will be livestreamed.****

We will see you in the morning!

~Stacie

FLINT WATER INTERAGENCY COORDINATING COMMITTEE

FEBRUARY 12, 2016, 10:00AM – 11:30AM

I. **Introductions** (All – 5 min)

II. **Opening Remarks** (Gov. Snyder – 5 min)

III. **Subcommittee Priorities Presentations**

a. **Health & Education** (Lyon – 15 mins)

i. **Blood Lead Testing/Follow up**
ii. **Access to Physical and Behavioral Health Services**
iii. **Nutrition**
iv. **Case Management**
v. **Education Birth to 12th**

b. **Water Quality** (Creagh – 15 mins)

i. **Establish criteria for lifting the health advisory**
ii. **Develop a multi-dimensional approach to addressing lead in water going beyond the requirements of the lead and copper rule**
iii. **Create protocols for addressing concerns regarding disinfection residuals to account for seasonal fluctuations throughout the year**
iv. **Ensure that disinfection byproduct levels are not adversely affected by disinfection processes**
v. **Establish a protocol for proactively monitoring for Legionella**

c. **Water Infrastructure Integrity** (Creagh – 15 mins)

i. **Assess the condition and functionality of the overall distribution system**
ii. **Determine the right sizing of the water infrastructure system to support the needs of the City**
iii. **Create a plan for addressing the needs as defined from the overall distribution assessment**
iv. **Determine a viable backup / emergency water source**
v. **Develop a comprehensive lead line replacement program that takes all needs into consideration such as at-risk populations and construction alignment**

IV.	**Next Week Subcommittee Presentations**	**(Hollins – 5 mins)**

a. **Incident Action Plan – Kelenske Chair**
b. **KWA – Khouri Chair**
c. **Policy – Zimmer Chair**
d. **Communication – Hollins Chair**

V.	**Netherlands Waternet Presentation**	**(Struker– 20 min)**

a. **Pipe replacement in Amsterdam**
b. **Community Education and Trust**

VI.	**Group**	**(Hollins/Kelenske 5)**
VII.	**Closing Remarks**	**(Gov. Snyder – 5 min)**

Flint Water Interagency Coordinating Committee Subcommittees

Incident Action Plan Subcommittee
Chair - Capt. Chris Kelenske
Harvey Hollins

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

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

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

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

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

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

Updated 2/10/16

Health and Education Subcommittee
Chair - Nick Lyon
Mayor Karen Weaver
Dr. Mona Hanna-Attisha
Dr. Lawrence Reynolds
Superintendent Brian Whiston
Deputy Superintendent Kyle Guerrant
Sue Moran
Dr. Eden Wells

Suggested Tasks

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

Policy Subcommittee
Chair – Mike Zimmer
Nick Khouri
Larry Steckelberg
Dr. Marc Edwards
Yanna Lambrinidou
Keith Creagh
Nick Lyon
Dr. Lawrence Reynolds
Mark Valacak

Suggested Tasks

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

Communication Protocols and Transparency Subcommittee
Chair – Hollins
Geralyn Lasher
Meegan Holland
Melanie Brown
Jason Moon

Suggested Tasks

- ✓ Public education and awareness

Updated 2/10/16

Robert, Carla M. (Treasury)

From: Saxton, Thomas (Treasury)
Sent: Thursday, February 11, 2016 5:13 PM
To: Khouri, Nick (TREASURY); Wayne Workman; Steckelberg, Larry (TREASURY)
Subject: FW: Karegnondi Water Authority OS
Attachments: MIKaregnondi01b-FIN.pdf; MIGenesee01a-FIN.pdf

329 pages   196 pages

Fyi.

From: Barton, John (Treasury)
Sent: Thursday, February 11, 2016 3:20 PM
To: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>
Subject: Karegnondi Water Authority OS

There have been two deals for KWA. The first deal was done in 2013 by Genesee county at $35 million to finance the intake at Lake Huron.

The other deal was done by KWA with Genesee, Lapeer and Sanilac Counties in 2014 at $220.5 million.

The team on both deals were Miller as Bond Counsel with Dickson Wright as Underwriters Counsel. Stauder who is now with PFM was FA.

I believe they are currently working on a $60 million deal as well.

Let me know if you need anything else.

Thanks
John

Stanton, Terry A. (Treasury)

From: Calvert, Scott <scott.calvert@wsj.com>
Sent: Thursday, February 11, 2016 6:05 PM
To: Stanton, Terry A. (Treasury)
Subject: Re: WSJ reporter getting in touch re: emergency manager law/program

Thanks for the Pontiac release.

I appreciate that the task force is still working, but I still don't understand why that prevents the state from saying when the EM decided to go with the river option (unless that's not known). Kurtz was clearly moving to do so in the June 28, 2013 report where he mentions the "high consideration" given to using the river and/or a combo of the river and DWSD. What I'm looking for is something that says he definitively went with the river option on June 30 or Aug. 4 or whatever -- if possible.

What I am clear on is that Gov. Snyder wasn't involved in the discussions about using the river, and that then-Treasurer Dillon's OK wasn't required under the law. Dillon told me he vaguely recalls that Kurtz report but said the river issue didn't hit his desk as he best he remembers. The question of whether Flint would part ways with DWSD and go with KWA, on the other hand, was something Dillon said he was very much involved in, as was the governor.

On Thu, Feb 11, 2016 at 5:38 PM, Stanton, Terry A. (Treasury) <StantonT@michigan.gov> wrote:

Ed Kurtz was EM in Flint in June of 2013. I cannot speak to any requests made to DEQ. As Dave noted earlier...the timeline and transition is the subject of a study by the Governor's Flint Water Task Force, which is expected to finalize a report next month.

On your Pontiac question(s), see the attached press release from Sept. 2011.

Mr. Schimmel was appointed given his extensive experience with the emergency manager law and the expectation that he would work collaboratively with local officials to address the financial emergency there.

Mr. Stampfler is certainly entitled to his opinion. One of the primary intents of PA 436 (and PA 4 when it was in effect) was to provide an emergency manager with the tools necessary to address a local government financial emergency as quickly and efficiently as possible so to begin the transition to full local control...as soon as is prudent and possible.

From: Calvert, Scott [mailto:scott.calvert@wsj.com]
Sent: Thursday, February 11, 2016 12:35 PM
To: Stanton, Terry A. (Treasury) <StantonT@michigan.gov>

Cc: Murray, David (GOV) <MurrayD1@michigan.gov>; Heaton, Anna (GOV) <HeatonA@michigan.gov>; Biehl, Laura (GOV) <BiehlL@michigan.gov>

Subject: Re: WSJ reporter getting in touch re: emergency manager law/program

Sorry for another email, but I came across this on page 94 of Gov. Snyder's email release. It's a timeline of events. "Flint" here is Ed Kurtz, correct? And was the request made to DEQ for permits?

June 2013- Groundbreaking for the Karegnondi Water Authority. Flint also requests full time use of the Flint Water Treatment Plant with Flint River water as a source.

http://somcsprod2govm001.usgovcloudapp.net/files/snyder%20emails.pdf

On Thu, Feb 11, 2016 at 12:19 PM, Calvert, Scott <scott.calvert@wsj.com> wrote:

> Which EM decided to use the Flint River as the temporary water source, and when was that decision made? I'm still trying to pin that down.
>
> Thanks,
>
> Scott
>
> On Thu, Feb 11, 2016 at 11:05 AM, Calvert, Scott <scott.calvert@wsj.com> wrote:
>
> > Got it, but it's not on the website and I don't know where else to look for it. Do Treasury and the governor's office not have that order?
> >
> > I have another question for you guys: Why did Gov. Snyder replace Michael Stampfler as EM in Pontiac? Stampfler says it's because he wouldn't sell the city's water department to Oakland County, which he didn't think was in Pontiac's long-term interest. He also said he felt there wasn't much supervision/oversight from Treasury/Gov. Snyder and that there was too much emphasis on balancing the books and not enough on making sure the city was positioned to do well after the financial crisis. Any response?
> >
> > Thanks,
> >
> > Scott

On Thu, Feb 11, 2016 at 10:53 AM, Stanton, Terry A. (Treasury) <StantonT@michigan.gov> wrote:

There is no statutory requirement for orders to be sent to the state. They are posted on the local unit's website and should be there unless removed, etc.

From: Calvert, Scott [mailto:scott.calvert@wsj.com]
Sent: Thursday, February 11, 2016 7:28 AM
To: Murray, David (GOV) <MurrayD1@michigan.gov>
Cc: Heaton, Anna (GOV) <HeatonA@michigan.gov>; Biehl, Laura (GOV) <BiehlL@michigan.gov>; Stanton, Terry A. (Treasury) <StantonT@michigan.gov>

Subject: Re: WSJ reporter getting in touch re: emergency manager law/program

I don't know if Ed Kurtz made the call but it looks like he issued an order in June 2013 calling for the water plant to be readied so the river could serve as the temporary water source while the pipeline was being built. Can you track the order down? Darnell Earley quotes from it in the op-ed he wrote for the Detroit News last fall, but the order isn't on the Flint website that Terry pointed me to (https://www.cityofflint.com/finance/finanical-reports/). I'm copying Terry on this in case he can help. Thanks. Scott

Here's the relevant line from the op-ed:

A subsequent order Kurtz signed on June 26, 2013, speaks specifically to "... 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."

On Wed, Feb 10, 2016 at 7:11 PM, Calvert, Scott <scott.calvert@wsj.com> wrote:

Thanks, Dave.

When was the decision made to switch to the Flint River, and which emergency manager made that decision? In June 2013 Ed Kurtz reported to the treasurer that "high consideration" was being given to using the river, and in April 2014 Darnell Earley reported that the city was proceeding with a transition to the river as temporary water source. So the decision would have been made between those two dates, either by Mike Brown or Mr. Earley. I don't see any documents on Flint's website noting when and by whom the decision was made. Can you let me know?

Best,

Scott

On Wed, Feb 10, 2016 at 6:22 PM, Murray, David (GOV) <MurrayD1@michigan.gov> wrote:

Hi Scott,

The emergency managers – there are now none in a Michigan city – work closely with the Treasury Department. They have a regular schedule of reporting information to the Treasury Department and would meet when the need arose. The state Treasurer regularly meets with the Governor and provides updates.

In the cases of the city of Detroit and the Detroit Public Schools, Governor has meet directly with the emergency manager, or the emergency manager would be included as a part of larger meeting with the Governor and members of the administration focused on Detroit's challenges.

The Governor was not part of the discussion about the switch to Flint River water. It's important to note that Virginia Tech professor Marc Edwards and other experts have said that the problems did not arise from the change of the water source, but that the new source was not treated with the corrosion control materials.

That transition is the subject of a study by the Governor's Flint Water Task Force, and it would be inappropriate to get a head of the task force's work. The group's report is expected next month.

Dave

PS: Here's a graphic of the emergency managers in Michigan. There are none in a Michigan city now. Three school districts have emergency managers, though one is expected to change at the end of the month.

http://www.michigan.gov/documents/snyder/FinancialEmergenciesGraph_509182_7.pdf

From: Calvert, Scott [mailto:scott.calvert@wsj.com]
Sent: Wednesday, February 10, 2016 3:39 PM
To: Murray, David (GOV) <MurrayD1@michigan.gov>
Cc: Stanton, Terry A. (Treasury) <StantonT@michigan.gov>; Heaton, Anna (GOV) <HeatonA@michigan.gov>; Biehl, Laura (GOV) <BiehlL@michigan.gov>
Subject: Re: WSJ reporter getting in touch re: emergency manager law/program

Hi Dave,

Terry and I did speak after I got your email, and he was very helpful from the treasury department's perspective. I'd still like to talk to you or someone on the governor's staff, given that emergency managers are appointed by the governor and serve at his pleasure. I'm interested in knowing how Gov. Snyder ensures EMs do the job he appointed them to do, and in the case of Flint, whether he was consulted or informed before the switch to river water in April 2014.

My number is 443-955-9390.

Thanks,

Scott

On Tue, Feb 9, 2016 at 3:17 PM, Murray, David (GOV) <MurrayD1@michigan.gov> wrote:

Scott,

I'm going to introduce you by way of email to Terry Stanton, the communications director at the Department of Treasury, which has oversight over emergency managers. Terry is super helpful and a really nice guy.

Dave

From: Calvert, Scott [mailto:scott.calvert@wsj.com]
Sent: Tuesday, February 09, 2016 3:12 PM
To: Murray, David (GOV) <MurrayD1@michigan.gov>
Subject: WSJ reporter getting in touch re: emergency manager law/program

Hi Dave,

I just left a voicemail message and am following up with a quick email. I'm a Wall Street Journal reporter and would like to speak to you for a story I've been asked to do on Michigan's emergency manager law and program. One thing I'm trying to better understand is how the governor and treasurer and their respective staffs monitor, oversee, etc., the work that the emergency managers do.

Can you please give me a call ASAP at 443-955-9390?

Thanks,

Scott Calvert

--

Scott Calvert

Wall Street Journal reporter

443-955-9390

scott.calvert@wsj.com

On Twitter: @scottmcalvert

--

BSA
-Bill Adjustments
1. Credit Generator
7 million records
2 Accounting piece
interface w G/L

Agenda

Water Billing Relief Meeting

February 12, 2016

1. Top implementation Issues
    a. Timeline for relief-tentatively April
    b. BSA software work-building credit generator and modeling relief
    c. Lien issues are off the table
    d. Putting collectibles from lawsuits back into the system
    e. Commercial accounts that are residential dwellings
    f. Handling starts
    g. Handling stops

2. Cash flow for water and sewer fund

3. Staffing

4. Assistance with covering costs for the relief program

5. The importance of documentation and an audit trail

6. Any other hurdles -

Pleyte, Beth (Treasury)

From: SaxtonT@michigan.gov
Sent: Friday, February 12, 2016 5:18 AM
To: Wayne Workman
Cc: Khouri, Nick (TREASURY); Steckelberg, Larry (TREASURY)
Subject: Re: Karegnondi Water Authority OS

At this point don't call him though

On Feb 11, 2016, at 6:48 PM, Wayne Workman <workmanwayne@gmail.com> wrote:

> I think Massaron did at least the first deal
>
> Sent from my iPhone
>
> On Feb 11, 2016, at 5:13 PM, Saxton, Thomas (Treasury) <SaxtonT@michigan.gov> wrote:
>
>> Fyi.
>>
>> **From:** Barton, John (Treasury)
>> **Sent:** Thursday, February 11, 2016 3:20 PM
>> **To:** Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>
>> **Subject:** Karegnondi Water Authority OS
>>
>> There have been two deals for KWA. The first deal was done in 2013 by Genesee county at $35 million to finance the intake at Lake Huron.
>>
>> The other deal was done by KWA with Genesee, Lapeer and Sanilac Counties in 2014 at $220.5 million.
>>
>> The team on both deals were Miller as Bond Counsel with Dickson Wright as Underwriters Counsel. Stauder who is now with PFM was FA.
>>
>> I believe they are currently working on a $60 million deal as well.
>>
>> Let me know if you need anything else.
>>
>> Thanks
>> John
>>
>> <MIKaregnondi01b-FIN.pdf>
>>
>> <MIGenesee01a-FIN.pdf>

NEW ISSUE **Rating:** See "RATING" herein
Book-Entry-Only

In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., Bond Counsel, under existing law, assuming compliance with certain covenants by the Issuer, the interest on the Bonds is excludable from gross income for federal income tax purposes and the Bonds and the interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan, except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. See" TAX MATTERS" and "FORM OF APPROVING OPINION" herein for a description of certain provisions of the Internal Revenue Code of 1986, as amended (the "Code"), which may affect the tax treatment of interest on the Bonds for certain Bondholders.

KAREGNONDI WATER AUTHORITY
COUNTIES OF GENESEE, LAPEER AND SANILAC
STATE OF MICHIGAN

$220,500,000
WATER SUPPLY SYSTEM BONDS
(KAREGNONDI WATER PIPELINE), SERIES 2014A

Dated: Date of Delivery **Principal Due: November 1, as shown on Inside Cover Page**

The Water Supply System Bonds (Karegnondi Water Pipeline), Series 2014A (the "Bonds") are issued under the provisions of Act 233, Public Acts of Michigan, 1955, as amended, and a resolution adopted by the Board of Trustees of the Karegnondi Water Authority, Counties of Genesee, Lapeer and Sanilac, State of Michigan (the "Issuer") on November 20, 2013. The Bonds are being issued for the purpose of paying a portion of the cost of acquiring and constructing the Issuer's Water Supply System (the "System") to serve initially the City of Flint and the County of Genesee (individually a "Local Unit" and collectively, the "Local Units"), funding a debt service reserve account, paying capitalized interest and paying the costs of issuing the Bonds. The Bonds are to be issued in anticipation of, and are payable primarily as to principal and interest from, payments (the "Contractual Payments") to be made by the Local Units to the Issuer pursuant to a Contract among the Issuer and the Local Units dated as of August 1, 2013 (the "Contract"). The Contractual Payments will be in installments that will equal the principal and interest payments on the Bonds. Further, each Local Unit has pledged its limited tax full faith and credit for the payment of its Contractual Payments and is obligated, to the extent necessary, as a first budget obligation to levy ad valorem taxes on all taxable property within its boundaries for such purpose, subject to applicable constitutional, statutory and charter tax limitations. Each Local Unit is expected to make its Contractual Payments from revenues collected from charges imposed on the customers of its respective water supply system. The County of Genesee in the Contract has pledged to make all payments that the City of Flint fails to make to the Issuer under the Contract. The Issuer has irrevocably pledged the Contractual Payments for the payment of the principal of and interest on the Bonds.

The Bonds are issuable only as fully registered Bonds without coupons, and when issued, will be registered in the name of Cede & Co., as Bondholder and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of beneficial interests in the Bonds will be made in book-entry only form, in the denominations of $5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their beneficial interest in Bonds purchased. So long as Cede & Co. is the Bondholder, as nominee of DTC, references herein to the Bondholders or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Bonds. See *BOOK-ENTRY ONLY SYSTEM* herein.

Interest on the Bonds will be payable semiannually on May 1 and November 1 of each year commencing on November 1, 2014. The Bonds will be registered Bonds, of the denomination of $5,000 or multiples thereof not exceeding for each maturity the principal amount of such maturity. The principal and interest shall be payable at the corporate trust office of The Huntington National Bank, Grand Rapids, Michigan or such other transfer agent as the Issuer may hereafter designate by notice mailed to the registered owner not less than sixty (60) days prior to any change in interest payment date (the "Transfer Agent"). Interest shall be paid when due by check mailed to the registered owner as shown by the registration books as of the fifteenth day of the month preceding the payment date for each interest payment. Payment of principal and interest to Beneficial Owners shall be made as described in *BOOK-ENTRY ONLY SYSTEM* herein.

The Bonds are subject to redemption at par, as described herein.

The Bonds are offered when, as and if issued by the Issuer and subject to receipt of the approving opinion of Miller, Canfield, Paddock and Stone, P.L.C., Detroit, Michigan, Bond Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, Dickinson Wright PLLC, Troy and Lansing, Michigan. It is expected that delivery of the Bonds through DTC will be made in New York, New York on or about April 16, 2014.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT.

J.P. Morgan

Wells Fargo Securities **Stifel, Nicolaus & Company, Incorporated**

Dated. April 1, 2014

NEW ISSUE **Rating:** See "RATING" herein

Book-Entry-Only

In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., Bond Counsel, under existing law, assuming compliance with certain covenants by the Issuer, the interest on the Bonds is excludable from gross income for federal income tax purposes and the Bonds and the interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan, except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. See "TAX MATTERS" and "FORM OF APPROVING OPINION" herein for a description of certain provisions of the Internal Revenue Code of 1986, as amended (the "Code"), which may affect the tax treatment of interest on the Bonds for certain Bondholders.

COUNTY OF GENESEE
STATE OF MICHIGAN
$35,000,000
WATER SUPPLY SYSTEM REVENUE BONDS
(LIMITED TAX GENERAL OBLIGATION)
SERIES 2013

Dated: Date of Delivery **Principal Due: November 1, as shown on Inside Cover Page**

The Water Supply System Revenue Bonds (Limited Tax General Obligation), Series 2013 (the "Bonds") are issued under the provisions of Act 94, Public Acts of Michigan, 1933, as amended, Act 342, Public Acts of Michigan, 1939, as amended, and Ordinance Nos. 03-03, 03-05, 06-06, 12-03 and 13-01 (collectively, the "Ordinances") duly adopted by the County of Genesee, State of Michigan (the "Issuer"). The Bonds are being issued for the purpose of paying a portion of the cost of acquiring and constructing improvements to the Issuer's Water Supply System (the "System"). The Bonds are payable primarily from the Net Revenues (as hereinafter defined) of the System, and are secured by a statutory first lien on the Net Revenues established by said Ordinances on a parity basis with certain Outstanding Bonds (as hereinafter defined). The Issuer has covenanted and agreed to fix and maintain at all times while any of the Bonds are outstanding, such rates for service furnished by the System as shall be sufficient to provide for payment of the necessary expenses of operation, maintenance and administration of the System, of the principal of and interest on all of the Bonds and the Outstanding Bonds when due, and to provide for such other expenditures and funds for the System as are required by the Ordinances.

As additional security for the payment of the principal of and interest on the Bonds, the Issuer has irrevocably pledged its full faith and credit for the prompt payment of the principal of and interest on the Bonds. Should the Net Revenues of the System at any time be insufficient to pay the principal of and interest on the Bonds when due, then the Issuer shall pay the amount of the insufficiency from its general funds as a first budget obligation. The Issuer is obligated, to the extent necessary, to levy ad valorem taxes on all taxable property in the boundaries of the Issuer for such purpose, subject to applicable constitutional and statutory limitations as to rate and amount.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by **BUILD AMERICA MUTUAL ASSURANCE COMPANY**.

BAM
BUILD AMERICA MUTUAL

The Bonds are issuable only as fully registered Bonds without coupons, and when issued, will be registered in the name of Cede & Co., as Bondholder and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of beneficial interests in the Bonds will be made in book-entry only form, in the denominations of $5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their beneficial interest in Bonds purchased. So long as Cede & Co. is the Bondholder, as nominee of DTC, references herein to the Bondholders or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Bonds. See *BOOK-ENTRY ONLY SYSTEM* herein.

Interest on the Bonds will be payable semiannually on May 1 and November 1 of each year commencing on May 1, 2014. The Bonds will be registered Bonds, of the denomination of $5,000 or multiples thereof not exceeding for each maturity the principal amount of such maturity. The principal and interest shall be payable at the corporate trust office of The Huntington National Bank, Grand Rapids, Michigan or such other transfer agent as the Issuer may hereafter designate by notice mailed to the registered owner not less than sixty (60) days prior to any change in interest payment date (the "Transfer Agent"). Interest shall be paid when due by check mailed to the registered owner as shown by the registration books as of the fifteenth day of the month preceding the payment date for each interest payment. Payment of principal and interest to Beneficial Owners shall be made as described in *BOOK-ENTRY ONLY SYSTEM* herein.

The Bonds are subject to redemption at par, as described herein.

The Bonds are offered when, as and if issued by the Issuer and subject to receipt of the approving opinion of Miller, Canfield, Paddock and Stone, P.L.C., Detroit, Michigan, Bond Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, Dickinson Wright PLLC, Troy and Lansing, Michigan. It is expected that delivery of the Bonds will be made in New York, New York on or about October 3, 2013.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT.

J.P. Morgan

Wells Fargo Securities **Stifel, Nicolaus & Company, Incorporated**

Dated: September 17, 2013

Robert, Carla M. (Treasury)

From:	Jody Lundquist <jlundquist@cityofflint.com>
Sent:	Friday, February 12, 2016 10:25 AM
To:	Vaughn, Cary J. (Treasury)
Cc:	Natasha Henderson; Dawn Steele; Khouri, Nick (TREASURY); Steckelberg, Larry (TREASURY); Saxton, Thomas (Treasury)
Subject:	Updated 24 Month Cash Flow
Attachments:	Draft City of Flint 24 Month Cash Flows Water & Sewer Funds v02092016.4.xlsx

Please find attached the updated 24 month cash flow modified to include additional assumptions for collection rates after the $30 million appropriation is applied to customer accounts. The appropriation has also been extended to show as being received by the City beginning in May. Boxes for assumptions regarding the receipt of the appropriation are also included.

Please let me know if you have any 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) 237-2441

CITY OF FLINT
WATER FUND
24 MONTH CASH FLOW
FOR THE PERIOD JULY 1, 2015 THROUGH JUNE 30, 2017
Actual Activity Reported through December 31, 2015
Assumptions Defined Below

VENUE ASSUMPTIONS:

User Charges for the period January 2015-December 2016 were based on YTD billing activity and collection rates.
Rate increase assumptions effective March 1, 2016 and July 1, 2016 may be modified in the grey box below
Restoring the FY16 Master Fee Schedule rates per the amended preliminary injunction order would result in a rate increase of approximately 22% and would impact collections beginning in March 2016
If the Master Fee Schedule rates are restored in FY16, then any rate increase assumption for FY17 must also include 22%
Issuance of shut off notices and disconnection of services has a tremendous impact on the City's ability to enforce payment for services rendered In August, prior to the Preliminary Injunction Order, the City's average monthly collection rate was 98% The average collection rate for the period August through December 2015 has fallen to 83%, with a low point in October of 70%.

PENDITURE ASSUMPTIONS:

Expenditure activity for the period January 2016-June 2016 reflect unspent funds as of December 31, 2015 divided equally over the remaining 6 months of the fiscal year.
Expenditure activity for the period July 2016-December 2016 assumes the FY17 budget projection as included in the Biennial FY16 & FY17 Budget as adopted by emergency manager order
The City will likely have to continue purchasing treated water from the Great Lakes Water Authority through the first quarter of FY17 An amount for illustrative purposes is shown

	Until 6/30/2016	After 7/1/2016	After 1/1/2017
Average Monthly Collection Rate	60%	45%	75%
Rate Increase	0%	0%	0%
GLWA Water Purchase	$ 1,333,333		
# of Months of FY17 GLWA Water	6		
Amount of State Assisted GLWA Purchase	$ -		
# of Months Allocated to City	-		

* Regarding Rate Increases:
  FY16 has been set such that an increase would impact bills beginning in March 2016
  Any rate increase assumption for FY17 must also include any rate assumption made for FY16
  For Example, FY16 restoration of Master Fee Schedule equals approximately 22% Budgeted FY17 projection of 5% must be entered as 27%.

Amount of State Assisted Bill Relief $ 30,000,000
# of Months Allocated to City 3

% Receiving Credit 75%
# of Months Credit Received 4

	ACTUAL AUGUST 2015	ACTUAL SEPTEMBER 2015	ACTUAL OCTOBER 2015	ACTUAL NOVEMBER 2015	ACTUAL DECEMBER 2015	PROJECTED JANUARY 2016	PROJECTED FEBRUARY 2016	PROJECTED MARCH 2016	PROJECTED APRIL 2016	PROJECTED MAY 2016	PROJECTED JUNE 2016	PROJECTED JULY 2016	PROJECTED AUGUST 2016	PROJECTED SEPTEMBER 2016	PROJECTED OCTOBER 2016	PROJECTED NOVEMBER 2016	PROJECTED DECEMBER 2016
	19,921,378	20,768,899	19,284,648	16,289,463	16,002,098	16,240,839	15,266,166	13,291,493	11,316,821	10,342,148	16,879,938	21,911,903	28,162,801	25,158,721	20,154,642	8,062,562	2,970,482
	2,595,455	2,214,755	1,750,177	1,864,184	2,020,248	1,324,483	1,324,483	1,324,483	1,324,483	331,121	331,121	248,341	993,362	993,362	993,362	993,362	993,362
	-	-	8,000,000	-	-	1,000,000		-	1,000,000	-	-	-	-	-	-	-	-
	-	-		-		-	-	-	-	10,000,000	10,000,000	10,000,000	-	-	-	-	-
		-	677	55	-	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333
	-	(91,821)	129,285	20,408	(8,051)	-	-	-	-	-	-	-	-	-	-	-	-
	2,595,455	2,122,934	9,880,140	1,884,646	2,012,197	2,332,816	1,332,816	1,332,816	2,332,816	10,339,454	10,339,454	10,256,674	1,001,696	1,001,696	1,001,696	1,001,696	1,001,696
	914,807	914,048	1,103,360	900,592	897,993	988,350	988,350	988,350	988,350	1,482,525	988,350	996,726	996,726	996,726	996,726	996,726	996,726
	147,058	187,527	186,152	46,298	48,535	409,039	409,039	409,039	409,039	409,039	409,039	213,617	213,617	213,617	213,617	213,617	213,617
	26,584	1,526,880	900,188	526,945	252,300	726,892	726,892	726,892	726,892	726,892	726,892	649,128	649,128	649,128	649,128	649,128	649,128
			10,000,000			-	-	-	-	-	2,000,000	1,333,333	1,333,333	1,333,333	1,333,333	1,333,333	1,333,333
						-	-		-	-	-	-	-	-	-	-	-
	147,607	81,183	62,630	50,729	37,166	185,173	185,173	185,173	185,173	185,173	185,173	108,750	108,750	108,750	108,750	108,750	108,750
	122,045	262,911	151,449	254,416	145,231	304,310	304,310	304,310	304,310	304,310	304,310	157,380	157,380	157,380	157,380	157,380	157,380
	10,815	255,380	89,901	11,136	13,041	310,613	310,613	310,613	310,613	310,613	310,613	128,581	128,581	128,581	128,581	128,581	128,581
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	2,000,000	2,000,000	2,000,000	3,000,000
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,000,000	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	88,000	88,000	88,000
	174,522	174,522	174,522	174,522	174,522	174,522	174,522	174,522	174,522	174,522	174,522	260,147	260,147	260,147	260,147	260,147	260,147
	110,331	110,568	112,957	113,206	110,502	114,425	114,425	114,425	114,425	114,425	114,425	63,946	63,946	63,946	63,946	63,946	63,946
	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167
	1,747,935	3,607,185	12,875,325	2,172,011	1,773,455	3,307,489	3,307,489	3,307,489	3,307,489	3,801,664	5,307,489	4,005,775	4,005,775	6,005,775	13,093,775	6,093,775	7,093,775
	847,521	(1,484,251)	(2,995,185)	(287,365)	238,741	(974,673)	(1,974,673)	(1,974,673)	(974,673)	6,537,790	5,031,965	6,250,899	(3,004,080)	(5,004,080)	(12,092,080)	(5,092,080)	(6,092,080)
	20,768,899	19,284,648	16,289,463	16,002,098	16,240,839	15,266,166	13,291,493	11,316,821	10,342,148	16,879,938	21,911,903	28,162,801	25,158,721	20,154,642	8,062,562	2,970,482	(3,121,598)

2/12/2016
jnl

CITY OF FLINT
WATER FUND
24 MONTH CASH FLOW
FOR THE PERIOD JULY 1, 2015 THROUGH JUNE 30, 2017
Actual Activity Reported through December 31, 2015

PROJECTED FEBRUARY 2017	PROJECTED MARCH 2017	PROJECTED APRIL 2017	PROJECTED MAY 2017	PROJECTED JUNE 2017
(4,218,103)	(5,314,608)	(6,411,113)	(7,507,618)	(8,604,123)
1,655,604	1,655,604	1,655,604	1,655,604	1,655,604
-	-	-	-	-
-	-	-	-	-
8,333	8,333	8,333	8,333	8,333
-	-	-	-	-
1,663,937	1,663,937	1,663,937	1,663,937	1,663,937
996,726	996,726	996,726	996,726	996,726
213,617	213,617	213,617	213,617	213,617
649,128	649,128	649,128	649,128	649,128
-	-	-	-	
-	-	-	-	-
108,750	108,750	108,750	108,750	108,750
157,380	157,380	157,380	157,380	157,380
128,581	128,581	128,581	128,581	128,581
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
88,000	88,000	88,000	88,000	88,000
260,147	260,147	260,147	260,147	260,147
63,946	63,946	63,946	63,946	63,946
94,167	94,167	94,167	94,167	94,167
2,760,442	2,760,442	2,760,442	2,760,442	2,760,442
(1,096,505)	(1,096,505)	(1,096,505)	(1,096,505)	(1,096,505)
(5,314,608)	(6,411,113)	(7,507,618)	(8,604,123)	(9,700,628)

2/12/2016
jnl

Pleyte, Beth (Treasury)

From:	Saxton, Thomas (Treasury)
Sent:	Friday, February 12, 2016 2:26 PM
To:	Steckelberg, Larry (TREASURY)
Subject:	FW: Flint Supplemental
Attachments:	Flint Funding Request.xlsx

From: Epkey, Amy (DEQ)
Sent: Friday, February 12, 2016 2:24 PM
To: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Barton, John (Treasury) <BartonJ@michigan.gov>
Subject: Flint Supplemental

Please see the attached document.

Department of Environmental Quality
Flint Funding
February 11, 2016

2016 Budget

<u>Supplemental 1: PA 143 of 2015</u>			
City of Flint Emergency Water Services *		$	6,000,000
Drinking Water and Environmental Health Staff	2	$	300,000
Laboratory Services		$	1,000,000
	Supplemental 1 Total	$	7,300,000
<u>Supplemental 2: PA 3 of 2016</u>			
Water System Infrastructure Needs		$	2,000,000
Utility Payment Relief		$	3,000,000
Lab and Testing Costs		$	250,000
Corrosion Control Procedures		$	36,500
Infrastructure Integrity Study		$	500,000
	Supplemental 2 Total	$	5,786,500
<u>Supplemental 3: TBD</u>			
City of Flint Water Bill Relief		$	30,000,000
Utility Assistance		$	25,000,000
City of Flint Emergency Water Services (Jul - Sept)		$	3,900,000
Water System Needs (KWA)		$	2,200,000
Response Team		$	2,250,000
	Supplemental 3 Total	$	63,350,000
	Total 2016 Supplemental Funding for DEQ	**$**	**76,436,500**

2017 Budget

City of Flint Emergency Water Services (Oct - Dec)		$	3,900,000
Drinking Water Technical Expertise	10	$	1,500,000
	Total 2017 General Fund Request for DEQ	**$**	**5,400,000**

* The DEQ paid $6 million to the City of Flint for water connection services through June 2016. The total cost for the connection services was $12 million of which the Mott Foundation paid $4 million and the City of Flint paid $2 million

State of Michigan Totals

Supplemental 1 - PA 143 of 2015		$	9,350,100
Supplemental 2 - PA 3 of 2016		$	28,028,500
Supplemental 3 - As Introduced		$	156,690,000
2017 Budget - As Introduced		$	38,730,900
	Total State of Michigan Funding for Flint	**$**	**232,799,500**

Stanton, Terry A. (Treasury)

From: Stanton, Terry A. (Treasury)
Sent: Friday, February 12, 2016 3:30 PM
To: Gary Ridley
Subject: RE: Comment sought on email release - Flint TTHM

Gary—

In reading the full e-mail string you reference, it indicates that the issues raised by Mr. Busch were discussed on a call between DEQ staff and Treasurer Dillon. In the final e-mail of the string, DEQ Director Wyant notes that "all indications are that we (DEQ) are supportive of KWA and its cost benefits..."

I would also clarify that the "approval" signed by Treasurer Dillon in April of 2013 dealt **only** with the eventual transition to KWA, from DWSD (see page 209 of 338 in documents posted today).

Terry

From: Gary Ridley [mailto:GRIDLEY@mlive.com]
Sent: Friday, February 12, 2016 1:18 PM
To: Stanton, Terry A. (Treasury) <StantonT@michigan.gov>
Subject: Comment sought on email release - Flint TTHM

Terry,
As I'm sure you're aware, there was a massive email release today regarding Flint water. One email (attached) contains an email chain between the DEQ and Dept. of Treasury. One of the emails, a March 26, 2013, message from Stephen Busch shows that using the Flint River for an extended period of time could lead to possible microbial and disinfection by-product concerns. The city, under an apparent order from the emergency manager, switched to the river for its drinking water source while awaiting the KWA.

Subsequently, the city's drinking water, following the switch to the river, was found to contain TTHM and suffer from multiple microbial problems (and an alleged connection to Legionella), as warned by Busch.

I wanted to see if treasury would comment on if Mr. Busch's concerns in 2013 were taken seriously (or discussed at all) when the city's switch occurred and if Treasury took these concerns into consideration when signing off on the EM's orders that allowed the city's switch to the river?

I am hoping for a response ASAP for my story.

Thanks.

--
Gary Ridley | The Flint Journal-MLive Media Group | 810-280-9516 | gridley@mlive.com

Lamphier, Wendy (Treasury)

From: Lamphier, Wendy (Treasury) on behalf of Dillon, Andy (Treasury)
Sent: Wednesday, October 07, 2015 4:44 PM
To: Robert, Carla M. (Treasury)
Subject: FW: ODWMA Response - Flint KWA-DWSD Report
Attachments: deq-wb-dwehs-wwciu-gcdclqwwpermitresponsepubliccomment_290345_7.pdf; Rowe Review of Tucker Young Report.pdf

Importance: High

From: Wyant, Dan (DEQ)
Sent: Wednesday, March 27, 2013 2:13 PM
To: Dillon, Andy (Treasury) <DillonA2@michigan.gov>
Subject: FW: ODWMA Response - Flint KWA-DWSD Report
Importance: High

Andy,

Attached is staff feedback. I will be getting additional feedback in the morning. All indications are that we are supportive of KWA and its cost benefits compared to DWSD options. If that is not the answer you want tomorrow – then we should discuss.

Dan Wyant, Director
Department of Environmental Quality
517-373-7917

From: Busch, Stephen (DEQ)
Sent: Wednesday, March 27, 2013 1:39 PM
To: Thelen, Mary Beth (DEQ); Wyant, Dan (DEQ); Sygo, Jim (
Cc: Willard, Veronica (DEQ); Benzie, Richard (DEQ); Prysby, M Donaldson, Kristina (DEQ); Creal, William (DEQ)
Subject: ODWMA Response - Flint KWA-DWSD Report
Importance: High

email & 2 attachments

Director Wyant, and Deputy Director Sygo,

Addendums to ODWMA comments provided yesterday regarding the City of Flint water system and comments on the reports from Tucker, Young, Jackson, Tull, Inc. (TYJT) can be found below in red. Additional comments are as follows:

With regards to regulatory authority for DEQ to allow or prevent the breakup of water utilities, and State vs. local decisions about cost effectiveness, it is important to note that when the DEQ permitted the water withdrawal for KWA (permit 2009-001) part of the decision making process (copy attached) included reasonable use and the balance of Economic Development, Social Development, and Environmental Protection. As part of the public participation process general comments were received (pages 6 & 7) regarding impacts on DWSD and rates to remaining customers. The Department's response to those comments stated:

"The DEQ is specifically precluded from using part 327 to "...diminish or create any existing authority of municipalities to require persons to connect to municipal water supply systems as authorized by law" (MCL 324.32726)."

An'd

"It is appropriately an issue for water service contract negotiations between the regional water system and its customers. To do otherwise invites unwanted intervention of the state into local decision making."

ODWMA cannot on its own assess an actual dollar value to any regional benefit for the City of Flint to remain a full customer of DWSD, but the following should be included in any additional analysis:

- The cost estimates provided in the TYJT report show a cost difference between full KWA and full DWSD participation of $172 million over 30 years.
- The formation of KWA would itself be considered one of the largest regional drinking water authorities in the State in terms of capacity, and as such any regional benefits provided by DWSD may only be marginal in comparison.

Finally, we have additional questions for TYJT regarding the various DWSD supply options and the considerations they made in the operations of the Flint WTP. These considerations will have an impact on the cost estimates for DWSD options.

We look forward to further discussion of these comments during our meetings tomorrow, and please let us know if you have any additional questions for us between now and then.

Stephen Busch, P.E.
Lansing and Jackson District Supervisor
Office of Drinking Water and Municipal Assistance
MDEQ
517-643-2314

From: Busch, Stephen (DEQ)
Sent: Tuesday, March 26, 2013 3:58 PM
To: Wyant, Dan (DEQ); Thelen, Mary Beth (DEQ); Sygo, Jim (DEQ)
Cc: Willard, Veronica (DEQ); Shekter Smith, Liane (DEQ)
Subject: RE: Flint Draft Response

I will provide additional follow up by tomorrow (Wed.) afternoon to my previous email below based on our discussion and the conference call with Andy Dillon earlier today.

Stephen Busch, P.E.
Lansing and Jackson District Supervisor
Office of Drinking Water and Municipal Assistance
MDEQ
517-643-2314

From: Busch, Stephen (DEQ)
Sent: Tuesday, March 26, 2013 12:37 PM
To: Wyant, Dan (DEQ); Thelen, Mary Beth (DEQ); Sygo, Jim (DEQ)
Cc: Willard, Veronica (DEQ); Shekter Smith, Liane (DEQ)
Subject: Flint Draft Response

Director Wyant,

In preparation for our call today with Treasurer Dillon's office, ODWMA has developed the following for consideration. We can provide any additional info you require during the meeting.

ODWMA has reviewed the materials developed by the consultant Tucker, Young, Jackson, Tull, Inc. (TYJT) for Treasury regarding the City of Flint and potential alternatives for public water supply. Based on our reviews, we have developed the following comments to this point in our analysis:

1. The TYJT report does not contain the full scope of the Karegnondi Water Authority (KWA) raw water supply system. TYJT concerns over raw water supply redundancy and reliability are addressed to the satisfaction of ODWMA under the full KWA proposal. Please note some portions of the overall project are being financed independently by the Genesee County Drain Commission.

2. There are significant differences in contract language between KWA and Detroit Water and Sewerage Department (DWSD) with respect to the contracted maximum day demand capacity.
    a. Under a KWA contract, a "maximum day" capacity of 18 million gallons per day (MGD) would fully satisfy current demands of the City of Flint, without the need to supplement raw water capacity using the Flint River. (18 MGD, average over a 30 day period).
    b. Under a DWSD model contract, a "maximum day" capacity, even at 18 MGD, would not satisfy the current demands for the City of Flint. (18 MGD, over any 24 hour period).

3. Restrictions in contracted capacity that would prevent the City of Flint from meeting peak demand requirements present potential limits to economic development within the City of Flint, including possible connection bans and water system extension bans. This information was previously conveyed to the City of Flint by ODWMA staff.

4. All contract options with DWSD that are considered semi-competitive with the KWA contract do not fully supply the City of Flint, and would require the City of Flint to meet a significant, if not majority, of its water demands by treating water from the Flint River. Continuous use of the Flint River at such demand rates would:
    a. Pose an increased microbial risk to public health (Flint River vs. Lake Huron source water)
    b. Pose an increased risk of disinfection by-product (carcinogen) exposure to public health (Flint River vs. Lake Huron source water)
    c. Trigger additional regulatory requirements under the Michigan Safe Drinking Water Act (LT2ESWTR)
    d. Require significant enhancements to treatment at the Flint WTP, beyond those identified in the TYJT report (see item 5 below).
    e. Water Resource Division is evaluating potential impacts to NPDES wastewater discharge permits in downstream segments of the Flint River, as a result of decreased river baseflow caused by Flint WTP use.

5. The TYJT report does not adequately address increased requirements and costs associated with using the Flint River as a significant source for the Flint WTP, which are not necessary under a Lake Huron source water scenario. This includes:
    a. The need to provide softening treatment
    b. Limitations on disposal options for lime softening sludge
    c. Increased ozone capacity, UV disinfection
    d. Additional backup power, more power required for Flint River operation

6. The Flint WTP must operate at some minimum level and within a range of flow rates to maintain treatment effectiveness. Currently that minimum level is 9 MGD. This level may be reduced with additional capital costs to modify the WTP, not addressed in the TYJT report.

7. Allowing Flint WTP to blend water with DWSD sets a new precedent that could pose future consequences with other DWSD customers.

8. Costs impacts to remaining DWSD customers would be similar under the proposed scenarios, only retaining 8 MGD of 30+ MGD total Flint/Genesee Co. demands, based on the following:

a. Genesee County distribution system demands are pulling out of DWSD regardless of the decisions by Flint WTP
b. Flint's need to utilize the Flint River as a source

9. ODWMA anticipates cost savings under the KWA proposal will be leveraged to provide additional improvements to the City of Flint water distribution system, improving efficiency and providing additional cost benefits. The KWA water withdrawal permit (2009-001) includes the required implementation of conservation measures that would also drive these distribution system improvements.

10. Major cost discrepancies in TYJT analysis
    a. Engineering, Legal, Administration, Contingency – TYJT appears to have effectively double charged for these costs in their KWA estimates without adequate justification
    b. Pumping facilities – TYJT cost estimate methodology does not appear to address localized market costs and does not distinguish fixed and variable costs in its comparison analysis.

11. Remaining DWSD customers in Lapeer County could potentially see water quality impacts as a result of Flint joining KWA, if they remain with DWSD. However, indications to ODWMA are that these communities are currently in final negotiations with KWA for service, which would make this a non-issue.
    a. City Lapeer
    b. City of Imlay City

Additional response to the TYJT report has also been provided by Rowe Engineering to Flint EFM, Mr. Ed Kurtz. (Copy Attached)

ODWMA has continued to meet on a regular basis with KWA, Genesee County, and the City of Flint regarding these water supply proposals.

ODWMA will continue to provide any additional detailed analysis requested by Treasury or the DEQ Executive Office.

Stephen Busch, P.E.
Lansing and Jackson District Supervisor
Office of Drinking Water and Municipal Assistance
MDEQ
517-643-2314

Stanton, Terry A. (Treasury)

From: Stanton, Terry A. (Treasury)
Sent: Friday, February 12, 2016 3:54 PM
To: Eggert, David
Subject: RE: pg. 92

If it is the document titled "Update to Treasury..." that has no letterhead, etc., it appears to have been penned by Ed Kurtz.

From: Eggert, David [mailto:DEggert@ap.org]
Sent: Friday, February 12, 2016 12:20 PM
To: Stanton, Terry A. (Treasury) <StantonT@michigan.gov>
Subject: pg. 92

Terry,

On pg. 92 of the treasury emails released today, who wrote that memo? Thx.

AP

ASSOCIATED PRESS

David Eggert
State government reporter

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Lansing, MI 48933
T 517-482-8011
M 517-899-2991

deggert@ap.org
www.ap.org

Robert, Carla M. (Treasury)

From:	Saxton, Thomas (Treasury)
Sent:	Friday, February 12, 2016 3:30 PM
To:	Baird, Richard (GOV); Khouri, Nick (TREASURY)
Subject:	FW: Flint Police and Fire Chiefs
Importance:	High

Fyi. See below.

From: Headen, Frederick (Treasury)
Sent: Friday, February 12, 2016 3:24 PM
To: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Steckelberg, Larry (TREASURY) <SteckelbergL@michigan.gov>; Stanton, Terry A. (Treasury) <StantonT@michigan.gov>
Subject: Flint Police and Fire Chiefs
Importance: High

See below the link to a *Flint Journal* article about the firing of the Police and Fire chiefs. The last paragraph refers to an interim Police chief. If accurate, it may be advisable for us to remind the Mayor that per the terms of the RTAB resolution she cannot name even an interim replacement without first submitting to the RTAB the minimum professional or occupational qualifications and the minimum/maximum salary range for the vacated positions.

http://www.mlive.com/news/flint/index.ssf/2016/02/mayor_fires_flint_police_fire.html#incart_2box_news_flint

Osborne, Ken (TREASURY)

From: Starr, Scott (DTMB)
Sent: Friday, February 12, 2016 4:38 PM
To: Lange, Michelle (GOV)
Cc: Osborne, Ken (TREASURY)
Subject: Re: SB 136 (Re: Flint $30MM appropriation) Poleski proposed edits

I think they are just moving the 3 million for water relief in 5220 from DEQ to Treasury. We're ok with it.

Sent from my iPhone

On Feb 12, 2016, at 3:17 PM, Lange, Michelle (GOV) <LangeM3@michigan.gov> wrote:

> Hey. FYI for you, I heard there was going to be a $3M change in the supplemental? The gross number would still be the same? I don't have details other than that.
>
> **From:** Adam Carlson [mailto:acarlson@house.mi.gov]
> **Sent:** Friday, February 12, 2016 2:31 PM
> **To:** Earl Poleski <epoleski@house.mi.gov>; Josiah Kissling <jkissling@house.mi.gov>; Maria Ostrander <Mostrander@house.mi.gov>
> **Cc:** Lange, Michelle (GOV) <LangeM3@michigan.gov>; mjshirkey@gmail.com; starrs@michigan.gov; Osborne, Ken (TREASURY) <OsborneK1@michigan.gov>
> **Subject:** RE: SB 136 (Re: Flint $30MM appropriation) Poleski proposed edits
>
> Hey Rep. Poleski (& Others),
>
> This is a pretty good draft from our end with just a couple of things to note. I don't want to speak for Treasury, but I'm not sure if we want to specify in this bill about late fees with such detail. That is for two reasons.
>
> 1) It has been indicated to me that we may not be able to obtain a significant amount of detail on late fees, or exactly when they were incurred. If it is impossible to separate late fees that occurred in this time frame from ones that were outside the time frame, the way this amendment is written it might make it impossible to do any reimbursements.
> 2) I think we may be able to, through our Dept. of Treasury, put pressure on the water system to forgive these late fees, since no services were provided that would justify them. If we stipulate in this bill that they must be paid, the water treatment department would not have any incentive to forgive those charges since the state would be reimbursing them for them
>
> Perhaps for subsection (c) we could change to:
>
> "100% of charges, commonly known as late charges, charged to a system customer relating to unpaid billings, as approved by the State Treasurer".
>
> The other comment is on the administrative fee. Based on our conversations with Treasury, I do not have a supreme level of confidence in the ability of the local water folks to administer this credit program. We may want to consider allowing Treasury to bring in some private sector consulting/accounting assistance to ensure that this is done properly. Perhaps we could change Section 302 (1) to read:

"There shall be no administrative charges retained by the Michigan Department of Treasury to expend the funds in this act. However, the Department may expend up to $1,500,000.00 (5%) to contract with a third party entity to ensure the proper distribution of funds under this act."

Please let me know your thoughts on these changes.

Thanks,
Adam

Adam Carlson
Senior Budget Advisor
Representative Al Pscholka
79th District, Michigan
(517) 373-1403
acarlson@house.mi.gov

From: Earl Poleski
Sent: Friday, February 12, 2016 8:56 AM
To: Adam Carlson <acarlson@house.mi.gov>; Josiah Kissling <jkissling@house.mi.gov>; Maria Ostrander <Mostrander@house.mi.gov>
Cc: langem3@michigan.gov; mjshirkey@gmail.com; starrs@michigan.gov; osbornek1@michigan.gov
Subject: SB 136 (Re: Flint $30MM appropriation) Poleski proposed edits

My apology for not having sent this yesterday afternoon as I had said I would.

Attached is a redlined Word document with my suggestions, and incorporates suggestions I got from House personnel and reflects my discussion yesterday with the Governor's and Treasury's people.

Copying Michelle Lange, Senator Shirkey, Scott Starr and Ken Osborne.

Comments and suggestions from all are welcomed.

Earl Poleski
64th District State Representative
Office: 517.373.1795

Osborne, Ken (TREASURY)

From: Josiah Kissling <jkissling@house.mi.gov>
Sent: Friday, February 12, 2016 5:21 PM
To: Osborne, Ken (TREASURY); Adam Carlson
Subject: RE: SB 136 (Re: Flint $30MM appropriation) Poleski proposed edits

Thanks, Ken.

From: Osborne, Ken (TREASURY) [mailto:OsborneK1@michigan.gov]
Sent: Friday, February 12, 2016 3:36 PM
To: Adam Carlson <acarlson@house.mi.gov>
Cc: Josiah Kissling <jkissling@house.mi.gov>
Subject: RE: SB 136 (Re: Flint $30MM appropriation) Poleski proposed edits

Adam and Josiah,

Our staff was in Flint working on this today. I'm hoping they will have some additional clarity about how best to proceed, but I haven't had a chance to talk with them yet. In general I think the treasurer agrees that we may need some additional flexibility, we are working on the form that would take. And obviously can work to balance that with the need for the oversight the legislature is interested in.

From: Adam Carlson [mailto:acarlson@house.mi.gov]
Sent: Friday, February 12, 2016 2:31 PM
To: Earl Poleski <epoleski@house.mi.gov>; Josiah Kissling <jkissling@house.mi.gov>; Maria Ostrander <Mostrander@house.mi.gov>
Cc: Lange, Michelle (GOV) <LangeM3@michigan.gov>; mjshirkey@gmail.com; starrs@michigan.gov; Osborne, Ken (TREASURY) <OsborneK1@michigan.gov>
Subject: RE: SB 136 (Re: Flint $30MM appropriation) Poleski proposed edits

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Please let me know your thoughts on these changes.

Thanks,
Adam

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Copying Michelle Lange, Senator Shirkey, Scott Starr and Ken Osborne.

Comments and suggestions from all are welcomed.

Earl Poleski
64th District State Representative
Office: 517.373.1795

CITY OF FLINT
WATER FUND
24 MONTH CASH FLOW
FOR THE PERIOD JULY 1, 2015 THROUGH JUNE 30, 2017
Actual Activity Reported through December 31, 2015

Assumptions Defined Below

REVENUE ASSUMPTIONS:

1. User Charges for the period January 2015-December 2016 were based on YTD billing activity and collection rates.
2. Rate increase assumptions effective March 1, 2016 and July 1, 2016 may be modified in the grey box below.
3. Restoring the FY16 Master Fee Schedule rates per the amended preliminary injunction order would result in a rate increase of approximately 22% and would impact collections beginning in March 2016.
4. If the Master Fee Schedule rates are restored in FY16, then any rate increase assumption for FY17 must also include 22%.
5. Issuance of shut off notices and disconnection of services has a tremendous impact on the City's ability to enforce payment for services rendered In August, prior to the Preliminary Injunction Order, the City's average monthly collection rate was 98%. The average collection rate for the period August through December 2015 has fallen to 85%, with a low point in October of 70%.

EXPENDITURE ASSUMPTIONS:

1. Expenditure activity for the period January 2016-June 2016 reflect unspent funds as of December 31, 2015 divided equally over the remaining 6 months of the fiscal year.
2. Expenditure activity for the period July 2016-December 2016 assumes the FY17 budget projection as included in the Biennial FY16 & FY17 Budget as adopted by emergency manager order.
3. The City will likely have to continue purchasing treated water from the Great Lakes Water Authority through the first quarter of FY17 An amount for illustrative purposes is shown.

	Until 6/30/2016	After 7/1/2016	After 1/1/2017
Average Monthly Collection Rate	60%	45%	75%
Rate Increase	0%	0%	0%

Regarding Rate Increases:
FY16 has been set such that an increase would impact bills beginning in March 2016
Any rate increase assumption for FY17 must also include any rate assumption made for FY16.
For Example, FY16 restoration of Master Fee Schedule equals approximately 22%. Budgeted FY17 projection of 5% must be entered as 27%.

GLWA Water Purchase $ 1,333,333
\# of Months of FY17 GLWA Water 6

Amount of State Assisted GLWA Purchase $ -
\# of Months Allocated to City -

Amount of State Assisted Bill Relief $ 30,000,000
\# of Months Allocated to City 3

% Receiving Credit 75%
\# of Months Credit Received 4

	ACTUAL JULY 2,015	ACTUAL AUGUST 2015	ACTUAL SEPTEMBER 2015	ACTUAL OCTOBER 2015	ACTUAL NOVEMBER 2015	ACTUAL DECEMBER 2015
BEGINNING CASH BALANCE	19,997,365	19,921,378	20,768,899	19,284,648	16,289,463	16,002,098
CASH RECEIPTS						
User Charges	2,921,585	2,595,455	2,214,755	1,750,177	1,864,184	2,020,248
Grants and State Appropriations	-	-	-	8,000,000	-	-
Customer Bill Relief	-	-	-	-	-	-
Other Revenue	1,326	-	-	677	55	-
Certificate of Deposit Activity	-	-	(91,821)	129,285	20,408	(8,051)
TOTAL CASH RECEIPTS	2,922,912	2,595,455	2,122,934	9,880,140	1,884,646	2,012,197
CASH DISBURSEMENTS						
Salaries and Benefits	922,659	914,807	914,048	1,103,360	900,592	897,993
Supplies	253,373	147,058	187,527	186,152	46,298	48,535
Contractual Services	752,353	26,584	1,526,880	900,188	526,945	252,300
Purchase of Water	-			10,000,000		
Claims	-					
Utilities	41,588	147,607	81,183	62,680	50,729	97,166
Equipment Operation	161,162	122,045	262,911	151,449	254,416	145,231
Repairs and Maintenance	482,400	10,815	255,380	89,901	11,136	19,041
Insurance	-	-	-	-	-	-
KWA Pipeline Connection	-	-	-	-	-	-
KWA bond payment	-	-	-	-	-	-
KWA operating & maintanance cost	-	-	-	-	-	-
Transfers to Debt Service Fund	174,522	174,522	174,522	174,522	174,522	174,522
Other Expenses	116,676	110,331	110,568	112,957	113,206	110,502
Transfers Out	94,167	94,167	94,167	94,167	94,167	94,167
TOTAL CASH DISBURSEMENTS	2,998,898	1,747,935	3,607,185	12,875,325	2,172,011	1,773,455
NET CASH FLOW	(75,987)	847,521	(1,484,251)	(2,995,185)	(287,365)	238,741
ENDING CASH BALANCE	19,921,378	20,768,899	19,284,648	16,289,463	16,002,098	16,240,839

	PROJECTED JANUARY 2016	PROJECTED FEBRUARY 2016	PROJECTED MARCH 2016	PROJECTED APRIL 2016	PROJECTED MAY 2016	PROJECTED JUNE 2016
BEGINNING CASH BALANCE	16,240,839	15,266,166	13,291,493	11,316,821	10,342,148	16,879,938
CASH RECEIPTS						
User Charges	1,324,483	1,324,483	1,324,483	1,324,483	331,121	331,121
Grants and State Appropriations	1,000,000	-	-	1,000,000	-	-
Customer Bill Relief	-	-	-	-	10,000,000	10,000,000
Other Revenue	8,333	8,333	8,333	8,333	8,333	8,333
Certificate of Deposit Activity	-	-	-	-	-	-
TOTAL CASH RECEIPTS	2,332,816	1,332,816	1,332,816	2,332,816	10,339,454	10,339,454
CASH DISBURSEMENTS						
Salaries and Benefits	988,350	988,350	988,350	988,350	1,482,525	988,350
Supplies	409,039	409,039	409,039	409,039	409,039	409,039
Contractual Services	726,892	726,892	726,892	726,892	726,892	726,892
Purchase of Water	-	-	-	-	-	2,000,000
Claims	-	-	-	-	-	-
Utilities	185,173	185,173	185,173	185,173	185,173	185,173
Equipment Operation	304,310	304,310	304,310	304,310	304,310	304,310
Repairs and Maintenance	310,613	310,613	310,613	310,613	310,613	310,613
Insurance	-	-	-	-	-	-
KWA Pipeline Connection	-	-	-	-	-	-
KWA bond payment	-	-	-	-	-	-
KWA operating & maintanance cost	-	-	-	-	-	-
Transfers to Debt Service Fund	174,522	174,522	174,522	174,522	174,522	174,522
Other Expenses	114,425	114,425	114,425	114,425	114,425	114,425
Transfers Out	94,167	94,167	94,167	94,167	94,167	94,167
TOTAL CASH DISBURSEMENTS	3,307,489	3,307,489	3,307,489	3,307,489	3,801,664	5,307,489
NET CASH FLOW	(974,673)	(1,974,673)	(1,974,673)	(974,673)	6,537,730	5,031,965
ENDING CASH BALANCE	15,266,166	13,291,493	11,316,821	10,342,148	16,879,938	21,911,903

	PROJECTED JULY 2016	PROJECTED AUGUST 2016	PROJECTED SEPTEMBER 2016	PROJECTED OCTOBER 2016	PROJECTED NOVEMBER 2016	PROJECTED DECEMBER 2016
BEGINNING CASH BALANCE	21,911,903	28,162,801	25,158,721	20,154,642	8,062,562	2,970,482
CASH RECEIPTS						
User Charges	248,341	993,362	993,362	993,362	993,362	993,362
Grants and State Appropriations	-	-	-	-	-	-
Customer Bill Relief	10,000,000	-	-	-	-	-
Other Revenue	8,333	8,333	8,333	8,333	8,333	8,333
Certificate of Deposit Activity	-	-	-	-	-	-
TOTAL CASH RECEIPTS	10,256,674	1,001,696	1,001,696	1,001,696	1,001,696	1,001,696
CASH DISBURSEMENTS						
Salaries and Benefits	996,726	996,726	996,726	996,726	996,726	996,726
Supplies	213,617	213,617	213,617	213,617	213,617	213,617
Contractual Services	649,128	649,128	649,128	649,128	649,128	649,128
Purchase of Water	1,333,333	1,333,333	1,333,333	1,333,333	1,333,333	1,333,333
Claims	-	-	-	-	-	-
Utilities	108,750	108,750	108,750	108,750	108,750	108,750
Equipment Operation	157,380	157,380	157,380	157,380	157,380	157,380
Repairs and Maintenance	128,581	128,581	128,581	128,581	128,581	128,581
Insurance	-	-	-	-	-	-
KWA Pipeline Connection	-	-	2,000,000	2,000,000	2,000,000	3,000,000
KWA bond payment	-	-	-	7,000,000	-	-
KWA operating & maintanance cost	-	-	-	88,000	88,000	88,000
Transfers to Debt Service Fund	260,147	260,147	260,147	260,147	260,147	260,147
Other Expenses	63,946	63,946	63,946	63,946	63,946	63,946
Transfers Out	94,167	94,167	94,167	94,167	94,167	94,167
TOTAL CASH DISBURSEMENTS	4,005,775	4,005,775	6,005,775	13,093,775	6,093,775	7,093,775
NET CASH FLOW	6,250,899	(3,004,080)	(5,004,080)	(12,092,080)	(5,092,080)	(6,092,080)
ENDING CASH BALANCE	28,162,801	25,158,721	20,154,642	8,062,562	2,970,482	(3,121,598)

	PROJECTED JANUARY 2017	PROJECTED FEBRUARY 2017	PROJECTED MARCH 2017	PROJECTED APRIL 2017	PROJECTED MAY 2017	PROJECTED JUNE 2017
BEGINNING CASH BALANCE	(3,121,598)	(4,218,103)	(5,314,608)	(6,411,113)	(7,507,618)	(8,604,123)
CASH RECEIPTS						
User Charges	1,655,604	1,655,604	1,655,604	1,655,604	1,655,604	1,655,604
Grants and State Appropriations	-	-	-	-	-	-
Customer Bill Relief	-	-	-	-	-	-
Other Revenue	8,333	8,333	8,333	8,333	8,333	8,333
Certificate of Deposit Activity	-	-	-	-	-	-
TOTAL CASH RECEIPTS	1,663,937	1,663,937	1,663,937	1,663,937	1,663,937	1,663,937
CASH DISBURSEMENTS						
Salaries and Benefits	996,726	996,726	996,726	996,726	996,726	996,726
Supplies	213,617	213,617	213,617	213,617	213,617	213,617
Contractual Services	649,128	649,128	649,128	649,128	649,128	649,128
Purchase of Water	-	-	-	-	-	-
Claims	-	-	-	-	-	-
Utilities	108,750	108,750	108,750	108,750	108,750	108,750
Equipment Operation	157,380	157,380	157,380	157,380	157,380	157,380
Repairs and Maintenance	128,581	128,581	128,581	128,581	128,581	128,581
Insurance	-	-	-	-	-	-
KWA Pipeline Connection	-	-	-	-	-	-
KWA bond payment	-	-	-	-	-	-
KWA operating & maintanance cost	88,000	88,000	88,000	88,000	88,000	88,000
Transfers to Debt Service Fund	260,147	260,147	260,147	260,147	260,147	260,147
Other Expenses	63,946	63,946	63,946	63,946	63,946	63,946
Transfers Out	94,167	94,167	94,167	94,167	94,167	94,167
TOTAL CASH DISBURSEMENTS	2,760,442	2,760,442	2,760,442	2,760,442	2,760,442	2,760,442
NET CASH FLOW	(1,096,505)	(1,096,505)	(1,096,505)	(1,096,505)	(1,096,505)	(1,096,505)
ENDING CASH BALANCE	(4,218,103)	(5,314,608)	(6,411,113)	(7,507,618)	(8,604,123)	(9,700,628)

April 2014- May 2015
Maturity Schedule
Info on upcoming bond sale
- debt payment

CITY OF FLINT
SEWER FUND
24 MONTH CASH FLOW
FOR THE PERIOD JULY 1, 2015 THROUGH JUNE 30, 2017
Actual Activity Reported through December 31, 2015

Assumptions Defined Below

REVENUE ASSUMPTIONS:

1. User Charges for the period January 2015-December 2016 were based on YTD billing activity and collection rates.
2. Rate increase assumptions effective March 1, 2016 and July 1, 2016 may be modified in the gray box below.
3. Restoring the FY16 Master Fee Schedule rates per the amended preliminary injunction order would result in a rate increase of approximately 17% and would impact collections beginning in March 2016.
4. If the Master Fee Schedule rates are restored in FY16, then any rate increase assumption for FY17 must also include 17%.
5. Issuance of shut off notices and disconnection of services has a tremendous impact on the City's ability to enforce payment for services rendered. In August, prior to the Preliminary Injunction Order, the City's average monthly collection rate was 98%. The average collection rate for the period August through December 2015 has fallen to 83%, with a low point in October of 70%.

EXPENDITURE ASSUMPTIONS:

1. Expenditure activity for the period January 2016-June 2016 reflect unspent funds as of December 31, 2015 divided equally over the remaining 6 months of the fiscal year.
2. Expenditure activity for the period July 2016-December 2016 assumes the FY17 budget projection as included in the Biennial FY16 & FY17 Budget as adopted by emergency manager order
3. The City will likely have to continue purchasing treated water from the Great Lakes Water Authority through the first quarter of FY17 An amount for illustrative purposes is shown.

	Until 6/30/2016	After 7/1/2016	After 1/1/2017
Average Monthly Collection Rate	60%	45%	75%
Rate Increase	0%	17%	17%

Regarding Rate Increases:
FY16 has been set such that an increase would impact bills beginning in March 2016.
Any rate increase assumption for FY17 must also include any rate assumption made for FY16.
For Example, FY16 restoration of Master Fee Schedule equals approximately 17%. Budgeted FY17 projection of 5% must be entered as 22%.

	ACTUAL JULY 2,015	ACTUAL AUGUST 2015	ACTUAL SEPTEMBER 2015	ACTUAL OCTOBER 2015	ACTUAL NOVEMBER 2015	ACTUAL DECEMBER 2015
BEGINNING CASH BALANCE	30,071,313	30,118,463	30,524,964	30,210,227	29,604,906	29,686,146
CASH RECEIPTS						
User Charges	2,572,687	2,437,207	1,983,807	1,814,519	1,878,839	1,953,667
Other Revenue	-	2,371	-	-	-	-
Certificate of Deposit Activity	-	-	(142,417)	193,928	30,612	(12,077)
TOTAL CASH RECEIPTS	2,572,687	2,439,578	1,841,390	2,008,447	1,909,450	1,941,590
CASH DISBURSEMENTS						
Salaries and Benefits	1,040,559	1,019,523	1,013,797	1,236,159	980,533	987,640
Supplies	115,640	60,905	44,994	106,849	52,995	93,142
Contractual Services	416,055	96,123	282,292	356,227	43,091	93,872
Claims	-	-	-	-	-	-
Utilities	396,997	150,685	203,415	145,138	44,424	159,871
Equipment Operation	101,772	171,227	147,754	270,398	139,201	111,209
Repairs and Maintenance	196,306	280,546	206,562	241,240	310,757	162,761
Insurance	-	-	-	-	-	-
Transfers to Debt Service Fund	-	-	-	-	-	-
Other Expenses	103,208	99,067	102,313	102,758	102,210	102,365
Transfers Out	155,000	155,000	155,000	155,000	155,000	155,000
TOTAL CASH DISBURSEMENTS	2,525,537	2,033,077	2,156,127	2,613,768	1,828,210	1,808,858
NET CASH FLOW	47,150	406,501	(314,737)	(605,321)	81,240	133,737
ENDING CASH BALANCE	30,118,463	30,524,964	30,210,227	29,604,906	29,686,146	29,821,883

	PROJECTED JANUARY 2016	PROJECTED FEBRUARY 2016	PROJECTED MARCH 2016	PROJECTED APRIL 2016	PROJECTED MAY 2016	PROJECTED JUNE 2016
BEGINNING CASH BALANCE	29,821,883	28,692,527	27,563,171	26,433,816	25,304,460	23,642,275
CASH RECEIPTS						
User Charges	1,274,622	1,274,622	1,274,622	1,274,622	1,274,622	1,274,622
Other Revenue	1,401	1,401	1,401	1,401	1,401	1,401
Certificate of Deposit Activity	-	-	-	-	-	-
TOTAL CASH RECEIPTS	1,276,023	1,276,023	1,276,023	1,276,023	1,276,023	1,276,023
CASH DISBURSEMENTS						
Salaries and Benefits	1,065,658	1,065,658	1,065,658	1,065,658	1,598,487	1,065,658
Supplies	256,200	256,200	256,200	256,200	256,200	256,200
Contractual Services	365,518	365,518	365,518	365,518	365,518	365,518
Claims	-	-	-	-	-	-
Utilities	219,043	219,043	219,043	219,043	219,043	219,043
Equipment Operation	34,088	34,088	34,088	34,088	34,088	34,088
Repairs and Maintenance	201,789	201,789	201,789	201,789	201,789	201,789
Insurance	-	-	-	-	-	-
Transfers to Debt Service Fund	-	-	-	-	-	-
Other Expenses	108,082	108,082	108,082	108,082	108,082	108,082
Transfers Out	155,000	155,000	155,000	155,000	155,000	155,000
TOTAL CASH DISBURSEMENTS	2,405,379	2,405,379	2,405,379	2,405,379	2,938,207	2,405,379
NET CASH FLOW	(1,129,356)	(1,129,356)	(1,129,356)	(1,129,356)	(1,662,185)	(1,129,356)
ENDING CASH BALANCE	28,692,527	27,563,171	26,433,816	25,304,460	23,642,275	22,512,919

	PROJECTED JULY 2016	PROJECTED AUGUST 2016	PROJECTED SEPTEMBER 2016	PROJECTED OCTOBER 2016	PROJECTED NOVEMBER 2016	PROJECTED DECEMBER 2016
BEGINNING CASH BALANCE	22,512,919	21,151,138	19,789,357	18,427,576	17,065,795	15,704,014
CASH RECEIPTS						
User Charges	1,118,481	1,118,481	1,118,481	1,118,481	1,118,481	1,118,481
Other Revenue	500	500	500	500	500	500
Certificate of Deposit Activity	-	-	-	-	-	-
TOTAL CASH RECEIPTS	1,118,981	1,118,981	1,118,981	1,118,981	1,118,981	1,118,981
CASH DISBURSEMENTS						
Salaries and Benefits	1,114,758	1,114,758	1,114,758	1,114,758	1,114,758	1,114,758
Supplies	163,717	163,717	163,717	163,717	163,717	163,717
Contractual Services	406,899	406,899	406,899	406,899	406,899	406,899
Claims	-	-	-	-	-	-
Utilities	180,417	180,417	180,417	180,417	180,417	180,417
Equipment Operation	-	-	-	-	-	8,667
Repairs and Maintenance	354,100	354,100	354,100	354,100	354,100	128,581
Insurance	-	-	-	-	-	-
Transfers to Debt Service Fund	-	-	-	-	-	-
Other Expenses	105,871	105,871	105,871	105,871	105,871	156,055
Transfers Out	155,000	155,000	155,000	155,000	155,000	155,000
TOTAL CASH DISBURSEMENTS	2,480,762	2,480,762	2,480,762	2,480,762	2,480,762	2,314,094
NET CASH FLOW	(1,361,781)	(1,361,781)	(1,361,781)	(1,361,781)	(1,361,781)	(1,195,113)
ENDING CASH BALANCE	21,151,138	19,789,357	18,427,576	17,065,795	15,704,014	14,508,901

	PROJECTED JANUARY 2017	PROJECTED FEBRUARY 2017	PROJECTED MARCH 2017	PROJECTED APRIL 2017	PROJECTED MAY 2017	PROJECTED JUNE 2017
BEGINNING CASH BALANCE	14,508,901	14,059,442	13,609,982	13,160,523	12,711,064	12,261,605
CASH RECEIPTS						
User Charges	1,864,135	1,864,135	1,864,135	1,864,135	1,864,135	1,864,135
Other Revenue	500	500	500	500	500	500
Certificate of Deposit Activity	-	-	-	-	-	-
TOTAL CASH RECEIPTS	1,864,635	1,864,635	1,864,635	1,864,635	1,864,635	1,864,635
CASH DISBURSEMENTS						
Salaries and Benefits	1,114,758	1,114,758	1,114,758	1,114,758	1,114,758	1,114,758
Supplies	163,717	163,717	163,717	163,717	163,717	163,717
Contractual Services	406,899	406,899	406,899	406,899	406,899	406,899
Claims	-	-	-	-	-	-
Utilities	180,417	180,417	180,417	180,417	180,417	180,417
Equipment Operation	8,667	8,667	8,667	8,667	8,667	8,667
Repairs and Maintenance	128,581	128,581	128,581	128,581	128,581	128,581
Insurance	-	-	-	-	-	-
Transfers to Debt Service Fund	-	-	-	-	-	-
Other Expenses	156,055	156,055	156,055	156,055	156,055	156,055
Transfers Out	155,000	155,000	155,000	155,000	155,000	155,000
TOTAL CASH DISBURSEMENTS	2,314,094	2,314,094	2,314,094	2,314,094	2,314,094	2,314,094
NET CASH FLOW	(449,459)	(449,459)	(449,459)	(449,459)	(449,459)	(449,459)
ENDING CASH BALANCE	14,059,442	13,609,982	13,160,523	12,711,064	12,261,605	11,812,146

2/10/2016
jnl

Stanton, Terry A. (Treasury)

From:	Stanton, Terry A. (Treasury)
Sent:	Saturday, February 13, 2016 12:03 AM
To:	Buhs, Caleb (DTMB)
Cc:	Weiss, Kurt (DTMB); Leeds, Lauren (DTMB)
Subject:	Re: Flint water funding

Sorry so late. I believe this is the fiscally distressed communities grant program. May not be able to confirm right away.

On Feb 12, 2016, at 7:37 PM, Buhs, Caleb (DTMB) <BuhsC@michigan.gov> wrote:

> Terry,
> Is Emily referring to the Treasury funds that Flint received?
>
> Caleb Buhs
>
> Begin forwarded message:
>
> > **From:** Emily Lawler <ELAWLER@mlive.com>
> > **Date:** February 12, 2016 at 5:28:12 PM EST
> > **To:** "LeedsL@michigan.gov" <LeedsL@michigan.gov>, "Buhs, Caleb (DTMB)" <BuhsC@michigan.gov>
> > **Subject: Fw: Flint water funding**
> >
> > Hi Lauren & Caleb,
> >
> > Kurt's email said he was on vacation. Is this a question either of you can answer?
> >
> > Emily
> >
> > ---
> >
> > **From:** Emily Lawler
> > **Sent:** Friday, February 12, 2016 5:26 PM
> > **To:** Weiss, Kurt (DTMB)
> > **Subject:** Flint water funding
> >
> > Hi Kurt,

I'm 3,583 pages into some light reading on the Flint water crisis. On that page of <u>this document set</u> the EPA in a June 10 conference call summary notes that in relation to Flint "the state, though the Governor's office, provided disadvantaged system funding, $2M which includes $900K for lead detection and pipe inspection."

Can I get more information on that expenditure?

Emily

Steckelberg, Larry (TREASURY)

From: Jody Lundquist <jlundquist@cityofflint.com>
Sent: Friday, February 12, 2016 11:42 AM
To: Steckelberg, Larry (TREASURY)
Cc: Khouri, Nick (TREASURY); Albert Mooney; Amanda Trujillo; Natasha Henderson; Doug Bingaman; Dawn Steele; Saxton, Thomas (Treasury); Vaughn, Cary J. (Treasury)
Subject: Top Q&A for review
Attachments: Draft City of Flint 24 Month Cash Flows Water & Sewer Funds v02092016.4.xlsx

Larry,

I think it was a productive meeting this morning. My team will continue to keep you informed as conversations progress with BS&A re: design of the "Credit Generator".

The City's next steps are:
1. Work with Treasury to draft Top Q&A for review and approval by State officials and Mayor.
2. Develop technical implementation plan with assistance from BS&A, Yeo & Yeo, State Treasury, and City staff
3. Provide implementation cost estimate to State
4. Review legal implications of implementation strategy with Counsel
5. Develop comprehensive communication plan

Top Q&A:
1. Time line for implementation - application of credits to customer accounts and reimbursement to City dependent upon policy decisions by State/Mayor and development of software program
2. How credits will be disbursed - Determine whether credits will be applied to total bill (more immediate customer relief, benefits sewer fund cash as well) vs. applied only to water billing (keeps water and sewer separate and maintains habit of monthly payment) → city may object - need to discuss w/ Mayor
3. Determination of how water penalties will be relieved - relief of penalties not included in State's initial estimate for relief
4. Application of residential relief to commercial accounts for multi-unit housing customers - Ability to ensure that potential relief is passed from owner to tenants is an issue. Redistribution from 20% relief to 65% relief will put further strain on the ability of $30 million to cover relief amount and time period covered
5. Inactive accounts - how will inactive accounts be addressed if credit amount is greater than any other amount potentially due to the City?

The question of inactive accounts also begs the question of accounts closed while a credit is still active on the account. For instance, if the credit is to be applied to water charges only, someone could close their account with a credit still due. After applying the remaining credit to the total balance owed (water AND sewer), would the customer then be due a refund? If so, what control or policy will be put in place such that someone doesn't come in and close their account to qualify for a refund and then immediately open a new account? Amanda/Al please brainstorm. 60 day delay?

Our next meeting will discuss the 24 month cash flow and to review/finalize the Q&A list for presentation to the State and Mayor's office for their approval before proceeding with finalizing the Credit Generator's parameters.

I have reattached the 24 month cash flow for ease of reference. I have noted that of the total cash balance shown, $5,848,116 is a restricted cash balance in compliance with the Revenue Bond Act (Act 94 of 1933). Reducing the beginning cash balance for the restricted amount immediately impacts the City's ongoing cash position. As distribution of the appropriation from the State to City is coordinated, I cannot reiterate often enough how dire the need is to provide support as quickly as possible. We are dedicated on our end to ensuring all procedures and policies are in place to provide the State with any requisite information and documentation to make it happen.

As always, please feel free to contact me with any questions or for additional information.

Have a great weekend.

Jody N. Lundquist
Chief Financial Officer
City of Flint
1101 S. Saginaw Street, 2nd Floor
Flint, MI 48502
jlundquist@cityofflint.com
(810) 237-2441

CITY OF FLINT
WATER FUND
24 MONTH CASH FLOW
FOR THE PERIOD JULY 1, 2015 THROUGH JUNE 30, 2017
Actual Activity Reported through December 31, 2015

Assumptions Defined Below

...une 2016 ... based on YTD billing activity and collection rates.
...16 and July 1, 2016 may be modified in the grey box below.
...r the amended preliminary injunction order would result in a rate increase of approximately 22% and would impact collections beginning in March 2016.
...FY16, then any rate increase assumption for FY17 must also include 22%.
...services has a tremendous impact on the City's ability to enforce payment for services rendered. In August, prior to the Preliminary Injunction Order, the City's
...erage collection rate for the period August through December 2015 has fallen to 83%, with a low point in October of 72%.

...June 2016 reflect ... funds as of December 31, 2015 divided equally over the remaining 6 months of the fiscal year
...mber 2016 assumes the FY17 budget projection as included in the biennial FY16 & FY17 budget as adopted by emergency manager order
...ased water from the Great Lakes Water Authority through the first quarter of FY17. An amount for illustrative purposes is shown.

...16	After 7/1/2016	After 3/1/2017
...%	45%	75%
...%	10%	8%
...e $	1,332,833	
...ur	4	
...e $	-	
...ty		

Regarding Rate Increases:
FY16 has been ... [illegible] ... impact bills beginning in March 2016.
Any rate increase assumption for FY17 must also include any rate ... made for FY16.
For Example, FY16 ... approximately 22%. Budgeted FY17 ... of 5% must be entered as 27%

Amount of State Assisted ... Relief $ 20,000,000
# of Months Allocated to City ... 3

...AL ...ER ...S	ACTUAL NOVEMBER 2015	ACTUAL DECEMBER 2015	PROJECTED JANUARY 2016	PROJECTED FEBRUARY 2016	PROJECTED MARCH 2016	PROJECTED APRIL 2016	PROJECTED MAY 2016	PROJECTED JUNE 2016	PROJECTED JULY 2016	PROJECTED AUGUST 2016	PROJECTED SEPTEMBER 2016	PROJECTED OCTOBER 2016	PROJECTED NOVEMBER 2016	PROJECTED DECEMBER 2016	PROJECTED JANUARY 2017	PROJECTED FEBRUARY 2017	PROJECTED MARCH 2017	PROJECTED APRIL 2017	PROJECTED MAY 2017	PROJECTED JUNE 2017
...T	16,289,463	16,002,098	16,240,639	15,266,368	13,291,491	11,314,831	10,342,543	37,373,300	33,898,837	30,894,547	27,890,467	22,886,388	16,794,388	1,702,228	(309,853)	(1,488,357)	(2,582,862)	(3,679,367)	(4,775,872)	(5,872,377)
...?	1,864,184	2,020,246	1,324,483	1,324,483	1,324,483	1,324,483	1,324,483	1,324,483	993,362	993,362	993,362	993,362	993,362	993,362	1,655,604	1,655,604	1,655,604	1,655,604	1,655,604	1,655,604
...?			1,000,000			1,000,000														
					10,000,000	10,000,000	10,000,000													
...?	51		8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333
...E	20,408	(8,033)																		
...?	1,884,646	2,012,167	2,332,816	1,332,816	11,332,816	12,332,816	11,332,816	1,332,816	1,001,696	1,001,696	1,001,696	1,001,696	1,001,696	1,001,696	1,663,937	1,663,937	1,663,937	1,663,937	1,663,937	1,663,937
...?	900,532	837,883	988,350	988,350	988,350	988,350	1,482,525	988,350	896,726	896,726	896,726	896,726	896,726	896,726	896,726	896,726	896,726	896,726	896,726	896,726
...?	46,298	47,325	409,039	409,039	409,039	409,039	409,039	409,039	213,617	213,617	213,617	213,617	213,617	213,617	213,617	213,617	213,617	213,617	213,617	213,617
...?	326,945	292,300	726,892	726,892	726,892	726,892	726,892	726,892	649,128	649,128	649,128	649,128	649,128	649,128	649,128	649,128	649,128	649,128	649,128	649,128
...C								2,000,000	1,333,333	1,333,333	1,333,333	1,333,333	1,333,333	1,333,333						
...?	50,729	17,164	185,171	185,171	185,171	185,171	185,171	185,171	108,750	108,750	108,750	108,750	108,750	108,750	108,750	108,750	108,750	108,750	108,750	108,750
...?	254,428	145,181	304,310	304,310	304,310	304,310	304,310	304,310	157,380	157,380	157,380	157,380	157,380	157,380	157,380	157,380	157,380	157,380	157,380	157,380
...?	11,138	19,045	310,611	310,611	310,611	310,611	310,611	310,611	128,541	128,541	128,541	128,541	128,541	128,541	128,541	128,541	128,541	128,541	128,541	128,541
											1,000,000	1,000,000	2,000,000	2,000,000						
												7,000,000								
												88,000	88,000	88,000	88,000	88,000	88,000	88,000	88,000	88,000
...?	174,523	174,522	174,522	174,522	174,522	174,522	174,522	174,522	260,147	260,147	260,147	260,147	260,147	260,147	260,147	260,147	260,147	260,147	260,147	260,147
...?	113,204	130,502	114,425	114,425	114,425	114,425	114,425	114,425	63,946	63,946	63,946	63,946	63,946	63,946	63,946	63,946	63,946	63,946	63,946	63,946
...?	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167
...?	1,372,011	1,773,433	2,307,485	2,307,489	2,307,489	2,307,485	2,801,664	5,302,489	4,005,773	4,005,773	5,005,773	13,093,773	6,093,775	7,093,775	2,760,442	2,760,442	2,760,442	2,760,442	2,760,442	2,760,442
...?	(287,365)	238,741	(974,673)	(1,974,673)	9,025,327	9,025,327	7,531,152	(3,974,672)	(3,004,080)	(3,004,080)	(5,004,080)	(12,092,080)	(5,092,080)	(6,092,080)	(1,096,505)	(1,096,505)	(1,096,505)	(1,096,505)	(1,096,505)	(1,096,505)
...?	16,002,098	16,240,638	15,266,368	13,291,493	11,318,833	10,342,143	37,373,300	33,898,827	30,894,547	27,890,467	22,886,388	16,794,388	1,702,228	(309,853)	(1,488,357)	(2,582,862)	(3,679,367)	(4,775,872)	(5,872,377)	(6,968,882)

1/19/2016
jw

CITY OF FLINT
WATER FUND
18 MONTH CASH FLOW
FOR THE PERIOD JULY 1, 2015 THROUGH DECEMBER 31, 2016
Actual Activity Reported through December 31, 2015

Assumptions Defined Below

MPTIONS:
s for the period January 2015-December 2015 were based on YTD billing activity and collection rates.
e assumptions effective March 1, 2016 and July 1, 2016 may be modified in the grey box below.
e FY16 Master Fee Schedule rates per the amended preliminary injunction order would result in a rate increase of approximately 22% and would impact collections beginning in March 2016.
Fee Schedule rates are restored in FY16, then any rate increase assumption for FY17 must also include 22%.
shut off notices and disconnection of services has a tremendous impact on the City's ability to enforce payment for services rendered. In August, prior to the Preliminary Injunction Order, the City
daily collection rate was 98%. The average collection rate for the period August through December 2015 has fallen to 83%, with a low point in October of 70%.
SSUMPTIONS:
activity for the period January 2016-June 2016 reflect unspent funds as of December 31, 2015 divided equally over the remaining 6 months of the fiscal year
activity for the period July 2016-December 2016 assumes the FY17 budget projection as included in the Biennial FY16 & FY17 budget as adopted by emergency manager order
they have to continue purchasing treated water from the Great Lakes Water Authority through the first quarter of FY17. An amount for illustrative purposes is shown.

	Until 6/30/2016	After 7/1/2016
ly Collection Rate	60%	45%
Rate Increase	0%	0%

GLWA Water Purchase $ 1,333,333

- Regarding Rate Increases:
  FY16 has been set such that an increase would impact bills beginning in March 2016.
  Any rate increase assumption for FY17 must also include any rate assumption made for FY16.
  For Example, FY16 restoration of Master Fee Schedule equals approximately 17%. Budgeted FY17 projection of 5% must be entered as 22%.

ACTUAL OCTOBER 2015	ACTUAL NOVEMBER 2015	ACTUAL DECEMBER 2015	PROJECTED JANUARY 2016	PROJECTED FEBRUARY 2016	PROJECTED MARCH 2016	PROJECTED APRIL 2016	PROJECTED MAY 2016	PROJECTED JUNE 2016
19,294,649	16,283,463	18,002,098	18,240,839	15,256,164	13,281,491	11,316,821	10,342,148	7,873,300
1,750,177	1,864,184	2,020,248	1,324,483	1,324,483	1,324,483	1,324,480	1,324,483	1,324,483
8,000,000			1,000,000			1,000,000		
877	55		8,331	8,333	8,333	8,333	8,333	8,333
129,285	20,408	(8,051)						
9,880,140	1,884,646	2,012,197	2,332,816	1,332,816	1,332,816	2,332,816	1,332,816	1,332,816
1,103,369	900,592	437,493	988,350	988,350	988,350	988,350	1,482,525	988,350
186,152	46,288	48,535	409,039	409,039	409,039	409,039	409,039	409,039
900,188	526,945	752,800	726,891	726,892	726,892	726,891	726,892	726,892
10,000,000								1,000,000
62,830	50,729	37,166	185,173	185,173	185,173	185,173	185,173	185,173
151,449	754,416	143,291	304,310	304,310	304,310	304,310	304,310	304,310
19,901	11,196	18,041	310,613	310,613	310,613	310,613	310,613	310,613
174,512	174,522	174,522	174,522	174,522	174,522	174,522	174,522	174,522
112,957	113,106	110,502	114,425	114,425	114,425	114,425	114,425	114,425
94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167
12,975,325	2,172,011	1,773,455	3,307,489	3,307,489	3,307,489	3,307,489	3,801,664	3,307,489
[illegible]	[illegible]	238,341	(974,673)	(1,974,673)	(1,974,673)	(974,673)	(2,468,848)	(1,974,673)
16,283,463	18,002,098	18,240,839	15,266,166	13,291,493	11,316,821	10,342,148	7,873,300	5,898,827

PROJECTED JULY 2016	PROJECTED AUGUST 2016	PROJECTED SEPTEMBER 2016	PROJECTED OCTOBER 2016	PROJECTED NOVEMBER 2016	PROJECTED DECEMBER 2016
5,898,827	894,547	(2,109,533)	(5,119,812)	(13,872,359)	(15,631,105)
993,362	993,362	993,362	993,362	993,362	993,362
8,333	8,333	8,333	8,333	8,333	8,333
1,001,696	1,001,696	1,001,696	1,001,696	1,001,696	1,001,696
996,726	996,726	996,726	996,726	996,726	996,726
213,617	213,617	213,617	213,617	213,617	213,617
649,128	649,128	649,128	649,128	649,128	649,128
1,333,333	1,333,333	1,333,333	1.3	1.3	1.3
108,750	108,750	108,750	108,750	108,750	108,750
157,380	157,380	157,380	157,380	157,380	157,380
128,581	128,581	128,581	128,581	128,581	128,581
			7,000,000		-
			88,000	88,000	88,000
260,147	260,147	260,147	260,147	260,147	260,147
63,946	63,946	63,946	63,946	63,946	63,946
94,167	94,167	94,167	94,167	94,167	94,167
4,005,775	4,005,775	4,005,775	9,760,442	2,760,442	2,760,441
(3,004,080)	(3,004,080)	(3,004,080)	(8,758,746)	(1,758,746)	(1,758,746)
894,547	(2,109,533)	(5,119,812)	(13,873,359)	(15,631,105)	(17,389,852)

incl 7/15-6/16	incl 7/16-12/16	no deprec FY15 Audited 2015	Annualized July-December 2015	Annualized Jan-June 2016	Annualized July-Dec 2016
11,313,902	11,907,070	11,777,658	26,732,810	15,893,795	11,920,346
10,000,000	2,000,000				
32,858	100,000	11,131	4,118	100,000	100,000
49,420					
21,415,181	14,007,070	11,889,809	26,736,928	15,993,795	12,020,346
11,077,736	12,404,632	10,831,521	11,806,819	12,848,552	11,960,712
1,323,173	3,725,934	2,563,742	1,737,887	4,908,464	2,563,404
4,846,601	8,256,121	528,063	7,970,498	8,722,708	7,789,536
11,000,000	8,000,000		18,000,000	-	
1,531,940	1,763,588	1,010,454	841,804	2,122,076	1,305,000
2,923,073	2,770,138	1,117,786	1,194,429	1,651,716	1,888,560
1,726,343	2,635,163	1,074,044	1,725,344	3,727,552	1,542,972
	7,000,000				
-	264,000				
2,094,259	2,608,012	-	2,094,259	2,094,259	3,121,764
1,350,786	1,070,223	783,440	1,348,478	1,373,094	767,352
1,130,000	1,130,002		1,180,000	1,130,000	1,130,004
47,518,918	49,637,762	18,885,043	40,849,818	40,578,239	32,069,304
(16,098,738)	(28,630,631)	15,003,761	(13,512,692)	(24,684,424)	(20,048,958)

ate
ripe used to curtail

- flat consumption
- water only

1/2/2016
jnl

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[illegible]	4/30/2014
[illegible]	11/30/2015
[illegible]	5/31/2016
[illegible]	5/31/2016
onsumption Date	19
[illegible]	6
g Date for Rate Incr	0

MENTS

...ata tabs reflects water consumption from ... July 20... ...ity water

...ata amounts for water transactions for ...mich the City of Flint is legally authorized

...January 2015 and February 2016 (... ...spectively). Current Date is ... ...f water consumption (December 2015 and ...) are included in the projected costs.

...the average monthly historical cost from ...ne 2015 incorporates a 5% increase against ... increase reflects the ... the City ...until the ... date. This rate increase ...'s Emergency Manager

HISTORICAL PAYMENTS (State Reimburses for...)

RESIDENDTIAL		COMMERCIAL	
% of Water Service Charges	65%	% of Water Service Charges	20%
% of Water Rates	65%	% of Water Rates	20%
% of Sewer Service Charges	0%	% of Sewer Service Charges	0%
% of Sewer Rates	0%	% of Sewer Rates	0%
% of Late Fees	0%	% of Late Fees	0%

FUTURE PAYMENTS (State Reimburses for...)

RESIDENDTIAL		COMMERCIAL	
% of Water Service Charges	65%	% of Water Service Charges	20%
% of Water Rates	65%	% of Water Rates	20%
% of Sewer Service Charges	0%	% of Sewer Service Charges	0%
% of Sewer Rates	0%	% of Sewer Rates	0%
% of Late Fees	0%	% of Late Fees	0%

TOTAL HISTORICAL

RESIDENDTIAL		COMMERCIAL	
Water Service Charges	$ 8 247 952.84	Water Service Charges	$ 1 040 411 41
Water Rates	$ 11 948 562 44	Water Rates	$ 2,846 589 73
Total Water	$20,196 515.28	Total Water	$ 3,887 001 14
Sewer Service Charges	$ -	Sewer Service Charges	$
Sewer Rates	$	Sewer Rates	$ -
Total Sewer	$	Total Sewer	$
Total Water and Sewer	$20,196,515.28	Total Water and Sewer	$ 3,887,001 14
Late Fees	$ -	Late Fees	$ -
Grand Total	$20,196 515.28	Grand Total	$ 3,887,001 14

TOTAL PROJECTED

RESIDENDTIAL		COMMERCIAL	
Water Service Charges	$ 1697 620.25	Water Service Charges	$ 66 231 08
Water Rates	$ 2,538,361 80	Water Rates	$ 188,282.48
Total Water	$ 4 235,982.06	Total Water	$ 254,513.56
Sewer Service Charges	$ -	Sewer Service Charges	$ -
Sewer Rates	$ -	Sewer Rates	$
Total Sewer	$ -	Total Sewer	$
Total Water and Sewer	$ 4,235 982 06	Total Water and Sewer	$ 254 513 56
Late Fees	$ -	Late Fees	$ -
Grand Total	$ 4,235 982 06	Grand Total	$ 254,513 56

Total Historical Cost to be Reimbursed (Residential and Commercial)	$ 24,083 516 42
Total Projected Cost to be Reimbursed (Residential and Commercial)	$ 4 490,495 61
Total Historical and Projected Cost (Residential and Commercial)	$ 28 574,012.03

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Billed Charges	Due Date	# of Customers Billed Water Service Charges	Water Consumption	Water Charges	Water Service Charges	[illegible] Consumption	[illegible] Charges	Sewer Consumption	[illegible]	[illegible]	[illegible] Customers Billed [illegible] Service Charges	Refundable Water Charges	Refundable Water Service Charges	Refundable Sewer Charge	Refundable Sewer Service Charge	Refundable Penalty
$3,295,390 70	Jul-14	28,742	139,899	$1,053,810 80	$642,552.06	235	$1,767,20	139 110	$667,891.82	$929,338 99	28,562	$ 684 977 02	$ 417 658 84	$ -	$ -	$ -
$3,286,930 63	Aug-14	28 676	130,926	$1,036 425.30	$674,125.04	783	$6,178.56	130 131	$672,912 04	$997 106.94	28 458	$ 673 676 45	$ 438,181.28	$ -	$ -	$ -
$3,383,954.67	Sep-14	28,499	131,390	$1,042,165.07	$670,600 76	1,147	$9,024 84	130,679	$675,761.33	$991,396 47	28,267	$ 677 407.30	$ 435,890 49	$ -	$	$ -
$_ 176,862.19	Oct-14	28,358	115 720	$917 558.77	$669,279 42	761	$6,000 42	115,071	$595,031 80	$988,586.58	28,115	$ 556,413.20	$ 435,031.62	$ -	$ -	$ -
$3,367,080 14	Nov-14	28,161	133 099	$978,591.94	$707 733.87	308	$2,427 66	132,310	$684,032 74	$980,229.25	27 943	$ 636 084 76	$ 460,027.02	$	$ -	$ -
$3,301,355.31	Dec 14	28,235	125 902	$998,800.67	$666 7_6 35	76	$600.32	125 195	$_47,371.30	$987 812 47	28 047	$ 649,220 44	$ 433 397 48	$	$ -	$ -
$3,307,593.24	Jan 15	28,290	125,881	$998,277 17	$666,830 58	806	$6,156.92	125,238	$647,618.15	$988 695.22	28 113	$ 648,880 16	$ 433 439 88	$ -	$	$ -
$4 063,259 02	Feb-15	28 055	188 495	$1 443 094 85	$666,213.56	15	$118 50	187 642	$970,533 44	$938,303 17	27,892	$ 938 011 65	$ 433 038 81	$ -	$ -	$
$3,397,278.96	Mar-15	28,273	133 417	$1,057 362 05	$665 402.63	0	$C	129 693	$687 170 46	$987,338.62	28,111	$ 687,285.33	$ 432 511 71	$ -	$	$ -
$3,222,599 95	Apr 15	28,286	109,257	$856,822.21	$663 635.35	0	$0 00	107,711	$557 000 86	$984 593 05	28,125	$ 556,934 44	$ 431,362 98	$	$ -	$ -
$3,209,549.87	May-15	28,380	119 618	$943,539 74	$665 479.58	0	$0.00	119 037	$613,013.04	$987 487.31	28,221	$ 613,300.84	$ 432,561 73	$	$	$ -
$_ 186 808.39	Jun-15	28,305	117 432	$931,216.65	$664,935.25	36	$285 12	116,770	$643 144 69	$940 817 45	28,139	$ 605,290.82	$ 432,207.91	$	$	$
$_,548 965.07	Jul-15	28,179	153 002	$ _21_ 170 97	$663 487 87	644	$2 031 98	152,209	$787,048 59	$983 095 46	27,990	$ 788,561 13	$ 431,267 12	$	$	$ -
$2,952,941 05	Aug-15	28,184	105,185	$810 647 87	$665 524 _7	333	$1,807 30	104,609	$529,244 48	$985 712.03	27 931	$ 526,921 12	$ 432,590 71	$ -	$	$
$2,993 485 1_	_ep-15	28,280	127 _ _	$790,892 90	$665,404 15	772	$2,787 43	127,236	$548,012.40	$984 422 93	28,066	$ 514,080.39	$ 432,512 70	$ -	$	$ -
$3 31_ _46.25	Oct-15	28,297	_9 622	$972,544 65	$666 _60.23	977	$5,997 63	158 883	$684,017.06	$984 822.30	28,072	$ 632,154 05	$ 433 004 15	$ -	$ -	$ -
$_ _80,000 18	Nov-15	28,357	128,570	$774,334.26	$665,905.23	508	$3,126 52	128,047	$551,845 05	$984 783 78	28,_38	$ 503 317 27	$ 432,839 05	$ -	$ -	$ -
$2,833,947.54	Dec 15	28 425	110,955	$697 049.89	$668,560.54	256	$1,553 04	110,371	$475 589 50	$991,169 17	28,245	$ 453,082 43	$ 434 564.35	$ -	$ -	$ -
$3,139 542 56	Jan 16	__ _55	141,674	$86_,097.96	$670,561.57	17	$10_.23	140 950	$607,657 86	$995,084.00	28 404	$ 562,963 67	$ 435 865 02	$	$ -	$ -

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[illegible]	Current Penalty	Billed Charges	Due Date	# of Customers Billed Water Service Charges	Water Consumption	Water Charges	Water Service Charges	Lawn Consumption	Lawn Charges	Sewer Consumption	Sewer Charges	Sewer Service Charges	# of Customers Billed Sewer Service Charge	Genesee County Commodity Charge	Refundable Water Charges	Refundable Water Service Charges	Refundable Sewer Charge	Refundable Sewer Service Charge	Refundable Penalty
29,561	$ 131,192.61	$ 3,332,051.69	2/14/2015	28,297	123,728	$ 1,001,326.15	$ 669,672.63	399	$ 2,673.53	123,824	$ 561,278.24	$ 933,999.78	23,106		$ 650,862.00	$435,287.24	$	$	$
	$ 137,741.74	$3,493,654.27				$ 1,051,392.46	$ 703,156.32				$ 694,342.15	$ 1,031,199.77			$ 683,405.10	$ 457,051.61	$	$	$
1,687	$ 17,592.73	$ 1,099,335.69	2/22/2015	1,609	106,674	$ 784,510.33	$ 275,952.82	8	$ 63.36	183,746	$ 607,385.47	$ 294,202.55	1,525	40,000	$ 156,902.07	$ 55,192.56	$	$	$
	$ 18,472.39	$2,099,302.48				$ 823,735.85	$ 289,760.97				$ 637,754.74	$ 308,912.69			$ 164,747.17	$ 57,952.19	$	$ -	$

EVENTS

[illegible]

NOTES / COMMENTS

[illegible]

HISTORICAL PAYMENTS (State Reimburses for...)

[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	0	[illegible]	[illegible]
[illegible]	0	[illegible]	[illegible]
[illegible]	0	[illegible]	[illegible]

FUTURE PAYMENTS (State Reimburses for...)

[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	0	[illegible]	[illegible]
[illegible]	0	[illegible]	[illegible]

TOTAL HISTORICAL

[illegible]	$ 20 196 515 28	[illegible]	$ 3 887 001 14
[illegible]	$ 20 196 515 28	[illegible]	$ 3 887,001 14
[illegible]	$ 20 196 515 28	[illegible]	$ 3 887 001 14

TOTAL PROJECTED

[illegible]	$ 4 941 979 07	[illegible]	$ 296 932 48
[illegible]	$ 4 941 979 07	[illegible]	$ 296 932 48
[illegible]	$ 4 941 979 07	[illegible]	$ 296 932 48

Total Historical Cost to be Reimbursed (Residential and Commercial): $ 24 083 516 42

Total Projected Cost to be Reimbursed (Residential and Commercial): $ 5 238 911 55

Total Historical and Projected Cost (Residential and Commercial): $ 29,322,427 97

PROJECTED TILL June 30, 2016

[illegible]		[illegible]	
[illegible]		[illegible]	
[illegible]		[illegible]	
[illegible]	$ 4,941,979.07	[illegible]	$ 296,932.48
[illegible]		[illegible]	
[illegible]		[illegible]	
[illegible]	$	[illegible]	$
[illegible]	$ 4,941,979.07	[illegible]	$ 296,932.48
[illegible]		[illegible]	
[illegible]	$ 4,941,979.07	[illegible]	$ 296,932.48

[illegible] $ 5,238,911.55

PROJECTED (June 2016 till Clean Date)

[illegible]		[illegible]	
[illegible]		[illegible]	
[illegible]		[illegible]	
[illegible]	$	[illegible]	$
[illegible]		[illegible]	
[illegible]		[illegible]	
[illegible]	$	[illegible]	$
[illegible]	$	[illegible]	$
[illegible]		[illegible]	
[illegible]	$	[illegible]	$

[illegible] $ -

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EVENTS

[illegible]

HISTORICAL PAYMENTS (State Reimburses for...)

[illegible]

FUTURE PAYMENTS (State Reimburses for...)

[illegible]

NOTES / COMMENTS

[illegible]

TOTAL HISTORICAL

[illegible]	$12 689 158 21	[illegible]	$ 5 702 057 07
[illegible]	$12 689 158 21	[illegible]	$ 5 702 057 07
[illegible]	$14 922 563 09	[illegible]	$ 5 495 107 97

TOTAL PROJECTED

[illegible]	$ 4 687 708 79	[illegible]	$ 1 931,739 77
[illegible]	$ 4 687 708 79	[illegible]	$ 1 931 739 77
[illegible]	$ 4 687 708 79	[illegible]	$ 1 931,739 77

Total Historical Cost to be Reimbursed (Residential and Commercial) $20 417 671 06

Total Projected Cost to be Reimbursed (Residential and Commercial) $ 6 619 448 56

Total Historical and Projected Cost (Residential and Commercial) $27 037 119 62

PROJECTED TILL June 30, 2016			
[illegible]		[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	
[illegible]	$ 4 687 708 79	[illegible]	$ 1,931,739 77
[illegible]		[illegible]	
[illegible]		[illegible]	
[illegible]	$	[illegible]	$
[illegible]	$ 4 687 708 79	[illegible]	$ 1 931,739 77
[illegible]	$	[illegible]	
[illegible]	$ 4 687 708 79	[illegible]	$ 1,931,739 77
[illegible]			$ 6,619 448 56

PROJECTED (June 2016 till Clean Date)			
[illegible]		[illegible]	
[illegible]		[illegible]	$
[illegible]		[illegible]	$
[illegible]	$	[illegible]	$
[illegible]	$	[illegible]	$
[illegible]	$	[illegible]	
[illegible]	$	[illegible]	$
[illegible]	$	[illegible]	$
[illegible]	$	[illegible]	
[illegible]	$	[illegible]	$
[illegible]			$

EVENTS

[illegible]	4/30/2014
[illegible]	11/30/2015
[illegible]	[illegible]
[illegible]	4/30/2016
[illegible]	19
[illegible]	[illegible]
[illegible]	0

NOTES / COMMENTS

• Water billed by the Bill Read Date on the Historical Data tabs reflects water consumption from the prior month [illegible] billing transactions with a Bill Read Date of July 2014 reflects water consumption from June 2014.

• Projected water costs are computed by using the average amount for water transactions for Billed Date July 2014 till August 2015 [illegible] City of Flint is legally authorized to bill customer.

Due to absence of actual water reads for the months of January 2015 and February 2015 [illegible] water consumed in December 2015 and January 2016 [illegible] Date [illegible] consumption (December 2015 and January [illegible]) [illegible] are included in the projected costs.

Projected cost includes estimation up to June 2016 using the average monthly historical cost from July 2014 August 2015. [illegible] incorporate [illegible] increase against the historical [illegible] from July 2014 [illegible] August 2015. The [illegible] increase reflects the increase the City [illegible] effective July 1 2016 until the [illegible] date. The rate increase [illegible] adopted at the [illegible]

HISTORICAL PAYMENTS (State Reimburses for...)

[illegible]		[illegible]	
[illegible]	100%	[illegible]	100%
[illegible]	100%	[illegible]	100%
[illegible]	0%	[illegible]	0%
[illegible]	0%	[illegible]	0%
[illegible]	100%	[illegible]	100%

FUTURE PAYMENTS (State Reimburses for...)

[illegible]		[illegible] COMMERCIAL [illegible]	
[illegible]	100%	[illegible]	100%
[illegible]	100%	[illegible]	100%
[illegible]	0%	[illegible]	0%
[illegible]	0%	[illegible]	0%
[illegible]	0%	[illegible]	0%

TOTAL HISTORICAL

[illegible]		[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	$ 31,071,561.97	[illegible]	$ 19,435,005.70
[illegible]	$	[illegible]	$
[illegible]		[illegible]	
[illegible]	$	[illegible]	$
[illegible]	$ 31,071,561.97	[illegible]	$ 19,435,005.70
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	$ 33,304,966.85	[illegible]	$ 19,728,056.60

TOTAL PROJECTED

[illegible]		[illegible] COMMERCIAL [illegible]	
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	$ 8,354,994.19	[illegible] Total Water [illegible]	$ 5,302,365.79
[illegible]	$	[illegible]	$
[illegible]		[illegible]	$
[illegible]	$	[illegible] Total Sewer [illegible]	$
[illegible]	$ 8,354,994.19	[illegible] Water and Sewer	$ 5,302,365.79
[illegible]	$	[illegible]	$
[illegible]	$ 8,354,994.19	[illegible] Grand Total [illegible]	$ 5,302,365.79

Total Historical Cost to be Reimbursed (Residential and Commercial)	$ 53,033,023.45
Total Projected Cost to be Reimbursed (Residential and Commercial)	$ 13,657,359.99
Total Historical and Projected Cost (Residential and Commercial)	$ 66,690,383.44

PROJECTED TILL June 30, 2016				
[illegible]			COMMERCIAL	
[illegible]	$	[illegible]	Water Service Charges	$ [illegible]
[illegible]	$	[illegible]	Water Rates	$ [illegible]
[illegible]	$	8 354 994 19	Total Water	$ 5,302 365 79
[illegible]	$		Sewer Service Charges	$
[illegible]	$		Sewer Rates	$
[illegible]	$		Total Sewer	$
[illegible]	$	8,354 994 19	Total Water and Sewer	$ 5 302,365 79
[illegible]	$		Late Fees	$
[illegible]	$	8 354 994 19	Grand Total	$ 5 302 365 79
[illegible] (Residential and Commercial)				$ 13,657,359 99

PROJECTED (June 2016 till Clean Date)				
[illegible]			COMMERCIAL	
[illegible]	$		Water Service Charges	$
[illegible]	$		Water Rates	$
[illegible]	$		Total Water	$
[illegible]	$		Sewer Service Charges	$
[illegible]	$		Sewer Rates	$
[illegible]	$		Total Sewer	$
[illegible]	$		Total Water and Sewer	$
[illegible]	$		Late Fees	$
[illegible]	$		Grand Total	$
[illegible] (Residential and Commercial)				$

EVENTS

Water Switch Over Date	4/30/2014
Current Consumption Data Available Date	11/30/2015
Planned Rate Increase Date	6/30/2016
Clean Water Certification Date	12/31/2016
Months Between Switch Over and Current Consumption Date	19
Months Projected Prior to Planned Rate Increase	7
Months Projected till Clean Water Certification Date for Rate Inc	6

NOTES / COMMENTS

• Water billed by the "Bill Read Dates In the Historical Data tabs reflects water consumption from the prior month (i e , billing transactions with a Bill Read Date of July 2014 reflects water consumption from June 2014)

• Projected water costs are computed by using the average amounts for water transactions for Billed Dates July 2014 till August 2015 to reflect rates at which the City of Flint is legally authorized to bill customers

• Due to absence of actual water reads for the month of January 2015 and February 2016 (i e , water consumed in December 2015 and January 2016 respectively) "Current Date Is set at November 30 2015 As such an additional two months of water consumption (December 2015 and January 2016) for which actual reads are currently unavailable are included in the projected costs

Projected cost includes estimation up to June 2016 , the average monthly historical cost from July 2014-August 2015 Estimated projections beyond June 2016 incorporates a 5% increase against the historical costs from July 2014 to August 2015 The 5% Increase reflects the increase the City would otherwise have implemented effective July 1, 2016 until the "safe date" This rate increase was adopted in the Biennial FY16/FY17 budget by the City s Emergency Manager

HISTORICAL PAYMENTS (State Reimburses for...)

RESIDENTIAL		COMMERCIAL	
% of Water Service Charges	50%	% of Water Service Charges	50%
% of Water Charges	50%	% of Water Charges	50%
% of Sewer Service Charges	0%	% of Sewer Service Charges	0%
% of Sewer Charges	0%	% of Sewer Charges	0%
% of Late Fees	100%	% of Late Fees	100%

FUTURE PAYMENTS (State Reimburses for...)

RESIDENTIAL		COMMERCIAL	
% of Water Service Charges	50%	% of Water Service Charges	50%
% of Water Charges	50%	% of Water Charges	50%
% of Sewer Service Charges	0%	% of Sewer Service Charges	0%
% of Sewer Charges	0%	% of Sewer Charges	0%
% of Late Fees	100%	% of Late Fees	100%

TOTAL HISTORICAL

RESIDENTIAL		COMMERCIAL	
Water Service Charges	$ 6 344 579 11	Water Service Charges	$ 2 601 028 54
Water Charges	$ 9,191,201 88	Water Charges	$ 7,116 474 32
Total Water	$ 15,535,780 99	Total Water	$ 9,717,502 85
Sewer Service Charges	$	Sewer Service Charges	$
Sewer Charges	$	Sewer Charges	$
Total Sewer	$ -	Total Sewer	$ -
Total Water and Sewer	$ 15,535,780 99	Total Water and Sewer	$ 9 717,502 85
Late Fees	$ 2,233,404 88	Late Fees	$ 293 050 90
Grand Total	$ 17,769 185 87	Grand Total	###########

TOTAL PROJECTED

RESIDENTIAL		COMMERCIAL	
Water Service Charges	$ 2,226,661 68	Water Service Charges	$ 917 576 39
Water Charges	$ 3,329,409 46	Water Charges	$ 2,608,496 86
Total Water	$ 5,556,071 14	Total Water	$ 3,526,073 25
Sewer Service Charges	$	Sewer Service Charges	$ -
Sewer Charges	$	Sewer Charges	$
Total Sewer	$ -	Total Sewer	$ -
Total Water and Sewer	$ 5,556,071 14	Total Water and Sewer	$ 3,526,073 25
Late Fees	$ 1 744,728 75	Late Fees	$ 233 983 61
Grand Total	$ 7,300,799 89	Grand Total	$ 3,760,056 87

Total Historical Cost to be Reimbursed (Residential and Commercial)	###########
Total Projected Cost to be Reimbursed (Residential and Commercial)	$11,060,856 75
Total Historical and Projected Cost (Residential and Commercial)	$ 38,840,596 37

Current rate - court ruling rates

PROJECTED TILL June 30, 2016

RESIDENTIAL		COMMERCIAL	
Water Service Charges	$ 1,171,927 20	Water Service Charges	$ 482,934 94
Water Charges	$ 1 752 3?0 77	Water Charges	$ 1,372,893 09
Total Water	$ 2,924,247 97	Total Water	$ 1,855,828 03
Sewer Service Charges	$	Sewer Service Charges	$
Sewer Charges	$	Sewer Charges	$
Total Sewer	$	Total Sewer	$
Total Water and Sewer	$ 2,924,247 97	Total Water and Sewer	$ 1,855,828 03
Late Fees	$ 918,278 29	Late Fees	$ 123 149 27
Grand Total	$ 3,842,526 26	Grand Total	$ 1,978,977 30

Total Projected Cost to be Reimbursed (Residential and Commercial)	$ 5,821,503 56

PROJECTED (June 2016 till Clean Date)

RESIDENTIAL		COMMERCIAL	
Water Service Charges	$ 1,054,734 48	Water Service Charges	$ 434,641 45
Water Charges	$ 1 577,088 69	Water Charges	$ 1,235,603 78
Total Water	$ 2,631,823 17	Total Water	$ 1,670,245 22
Sewer Service Charges	$	Sewer Service Charges	$
Sewer Charges	$	Sewer Charges	$ -
Total Sewer	$	Total Sewer	$ -
Total Water and Sewer	$ 2,631,823 17	Total Water and Sewer	$ 1,670,245 22
Late Fees	$ 826,450 46	Late Fees	$ 110,834 34
Grand Total	$ 3,458,273 63	Grand Total	$ 1,781,079 57

Total Projected Cost to be Reimbursed (Residential and Commercial)	$ 5,239 353 20

DRAFT - For Discussion Purposes and Subject to Revision

	Read Date	Bill Date	# of Bills Printed	Current Penalty	Billed Charges	Due Date	# of Customers Billed Water Service Charges	Water Consumption	Water Charges	Water Service Charges	Lawn Consumption	Lawn Charges	Sewer Consumption	Seweer Charges	Sewer Service Charges	# of Customers Billed Sewer Service Charge	Genesee County Commodity Charge	Refundable Water Charges	Refundable Water Service Charges	Refundable Sewer Charge	Refundable Sewer Service Charge	Refundable Penalty
ONTHLY SIDENTIAL L June 30, 2016	x		29,568	$ 131,182.61	$ 3,332,051.69	2/14/2015	28,297	[illegible]	$ [illegible]	$ [illegible]	[illegible]	$ 2,673.51	128,821	$ [illegible]	$ [illegible]	[illegible]		$ 500,663.08	$ 334,836.34	$	$	$ 131,182.61
ONTHLY SIDENTIAL OST June 30, 2016				$ 137,741.74					$ [illegible]	$ [illegible]				$ [illegible]	$ [illegible]			$ 525,696.23	$ 351,578.16	$	$	$ 137,741.74
ONTHLY MMERCIA LL June 20116	x		1,667	$ 17,592.75	$ 1,999,335.63	2/22/2015	1,609	[illegible]	$ [illegible]	$ [illegible]	8	$ 63.36	[illegible]	$ [illegible]	$ [illegible]	152	10,000	$ 392,255.17	$ 137,981.41	$	$	$ 17,592.75
ONTHLY MMERCIA ost June 20116				$ 18,472.39					$ 823,735.85	$ [illegible]				$ [illegible]	$ [illegible]			$ 411,867.93	$ 144,880.48	$	$	$ 18,472.39

50%
25%

DRAFT - For Discussion Purposes and Subject to Revision

Read Date	Bill Date	# of Bills Printed	Current Penalty	Billed Charges	Due Date	# of Customers Billed Water Service Charges	Water Consumption	Water Charges	Water Service Charges	Lawn Consumption	Lawn Charges	Sewer Consumption	Sewer Charges	Sewer Service Charges	# of Customers Billed Sewer Service Charge	Refundable Water Charges	Refundable Water Service Charges	Refundable Sewer Charge	Refundable Sewer Service Charge	Refundable Penalty
Jun-14		29,924	$126,359 51	$3,295,390 70	Jul-14	28,742	139,899	$1,053 810 80	$642,552 06	235	$1,767 20	139,110	$667,891 82	$929,338 99	28,562	$ 526,905 40	$ 321,276 03	$	$ -	$ 126,359 51
Jul 14		29,838	$105 111 52	$3 386,980 63	Aug 14	28,676	130 926	$1 036 425 30	$674 125 04	783	$6 178 56	130,131	$672,912 04	$997 106 94	28,458	$ 518,212 65	$ 337,062 52	$	$ -	$ 105,111 52
Aug 14		29,740	$96,330 45	$3,388,954 67	Sep-14	28,499	131 390	$1 042 165 07	$670 600 76	1,147	$9 024 81	130,679	$675,761 33	$991 396 47	28,267	$ 521,082 54	$ 335,300 38	$	$ -	$ 96,330 45
Sep 14		29,571	$117 938 20	$3,176,862 19	Oct 14	28,358	115 720	$917 558 77	$669,279 12	761	$6 000 42	115 071	$595,031 80	$998 086 58	28 119	$ 458,779 39	$ 334,639 71	$ -	$ -	$ 117,938 20
Oct 14		29,366	$133 032 70	$3,367 080 14	Nov 14	28 161	133 099	$978 591 94	$707,733 87	308	$2 427 66	132 310	$684,032 74	$980,229 75	27,943	$ 489,295 97	$ 353,866 94	$	$ -	$ 133,032 70
Nov 14		29,438	$130,291 72	$3,301,355 31	Dec 14	28,235	125 902	$998 800 67	$666 765 35	76	$600 32	125 195	$647,371 30	$987,812 47	28 017	$ 499,400 34	$ 333,382 68	$	$	$ 130,291 72
Dec 14		29,524	$144 348 85	$3 307,593 24	Jan 15	28 290	125 981	$998 277 17	$666 830 58	806	$6 166 92	125 238	$647 618 15	$988 695 22	28 113	$ 499,138 59	$ 333,415 29	$	$ -	$ 144 348 85
Jan 15		29,519	$148,948 63	$4,068 269 02	Feb 15	28 055	188,495	$1 443 094 85	$666 213 56	15	$118 80	187 642	$970 533 41	$988 303 17	27,892	$ 721,547 43	$ 333,106 78	$ -	$ -	$ 148,948 63
Feb 15		29 627	$137,566 20	$3,397,278 96	Mar 15	28,273	133 417	$1,057,362 05	$665,402 63	0	$0	129 693	$687,170 46	$987 338 62	28,111	$ 528,681 03	$ 332,701 32	$ -	$	$ 137,566.20
Mar 15		29,590	$160,543 28	$3,222,599 95	Apr 15	28,286	108 257	$856 822 21	$663 635 35	0	$0 00	107 711	$557 000 86	$984 593 05	28 125	$ 428,411 11	$ 331,817 68	$ -	$ -	$ 160,543.28
Apr 15		29,660	$165,170 33	$3,209,549 87	May-15	28,380	119 618	$943 539 74	$665 479 58	0	$0 00	119 037	$613,013 04	$987 487 31	28,221	$ 471,769 87	$ 332,739 79	$ -	$ -	$ 165,170 33
May-15		29,596	$154,377 00	$3,186,808 39	Jun 15	28,305	117 432	$931 216 65	$664 935 25	36	$285 12	116 770	$643 144 69	$940 817 46	28 139	$ 465,608.33	$ 332,467 63	$ -	$ -	$ 154,377 00
Jun 15		29,464	$105,080 55	$3 648,965 07	Jul 15	28 179	153 002	$1,213 170 97	$663 487 87	644	$2 031 98	152 209	$787 048 53	$983 095 46	27,990	$ 606,585 49	$ 331,743 94	$ -	$ -	$ 105,080 55
Jul-15		29 428	$114 869 87	$2,992,941 05	Aug 15	28 184	105 185	$810 647 87	$665,524 17	233	$1 807 30	104 609	$529 244 48	$985 717 03	27 991	$ 405 323 94	$ 332,762 09	$	$ -	$ 114,869 87
Aug 15		29 590	$122,947 28	$2,993,485 14	Sep 15	28,280	127,862	$790 892 90	$665 404 15	772	$2 787 13	127 236	$548 012 40	$984 122 93	28 066	$ 395,446 45	$ 332,702 08	$	$ -	$ 122,947 28
Sep 15		29 597	$137,437 21	$3,313,546 25	Oct 15	28,297	159,622	$972 544 69	$666 160 23	977	$5 997 63	158 883	$684 017 06	$984 822 30	28 072	$ 486,272 35	$ 333,080 12	$	$ -	$ 137,437 21
Oct-15		29 642	$61,561 13	$2,980,000 18	Nov-15	28 357	128,570	$774,334 26	$665 906 23	508	$3 126 52	128,047	$551 815 05	$984 783 76	28 138	$ 387,167 13	$ 332,953 12	$ -	$ -	$ 61,561.13
Nov 15		29 750	$36 004 17	$2 833 947 54	Dec 15	28 425	110,955	$697 049 89	$668 560 54	256	$1,553 04	110 371	$475 589 50	$991 169 17	28,245	$ 348,524 95	$ 334,280 27	$ -	$ -	$ 36,004 17
Dec-15		29 936	$35,486 28	$3 139 542 56	Jan 16	28 563	141 674	$866 097 96	$670 561 57	17	$105 23	140 990	$607 657 86	$995 084 00	28,404	$ 433,048 98	$ 335,280 79	$ -	$ -	$ 35,486 28

DRAFT For Discussion Purposes and Subject to Revision

Read Date	Bill Date	# of Bills Printed	Current Penalty	Billed Charges	Due Date	# of Customers Billed Water Service Charges	Water Consumption	Water Charges	Water Service Charges	Lawn Consumption	Lawn Charges	Sewer Consumption	Sewer Charges	Sewer Service Charges	# of Customers Billed Sewer Service Charge	Genesee County	Refundable Water Charges	Refundable Water Service Charges	Refundable Sewer Charge	Refundable Sewer Service Charge	Refundable Penalty
Jun-14		1,888	$18,284.81	$2,112,883.88	Jul 14	1,828	121,707	$888,162.18	$232,628.34	0	0	272,956	$727,384.28	$284,663.65	1534	$40,000.00	$ 433,081.08	$ 116,263.17	$	$ -	$ 18,294.91
Jul 14		1,720	$11,938.34	$2,424,026.76	Aug 14	1,661	149,233	$1,104,398.38	$210,142.06	33	261.36	219,439	$755,662.71	$311,612.47	1,539	$40,000.00	$ 552,199.19	$ 120,021.03	$	$	$ 11,938.34
Aug 14		1,725	$17,517.95	$2,366,820.63	Sep 14	1,666	112,125	$833,915.37	$287,050.81	33	261.36	176,881	$591,815.57	$306,732.86	1,541	$40,000.00	$ 416,957.66	$ 143,525.41	$	$ -	$ 17,517.95
Sep 14		1,735	$18,741.45	$2,083,269.55	Oct 14	1,676	115,640	$859,383.26	$288,379.55	26	205.92	187,548	$621,811.32	$306,853.55	1,549	$40,000.00	$ 429,691.63	$ 144,189.78	$	$ -	$ 18,741.45
Oct 14		1,662	$20,213.32	$1,978,393.31	Nov 14	1,607	105,506	$788,579.23	$279,106.64	0	0	189,642	$602,815.31	$302,572.41	1,521	$40,000.00	$ 394,289.62	$ 139,553.32	$	$	$ 20,213.32
Nov 14		1,660	$20,749.17	$1,823,987.34	Dec 14	1,599	90,398	$681,423.23	$280,254.26	0	0	174,919	$550,196.31	$307,503.31	1,535	$40,000.00	$ 340,711.62	$ 140,127.13	$	$	$ 20,749.17
Dec 14		1,642	$20,255.60	$1,927,304.92	Jan 15	1,576	102,164	$766,773.86	$277,057.41	0	0	172,708	$575,501.4[illegible]	$305,021.22	1,518	$40,000.00	$ 383,386.93	$ 138,528.71	$	$ -	$ 20,255.60
Jan 15		1,632	$20,462.86	$1,945,574.74	Feb 15	1,575	99,674	$752,011.70	$273,462.18	0	0	200,955	$630,242.20	$299,858.66	1,517	$40,000.00	$ 376,005.85	$ 136,731.09	$	$	$ 20,462.86
Feb 15		1,621	$21,066.90	$1,962,898.34	Mar 15	1,563	103,414	$775,814.28	$271,981.65	0	0	181,976	$612,789.28	$290,219.57	1,511	$40,000.00	$ 387,909.64	$ 135,991.83	$	$	$ 21,066.90
Mar 15		1,629	$19,484.35	$1,809,599.50	Apr 15	1,573	92,945	$696,071.36	$275,415.95	0	0	152,117	$511,446.80	$303,663.39	1,520	$40,000.00	$ 348,035.68	$ 137,707.98	$	$	$ 19,484.35
Apr 15		1,627	$21,846.20	$1,839,105.26	May 15	1,573	90,001	$676,542.66	$273,559.68	0	0	199,374	$581,108.16	$300,380.77	1,519	$40,000.00	$ 338,271.33	$ 136,779.94	$	$	$ 21,846.20
May 15		1,635	$21,086.70	$1,653,878.22	Jun 15	1,580	74,297	$560,592.14	$274,513.71	0	0	186,166	$517,510.87	$300,118.03	1,516	$40,000.00	$ 280,296.07	$ 137,256.86	$	$	$ 21,086.70
Jun 15		1,683	$10,725.69	$2,316,081.46	Jul 15	1,626	134,596	$997,943.01	$281,116.73	9	71.28	209,909	$549,320,018.94	$301,521.80	1522	$40,000.00	$ 498,971.52	$ 140,558.37	$	$	$ 10,725.69
Jul 15		1,683	$10,663.31	$2,138,501.71	Aug 15	1,626	118,774	$880,579.32	$280,765.51	11	87.12	207,581	$675,048.19	$301,248.17	1,522	$40,000.00	$ 440,289.66	$ 140,382.76	$	$	$ 10,663.31
Aug 15		1,680	$11,546.70	$1,721,257.94	Sep 15	1,625	104,714	$609,111.91	$280,771.20	0	0	178,145	$529,548.22	$172,413.35	1,526	$40,000.00	$ 304,555.96	$ 140,385.60	$	$	$ 11,546.70
Sep 15		1,678	$14,075.08	$1,839,314.34	Oct 15	1,623	119,101	$690,245.73	$280,318.40	0	0	184,012	$562,028.21	$301,446.92	1,523	$40,000.00	$ 345,122.87	$ 140,159.20	$	$	$ 14,075.08
Oct 15		1,665	$4,153.01	$1,818,820.83	Nov 15	1,608	120,694	$695,979.37	$278,417.85	0	0	171,613	$542,205.07	$302,206.92	1,532	$40,000.00	$ 347,989.69	$ 139,208.93	$	$	$ 4,153.01
Nov 15		1,621	$4,190.11	$1,646,287.67	Dec 15	1,570	91,280	$580,159.41	$273,772.80	0	0	155,134	$488,568.13	$300,270.17	1,518	$40,000.00	$ 290,079.71	$ 136,886.40	$	$	$ 4,190.11
Dec 15		1,614	$6,039.25	$1,388,558.94	Jan 16	1,561	71,111	$417,257.78	$273,542.11	0	0	113,871	$392,302.46	$299,371.08	1,510	$40,000.00	$ 208,628.64	$ 136,771.07	$	$	$ 6,039.25

Ryan, Howard (Treasury)

From: Khouri, Nick (TREASURY)
Sent: Friday, February 12, 2016 5:39 PM
To: Osborne, Ken (TREASURY)
Cc: Saxton, Thomas (Treasury); Steckelberg, Larry (TREASURY); Peruchietti, Cindy (Treasury); Ryan, Howard (Treasury); Durfee, Sally (TREASURY)
Subject: Re: SB 136 (Re: Flint $30MM appropriation) Poleski proposed edits

Yes

Sent from my iPhone

On Feb 12, 2016, at 4:50 PM, Osborne, Ken (TREASURY) <OsborneK1@michigan.gov> wrote:

> I talked with the House this afternoon about the likely need for some more flexibility. They seemed open to it.
>
> I told them we would have a more detailed response on Tuesday.
>
> Nick, Adam from Rep. Pscholka's asked if you would be willing to brief the Appropriations caucus on Tuesday afternoon following session on the issue. Likely between 3:30-4.
>
> **From:** Khouri, Nick (TREASURY)
> **Sent:** Friday, February 12, 2016 10:58 AM
> **To:** Osborne, Ken (TREASURY) <OsborneK1@michigan.gov>
> **Cc:** Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Steckelberg, Larry (TREASURY) <SteckelbergL@michigan.gov>; Peruchietti, Cindy (Treasury) <PeruchiettiC@michigan.gov>; Ryan, Howard (Treasury) <RyanH1@michigan.gov>; Durfee, Sally (TREASURY) <DurfeeS1@michigan.gov>
> **Subject:** Re: SB 136 (Re: Flint $30MM appropriation) Poleski proposed edits
>
> We need a little more flexibility
>
> We are not even sure $30m covers the specifics of the language
>
> How about ranges? Or some language that gives us an out at the treasurer's discretion under certain conditions?
>
> Sent from my iPhone
>
> On Feb 12, 2016, at 10:50 AM, Osborne, Ken (TREASURY) <OsborneK1@michigan.gov> wrote:
>
>> All,
>>
>> Following up on my e-mail yesterday. This is the proposed boilerplate from Rep. Poleski. I believe they are taking this up on Wednesday morning. Given the Monday holiday it

would be best if we can review this today and get them some initial feedback so that Tuesday we can work with them to finalize something for Wednesday.

From: Earl Poleski [mailto:epoleski@house.mi.gov]
Sent: Friday, February 12, 2016 8:56 AM
To: Adam Carlson <acarlson@house.mi.gov>; Josiah Kissling <jkissling@house.mi.gov>; Maria Ostrander <Mostrander@house.mi.gov>
Cc: Lange, Michelle (GOV) <LangeM3@michigan.gov>; mjshirkey@gmail.com; starrs@michigan.gov; Osborne, Ken (TREASURY) <OsborneK1@michigan.gov>
Subject: SB 136 (Re: Flint $30MM appropriation) Poleski proposed edits

My apology for not having sent this yesterday afternoon as I had said I would.

Attached is a redlined Word document with my suggestions, and incorporates suggestions I got from House personnel and reflects my discussion yesterday with the Governor's and Treasury's people.

Copying Michelle Lange, Senator Shirkey, Scott Starr and Ken Osborne.

Comments and suggestions from all are welcomed.

Earl Poleski
64th District State Representative
Office: 517.373.1795

<Poleski edit SB 136 Treasury provisions 2.docx>

REP POLESKI PROPOSED EDITS TO BOILERPLATE OF SB 136
THESE EDITS DATED 2/11/2016.

GENERAL SECTIONS

Sec. 201. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending from state resources in this appropriation act for the fiscal year ending September 30, 2016 is **<<**\$30,000,000.00 and state appropriations**>>** paid to local units of government are \$0.

Sec. 202. The appropriations authorized under this act are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

<<DEPARTMENT OF TREASURY

Sec. 301.
(1) From the funds appropriated in part 1 for Flint declaration of emergency, \$30,000,000.00 shall be allocated to reimburse the Water Enterprise Fund of the City of Flint in an amount equal to credits posted to its customers' accounts under the provisions of Section 302.~~help cover the cost of water bills for residents of the city of Flint.~~

(2) The department shall report quarterly to the chairs of the senate and house appropriations committees on the distribution of the funds allocated pursuant to part 1.

Sec. 302.
(1) There shall be no administrative charges, from any entity, removed or expended from the appropriations in part 1.

(2) There shall be no expenditures from the funds appropriated in part 1 without specific authorization from the state treasurer.

(3) All unexpended funds, as of September 30, 2016, from the appropriations in part 1 shall be returned to the General Fund.~~department of treasury.~~

~~(4) Any allocation to an entity receiving funds from the appropriations in part 1, other than a specific water and sewer customer, must be specifically approved by the state treasurer in each instance.~~**>>**

(4) The credit to a water customer's account shall be equal to:

a) As to a residential customer, 65% of the amount billed for water from the beginning of the billing period containing April 30, 2014 and ending at the end of the billing period containing the date upon which [some official certification is made that the water is safe to drink]

b) As to all other customers, 20% of the amount billed for water from the beginning of the billing period containing April 30, 2014 and ending at the end of the billing period containing the date upon which [some official certification is made that the water is safe to drink]

c) 100% of charges, commonly known as late charges, charged to a system customer relating solely to any unpaid billings for the time period described in (a) and (b) above.

d) Such late charges relating to amounts due from prior to the billing period containing April 30, 2014 may continue to accrue to Flint's Water Enterprise Fund and shall not be reimbursed under this Section.

e) Credits for sewer services are not to be reimbursed under Section 301 or this Section.

f) The charges described in (a), (b) and (c) above shall reflect rates consistent with historical practice.

(5) The State Treasurer, his/her designee(s), and the Michigan Auditor General may audit transactions called for under Section 301 and this Section at their discretion.

Osborne, Ken (TREASURY)

From: Earl Poleski <epoleski@house.mi.gov>
Sent: Monday, February 15, 2016 9:04 AM
To: Adam Carlson
Cc: Josiah Kissling; Maria Ostrander; Lange, Michelle (GOV); mjshirkey@gmail.com; starrs@michigan.gov; Osborne, Ken (TREASURY)
Subject: RE: SB 136 (Re: Flint $30MM appropriation) Poleski proposed edits

So, this afternoon, I will draft some language incorporating Adam's comments and my observations. I realize that today is a holiday, but I want to move this language along speedily.

Earl Poleski
64th District State Representative
Office: 517.373.1795

From: Earl Poleski
Sent: Friday, February 12, 2016 3:53 PM
To: Adam Carlson <acarlson@house.mi.gov>
Cc: Josiah Kissling <jkissling@house.mi.gov>; Maria Ostrander <Mostrander@house.mi.gov>; langem3@michigan.gov; mjshirkey@gmail.com; starrs@michigan.gov; osbornek1@michigan.gov
Subject: Re: SB 136 (Re: Flint $30MM appropriation) Poleski proposed edits

My observations on Adams comments:

I understand and agree with the suggestion with respect to late fees.

As to administrative costs, I fear that those cost may end up being exactly what we allocate to them. Frankly, any accountant who can't administer a straightforward credit to a customer account isn't worthy of the title.

That being said, and in deference to your suggestion, I would suggest language that doesn't specify an amount or percentage; that allows the state treasurer to incur those costs at his discretion; and report the nature of and amount of those costs as part of his quarterly report to the legislature.

Further comments welcomed, with alacrity.

Earl Poleski
State Representative 64th District

On Feb 12, 2016, at 2:30 PM, Adam Carlson <acarlson@house.mi.gov> wrote:

> Hey Rep. Poleski (& Others),
>
> This is a pretty good draft from our end with just a couple of things to note. I don't want to speak for Treasury, but I'm not sure if we want to specify in this bill about late fees with such detail. That is for two reasons.
>
> 1) It has been indicated to me that we may not be able to obtain a significant amount of detail on late fees, or exactly when they were incurred. If it is impossible to separate late fees that

occurred in this time frame from ones that were outside the time frame, the way this amendment is written it might make it impossible to do any reimbursements.

2) I think we may be able to, through our Dept. of Treasury, put pressure on the water system to forgive these late fees, since no services were provided that would justify them. If we stipulate in this bill that they must be paid, the water treatment department would not have any incentive to forgive those charges since the state would be reimbursing them for them.

Perhaps for subsection (c) we could change to:

"100% of charges, commonly known as late charges, charged to a system customer relating to unpaid billings, as approved by the State Treasurer".

The other comment is on the administrative fee. Based on our conversations with Treasury, I do not have a supreme level of confidence in the ability of the local water folks to administer this credit program. We may want to consider allowing Treasury to bring in some private sector consulting/accounting assistance to ensure that this is done properly. Perhaps we could change Section 302 (1) to read:

"There shall be no administrative charges retained by the Michigan Department of Treasury to expend the funds in this act. However, the Department may expend up to $1,500,000.00 (5%) to contract with a third party entity to ensure the proper distribution of funds under this act."

Please let me know your thoughts on these changes.

Thanks,
Adam

Adam Carlson
Senior Budget Advisor
Representative Al Pscholka
79th District, Michigan
(517) 373-1403
acarlson@house.mi.gov

From: Earl Poleski
Sent: Friday, February 12, 2016 8:56 AM
To: Adam Carlson <acarlson@house.mi.gov>; Josiah Kissling <jkissling@house.mi.gov>; Maria Ostrander <Mostrander@house.mi.gov>
Cc: langem3@michigan.gov; mjshirkey@gmail.com; starrs@michigan.gov; osbornek1@michigan.gov
Subject: SB 136 (Re: Flint $30MM appropriation) Poleski proposed edits

My apology for not having sent this yesterday afternoon as I had said I would.

Attached is a redlined Word document with my suggestions, and incorporates suggestions I got from House personnel and reflects my discussion yesterday with the Governor's and Treasury's people.

Copying Michelle Lange, Senator Shirkey, Scott Starr and Ken Osborne.

Comments and suggestions from all are welcomed.

Earl Poleski
64th District State Representative
Office: 517.373.1795

Osborne, Ken (TREASURY)

From:	Earl Poleski <epoleski@house.mi.gov>
Sent:	Monday, February 15, 2016 9:13 AM
To:	Adam Carlson; Josiah Kissling; Maria Ostrander
Cc:	Lange, Michelle (GOV); mjshirkey@gmail.com; starrs@michigan.gov; Osborne, Ken (TREASURY)
Subject:	RE: SB 136 (Re: Flint $30MM appropriation) Poleski proposed edits

As we consider this language, I want to draw the attention of the Administration addressees to the [bracketed] language. That language defines the date that ends this particular payment. You are the ones who would know better how to define that date.

I realize it puts you under some time and definition pressure – to put it bluntly, that is my intent.

Earl Poleski
64th District State Representative
Office: 517.373.1795

From: Adam Carlson
Sent: Friday, February 12, 2016 2:31 PM
To: Earl Poleski <epoleski@house.mi.gov>; Josiah Kissling <jkissling@house.mi.gov>; Maria Ostrander <Mostrander@house.mi.gov>
Cc: langem3@michigan.gov; mjshirkey@gmail.com; starrs@michigan.gov; osbornek1@michigan.gov
Subject: RE: SB 136 (Re: Flint $30MM appropriation) Poleski proposed edits

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1) It has been indicated to me that we may not be able to obtain a significant amount of detail on late fees, or exactly when they were incurred. If it is impossible to separate late fees that occurred in this time frame from ones that were outside the time frame, the way this amendment is written it might make it impossible to do any reimbursements.
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Subject: SB 136 (Re: Flint $30MM appropriation) Poleski proposed edits

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Attached is a redlined Word document with my suggestions, and incorporates suggestions I got from House personnel and reflects my discussion yesterday with the Governor's and Treasury's people.

Copying Michelle Lange, Senator Shirkey, Scott Starr and Ken Osborne.

Comments and suggestions from all are welcomed.

Earl Poleski
64th District State Representative
Office: 517.373.1795

Osborne, Ken (TREASURY)

From: Osborne, Ken (TREASURY)
Sent: Monday, February 15, 2016 9:57 PM
To: Khouri, Nick (TREASURY); Ryan, Howard (Treasury); Durfee, Sally (TREASURY)
Subject: Fwd: SB 136 (re: Flint) Poleski fresh draft of boilerplate
Attachments: Poleski edit SB 136 Treasury provisions 3.docx; ATT00001.htm

We should discuss this at the 9:30 meeting tomorrow.

Sent from my iPhone

Begin forwarded message:

> **From:** Earl Poleski <epoleski@house.mi.gov>
> **Date:** February 15, 2016 at 3:35:04 PM EST
> **To:** Adam Carlson <acarlson@house.mi.gov>, Josiah Kissling <jkissling@house.mi.gov>, Maria Ostrander <Mostrander@house.mi.gov>
> **Cc:** "langem3@michigan.gov" <langem3@michigan.gov>, "mjshirkey@gmail.com" <mjshirkey@gmail.com>, "starrs@michigan.gov" <starrs@michigan.gov>, "osbornek1@michigan.gov" <osbornek1@michigan.gov>
> **Subject: SB 136 (re: Flint) Poleski fresh draft of boilerplate**
>
> To all:
>
> I attach a fresh draft of proposed boilerplate for SB 136. My comments upon it:
>
> - **As to Late Fees:** On reflection, it is my view that it would be inappropriate and unnecessary for the State to reimburse the Flint Water System for late fees that may need to be charged off by the System.
>   - My rationale:
>   - If the water system had been operating normally, customers would have paid their bills and no late fees would have accrued. If we reimburse for late fees, the Flint water system would be enriched more than it would have been had there not been a water problem.
>   - If the system is reimbursed for a portion of the water charges, the late fees on that portion should be charged off by the system.
>   - What about late fees as to the unreimbursed water charges (35% for residential and 80% for all others)?
>   - I can argue both sides of this one. **I would value additional thoughts.**
>
> - **As to Administrative costs:** It has been suggested that we should allow some latitude to the Treasurer to expend funds for consultants or others who would help Flint administer the customer credits that SB 136 contemplates. I can see that that may be needed at some point, but I believe it is too early to know for sure.
>
>   - I have purposely drafted the SB 136 language to make billing cutoffs clear, and therefore the credits should be straightforward to calculate.
>   - If we find that the Flint water system accountants can't calculate and post those credits, we can discuss additional assistance then.

- The risk, of course, is that Flint makes a blundering attempt at calculation/posting of credits, and makes an even larger mess of its billing system than would have existed had we helped in the first place.

Earl Poleski
64th District State Representative
Office: 517.373.1795

SENATE BILL No. 136

SENATE BILL No. 136

(As amended February 4, 2016)

February 17, 2015, Introduced by Senator HILDENBRAND and referred to the Committee on Appropriations.

A bill to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2016; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2016, from the following funds:

<<APPROPRIATION SUMMARY

GROSS APPROPRIATION	$	30,000,000
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	30,000,000
Total federal revenues		0
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	30,000,000

Sec. 102. DEPARTMENT OF TREASURY

(1) APPROPRIATION SUMMARY

SENATE BILL No. 136

Senate Bill No. 136 as amended (2 of 2)

GROSS APPROPRIATION	$	30,000,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	30,000,000
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	30,000,000
(2) GRANTS		
Flint declaration of emergency	$	30,000,000
GROSS APPROPRIATION	$	30,000,000

Senate Bill No. 136 as amended February 4, 2016

Appropriated from:

State general fund/general purpose.................. $ 30,000,000>>

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending from state resources in this appropriation act for the fiscal year ending September 30, 2016 is <<$30,000,000.00 and state appropriations>> paid to local units of government are $0.

Sec. 202. The appropriations authorized under this act are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

<<**DEPARTMENT OF TREASURY**

Sec. 301. (1) From the funds appropriated in part 1 for Flint declaration of emergency, $30,000,000.00 shall be allocated to help cover the cost of water bills for residents of the city of Flint.

(2) The department shall report quarterly to the chairs of the senate and house appropriations committees on the distribution of the funds allocated pursuant to part 1.

Sec. 302. (1) There shall be no administrative charges, from any entity, removed or expended from the appropriations in part 1.

(2) There shall be no expenditures from the funds appropriated in part 1 without specific authorization from the state treasurer.

(3) All unexpended funds, as of September 30, 2016, from the appropriations in part 1 shall be returned to the department of treasury.

(4) Any allocation to an entity receiving funds from the appropriations in part 1, other than a specific water and sewer customer, must be specifically approved by the state treasurer in each instance.>>

Senator Meekhof offered the following concurrent resolution:

Senate Concurrent Resolution No. 23.

A concurrent resolution to approve an extension of the state of emergency in the county of Genesee and the city of Flint.

Whereas, Since October 1, 2015, the county of Genesee, the city of Flint, the state of Michigan, and the Federal Emergency Management Agency have taken numerous actions to cope with the drinking water situation in the county of Genesee and the city of Flint, including but not limited to, switching back to the Detroit water system on October 16, declaring states of emergency, activating the emergency response and recovery aspects of their emergency operations plans, marshaling and distributing required resources on a city-wide level, and issuing emergency public information and bulletins; and

Whereas, It is in the best interest of the state of Michigan to continue to provide resources within the city, and take appropriate measures in response to the public health emergency, to ensure that resources remain sufficient to protect public health, safety, and property, and to lessen or avert the threat of more severe and long-lasting impacts to the community; and

Whereas, Pursuant to the *Constitution of the State of Michigan of 1963* and section 3 of the Emergency Management Act, 1976 PA 390, MCL 30.403, Governor Snyder requested on January 28, 2016, that the legislature approve an extension of the state of emergency proclaimed on January 5, 2016, and expiring on February 2, 2016, to April 14, 2016, in the county of Genesee and the city of Flint. This 73-day extension coincides with the current Presidential Emergency Declaration; now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That we approve Governor Snyder's request for an extension of the state of emergency in the county of Genesee and the city of Flint proclaimed on January 5, 2016, for another 73 days; and be it further

Resolved, That copies of this resolution be transmitted to the Governor.

DRAFT - For Discussion Purposes and Subject to Revision

EVENTS

[illegible]	4/30/2014
[illegible]	11/30/2015
[illegible]	5/30/2016
[illegible]	5/31/2016
[illegible]	19
[illegible]	6
[illegible]	0

NOTES / COMMENTS

- Water billed by the "Bill Read Dates" in the Historical Data tabs reflects water consumption from the prior month (i.e., billing transactions with a Bill Read Date of July 2014 reflects water consumption from June 2014)
- Projected water costs are computed by using the average amounts for water transactions for Billed Dates July 2014 till August 2015 to reflect rates at which the City of Flint is legally authorized to bill customers
- Due to absence of actual water reads for the month of January 2016 and February 2016 (i.e. water consumed in December 2015 and January 2016 respectively), "Current Date" is set at November 30, 2015. As such an additional two months of water consumption (December 2015 and January 2016) for which actual reads are currently unavailable are included in the projected costs

Projected cost includes estimation up to June 2016 using the average monthly historical cost from July 2014-August 2015. Estimated projections beyond June 2016 incorporates a 5% increase against the historical costs from July 2014 to August 2015. The 5% increase reflects the increase the City would otherwise have implemented effective July 1 2016 until the "safe date". This rate increase was adopted in the Biennial FY16/FY17 budget by the City's Emergency Manager

HISTORICAL PAYMENTS (State Reimburses for...)

RESIDENTIAL		COMMERCIAL	
[illegible]	66%	[illegible]	20%
[illegible]	08%	[illegible]	20%
[illegible]	10%	[illegible]	10%
[illegible]	10%	[illegible]	10%
[illegible]	10%	[illegible]	10%

FUTURE PAYMENTS (State Reimburses for...)

RESIDENTIAL		COMMERCIAL	
[illegible]	[illegible]	[illegible]	20%
[illegible]	[illegible]	[illegible]	20%
[illegible]	10%	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	20%	[illegible]	[illegible]

TOTAL HISTORICAL

RESIDENTIAL		COMMERCIAL	
[illegible]	$ 8,247,952 84	[illegible]	$ 1,040,411 41
[illegible]	$ 11,948,562 44	[illegible]	$ 2 846,589 73
Total Water	$20,196,515.28	Total Water	$ 3,887,001 14
[illegible]	$ -	[illegible]	$ -
[illegible]	$ -	[illegible]	$ -
Total Sewer	$ -	Total Sewer	$ -
Total Water and Sewer	$20,196,515.28	Total Water and Sewer	$ 3,887,001 14
[illegible]	$ -	[illegible]	$ -
Grand Total	$20,196,515.28	Grand Total	$ 3,887,001.14

TOTAL PROJECTED

RESIDENTIAL		COMMERCIAL	
[illegible]	$ 1,697,620 25	[illegible]	$ 66,231 08
[illegible]	$ 2,538,361 80	[illegible]	$ 188,282 48
Total Water	$ 4,235,982.06	Total Water	$ 254,513.56
[illegible]	$ -	[illegible]	$ -
[illegible]	$ -	[illegible]	$ -
Total Sewer	$ -	Total Sewer	$ -
Total Water and Sewer	$ 4,235,982.06	Total Water and Sewer	$ 254,513 56
[illegible]	$ -	[illegible]	$ -
Grand Total	$ 4,235,982 06	Grand Total	$ 254,513.56

Total Historical Cost to be Reimbursed (Residential and Commercial)	$ 24,083,516 42
Total Projected Cost to be Reimbursed (Residential and Commercial)	$ 4,490,495 61
Total Historical and Projected Cost (Residential and Commercial)	$ 28,574,012.03

REP POLESKI PROPOSED EDITS TO BOILERPLATE OF SB 136
THESE EDITS DATED 2/15~~1~~/2016.

GENERAL SECTIONS

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Sec. 301.
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~~(4) Any allocation to an entity receiving funds from the appropriations in part 1, other than a specific water and sewer customer, must be specifically approved by the state treasurer in each instance.>>~~

(4) The credit to a water customer's account shall be equal to:

REP POLESKI PROPOSED EDITS TO BOILERPLATE OF SB 136
THESE EDITS DATED 2/15~~1~~/2016.

a) As to a residential customer, 65% of the amount billed for water from the beginning of the billing period containing April 30, 2014 and ending at the end of the billing period containing the date upon which [some official certification is made that the water is safe to drink]

b) As to all other customers, 20% of the amount billed for water from the beginning of the billing period containing April 30, 2014 and ending at the end of the billing period containing the date upon which [some official certification is made that the water is safe to drink].

c) Credits for sewer services are not to be reimbursed under Section 301 or this Section.

d) The charges described in (a)and (b) above shall reflect rates consistent with historical practice.

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(4) The credit to a water customer's account shall be equal to:

Robert, Carla M. (Treasury)

From:	Steckelberg, Larry (TREASURY)
Sent:	Monday, February 15, 2016 5:52 PM
To:	Khouri, Nick (TREASURY); Saxton, Thomas (Treasury)
Subject:	updated Flint comments
Attachments:	Flint water relief implementation hurdles (2) (1)(Flint comments).docx

Al Mooney seems to be diligently working the system. I have highlighted several updates from the City. We should talk in the morning before you meet with the Governor to review the issues. In addition, Jody may be meeting with the Mayor later this evening to discuss a couple of issues so I may have more updates.

Larry

Flint Water Bill Relief-Top Implementation Issues

Project Scope

The Flint Water Bill Relief Project will distribute an appropriated amount of state funds to the customers of the City of Flint water system. The Project will focus on overcoming implementation hurdles, distributing the funds using equitable principles defined in the appropriation legislation and administrative guidelines, and provide detailed reporting to ensure accountability for all the funds received.

Commented [AM1]: Slight revision with added details for clarification.

Significant Challenges in Implementing Water Bill Relief

- **Communications**
    - Develop a plan which will include media notices, targeted mailings, web-based communications, and/or other communique.
    - Engage a point person to handle the plan to relieve strain on city staff.

Commented [AM2]: Slight revision with added details for clarification.

- **BSA software-building credit generator and modeling relief**
    - Can the BSA software handle the relief as proposed?
    - BSA is at work defining the project scope of the necessary changes.
    - Need to also model relief on all or a portion of the water service and water commodity penalties.
    - Need to tighten timeline for building the credit generator.
    - With the number of accounts and various transaction detail items for each account there are 7,787,266 records that consist of the data set.
    - A date range delimiter will be used to reduce the data set and define the records to integrate into the relief process.
    - The system changes should include the ability to create comprehensive reporting and provide a complete audit trail of all expenditures for water bill relief.
    - BSA preliminarily has provided for a rate of $150/hour for the software modifications (a special rate reduced from their normal $200/hour rate charged) and guestimates a total cost not to exceed $15,000.

Commented [AM3]: Note several entries have had slight revisions with added details for clarification.

- **Timeline for relief**
    - Given the early stage of the defining the project scope, early April is the best placeholder date for when the software modifications will be available following development, testing, and finalization of the relief program.
    - Highly dependent on the software changes managing the exception items represented by 24,494 Pre-Ruling Balance records and 3,531 water/sewer balances placed on the 2015 real property tax roll as liens.
    - **Can relief be fully provided by the deadline in the statute?**

Commented [AM4]: Slight revision with added details for clarification.

Michigan Department of Treasury
February 19, 2016

- **How the credits are applied**
  - Need to show the sewer bill on future months to make clear that relief was provided for the water bill.
  - Relief will be provided on active accounts in the form of credits on water bills, not refunds.
  - Can the 65/20 relief be provided on penalties ~~or can penalties be waived altogether~~. Need to have this modeled in the credit generator to make sure it fits within the $30 million?

- **Updating customer information prior to running the credit generator**
  - Delinquent accounts that were on the lien list for 2015 need to be restored in the system (i.e. 3,531 water/sewer balances).
  - Those billings that are now collectible after Shears v. City of Flint amended preliminary injunction order need to be moved back onto customer account history (24,494 Pre-Ruling Balance records and 1,046 payments on these balances). What is the status of the settlement of the lawsuits?

- **Commercial accounts that are residential dwellings**
  - Should commercial accounts that are residential dwellings (4 or more units) receive 65 or 20 relief?
  - How can we be sure the resident received the relief rather than have the relief be kept by the owner? How many are there?
  - Can the credit generator model this relief to ensure it fits within the $30 million?

- **Handling starts**
  - The credit generator needs to calculate relief to ensure those starting service after April 2014 get the proper credits. **A determination needs to be made as to the specific start date for credit allocations after the April 24, 2014 Flint River cutover date (i.e. at what point was Detroit's treated water no longer reaching taps).** *As noted in our discussion by phone on 2/13, this is not a hurdle. The generator should be more than capable of handling all accounts with activity during the designated period whether active or inactive and regardless of the start/stop date.*

- **Handling stops**
  - Targeting relief if a customer has changed residences but is still a customer.
  - Targeting relief to other bills owed to the city by the customer
  - **Development of a hierarchy for which balances get paid in what order from the relief credits if funds are available after 100% of the water relief has been provided for the account (i.e. the sewer charges for the account owed to the city, the water/sewer**

Commented [AM5]: The concept of waiving all penalties should be jettisoned as it will become it creates programmatic and policy issues we want to avoid.

Commented [JL6]: Language regarding lien needs to be updated to more accurately communicate delinquency year of origin and tax year.

Commented [AM7]: Updated to reflect the one year in question and added # of records.

Commented [AM8]: Updated to reflect the # of records and # of payments made on the Pre-Ruling Balances to mid-February.

Commented [JL9]: This is active litigation. The City must defer to its Counsel on any disclosures.

Commented [AM10]: Note the added detail on defining the initial date to use – there should be separate dates for different districts. A matrix will need to be developed to adjust for the lag time between when meters are read and when the bill calculation routine is processed for the billing district. If our water service staff believes a billing period included any Flint River source water, the billing district will be granted the entire credit for the period in question.

charges owed on another account by the same customer, the water/sewer charges owed by the same customer at Genesee County).
- There may need to be an effort to find customers that have left the system to issue a refund.
- *Policy also needs to be designed in such a way that prevents or limits the number of customers who intentionally close an account to prompt the refund process and reopen immediately in the same or related party's name.*

Commented [AM11]: Further definition is needed on the process by which credit balances on inactive accounts will be managed.

- **Legal agreement with relief to forestall future claims**
  - Local officials need to decide if they need or want to pursue a legal agreement with the customers as part of the relief. This would be an agreement that the customer accepts the relief and foreswears any other claims to relief on their water bills.

Commented [JL12]: Input by the City's legal counsel is requested to describe the potential waiver of claims discussed at previous meetings.

- **Payments to city**
  - As the city provides relief, the state will provide funds to the city.
  - A thorough audit trail is necessary. This might require the city to engage an outside firm to document all expenditures and create an audit trail.

Commented [JL13]: State and City must discuss the impact of timing of disbursement from the State to City.

- **DHHS clients**
  - If DHHS paid the water bill, the customer should only get relief for that portion they paid. Can the credit generator handle this?
    As discussed in the meeting held on 2/12, this point may be immaterial for inclusion in any further discussion. Any customer receiving assistance from DHS is limited to $175 in any given year. This would mean that on an individual basis the most DHHS may have paid on behalf of a water customer is approximately $57 of the total credit ($175 x 50% x 65%) of $114 for the two year period if the customer received assistance in both years.

Stanton, Terry A. (Treasury)

From: Calvert, Scott <scott.calvert@wsj.com>
Sent: Monday, February 15, 2016 7:55 PM
To: Stanton, Terry A. (Treasury)
Subject: Re: Question

Thanks.

On Mon, Feb 15, 2016 at 7:35 PM, Stanton, Terry A. (Treasury) <StantonT@michigan.gov> wrote:
Right

On Feb 15, 2016, at 3:24 PM, Calvert, Scott <scott.calvert@wsj.com> wrote:

> And the switch to the river didn't involve a contract/purchase of $50,000 or more that wasn't competitively bid, right? I'm not trying to belabor the point, just making sure I'm clear.
>
> On Sat, Feb 13, 2016 at 4:41 PM, Stanton, Terry A. (Treasury) <StantonT@michigan.gov> wrote:
> Only contracts/purchases of $50 k or more that are not competitively bid need treasury approval.
>
> On Feb 13, 2016, at 1:14 PM, Calvert, Scott <scott.calvert@wsj.com> wrote:
>
>> Hi Terry,
>>
>> Did you see this email I sent yesterday? I know I sent it after-hours. If you can get back to me as soon as you have a minute, I'd appreciate it.
>>
>> Best,
>> Scott
>>
>> On Fri, Feb 12, 2016 at 6:37 PM, Calvert, Scott <scott.calvert@wsj.com> wrote:
>> Terry,
>>
>> When we spoke a few days ago you said the treasurer didn't have to approve the switch to the Flint River on an interim basis because that wasn't required under the statute. Why wasn't it required? An editor asked. I realized I'm not sure -- just that it wasn't.
>>
>> Thanks,
>> Scott
>>
>> --
>>
>> Scott Calvert

Robert, Carla M. (Treasury)

From:	Baird, Richard (GOV) <bairdr@michigan.gov>
Sent:	Tuesday, February 16, 2016 7:52 AM
To:	Saxton, Thomas (Treasury)
Cc:	Khouri, Nick (TREASURY)
Subject:	Re: Flint Police and Fire Chiefs

OK. Will call you after 8am meeting.

Sent from my Verizon 4G LTE Droid
On Feb 16, 2016 5:51 AM, "Saxton, Thomas (Treasury)" <SaxtonT@michigan.gov> wrote:
I don't know if you saw this note below from last Friday but we should try to talk about this today.

On Feb 12, 2016, at 3:29 PM, Saxton, Thomas (Treasury) <SaxtonT@michigan.gov> wrote:

Fyi. See below.

From: Headen, Frederick (Treasury)
Sent: Friday, February 12, 2016 3:24 PM
To: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Steckelberg, Larry (TREASURY) <SteckelbergL@michigan.gov>; Stanton, Terry A. (Treasury) <StantonT@michigan.gov>
Subject: Flint Police and Fire Chiefs
Importance: High

See below the link to a *Flint Journal* article about the firing of the Police and Fire chiefs. The last paragraph refers to an interim Police chief. If accurate, it may be advisable for us to remind the Mayor that per the terms of the RTAB resolution she cannot name even an interim replacement without first submitting to the RTAB the minimum professional or occupational qualifications and the minimum/maximum salary range for the vacated positions.

http://www.mlive.com/news/flint/index.ssf/2016/02/mayor_fires_flint_police_fire.html#incart_2box_news_flint

Koryzno, Edward (Treasury)

From: Koryzno, Edward (Treasury)
Sent: Tuesday, February 16, 2016 1:27 PM
To: Koryzno, Edward (Treasury)
Subject: Flint Phone Call, Natasha, Pete Bade, Howard Craft

Flint Phone Call, Natasha, Pete Bade, Howard Craft, Jodi Lundquist

Lead in Water System

- Financial assistance from the State in reconnecting to DWSD

- Want to do anything they can to avoid EM installed

- Cost to reconnect is $1.8M per month time 12 months

- Can the State Help?

- They want a forgivable loan.

- $9M less in H2O billing

- Treatment to address lead issue 3 month period (Ortho Phosphate) to purchase, add to the system and the time it takes to coat pipes. May not be a solution.

- Litigation

- Miller Canfield est. $350K - $500K

- Next court date 10/15/15, seeking adjournment of trial dates

- DONT SEND ANY LETTER UNTIL YOU HAVE APLAN THAT THE

- MAYOR, NATASHA, PETE BADE, HOWARD CROFT, SCHEDULE CALL PM

- IF CONNECTED TO DETROIT PROBLEM SOLVED?

- NEED REPORT FROM FIRM STATE HIRED, INCLUDE IN CHRONOLOGY

- ADDITIONAL DOCUMENTATION FROM FLINT WATER

- DO IT BY EMAIL, TOM IS GOING TO ASK HOW YOU CAME UP W/ $18M EST, WHY WASNT. THIS PICKED UP BY VIOLA, WHAT ASSURANCES DO YOU HAVE THAT THIS SOLVES THE LEAD PROBLEM,

Sent from my iPad

Koryzno, Edward (Treasury)

From: Koryzno, Edward (Treasury)
Sent: Tuesday, February 16, 2016 1:55 PM
To: Koryzno, Edward (Treasury)
Subject: City of Flint. (Special Project)

City of Flint. (Special Project)

1. DPW search meet w/ Dan Gilmartin

2. Inform Natasha that we will pay for Miller Canfield re: most recent lawsuit

3. Shears v. Flint, drafting order for the Judge, need to quantify liability

4. Randy/Ed tell Natasha that if they do not provide cash flow info, the RTAB will amend the EM order, State will pay the cost of Yeo & Yeo

5. Drew, Research Flint Charter or Ordinance RE: limits the amount of pay for the City Administrator.

6.

Sent from my iPad

Byrne, Randall (Treasury)

From: Byrne, Randall (Treasury)
Sent: Tuesday, February 16, 2016 4:48 PM
To: ksikkema@pscinc.com
Cc: Schafer, Suzanne K. (Treasury) (SchaferS7@michigan.gov)
Subject: FW: Flint Timeline
Attachments: KWA Water Quality Chronology Timeline 11-09-15.pdf

Ken:

Sorry for the delay. I have attached an electronic version of the timeline per your request.

Thanks,
Randall

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

Flint Water Timeline (11-09-15)

1. **June 26, 2012** – Letter from Flint EM Mike Brown to DWSD for permission to begin blending Flint River water with treated water from DWSD. The letter indicates that the DEQ is supporting this option and its implementation would save the City between $2M and $3M annually.

2. **September 20, 2012** – Letter from Flint EM Ed Kurtz to DWSD requesting written permission to implement the blending option. Approval is requested by October 1, 2012.

3. **October 31, 2012** – Analysis by the Flint Finance Director suggests that the annual cost to purchase water from DWSD will steadily increase to $23M per year by fiscal year 2020.

4. **November 2012** – Treasury retains Tucker, Young, Jackson and Tull (TYJT) to evaluate the KWA proposal to the City of Flint.

5. **November 6, 2012** – Letter from Flint Emergency Manager Ed Kurtz to State Treasurer Dillon that a proposal from DWSD is expected but that the initial assessment is that switching to KWA is in the best interest of the City of Flint.

6. **February 6, 2013** – TYJT issues a final report to Treasury on the comparison between Karegnondi Water Authority (KWA) and DWSD. Analysis suggests that the KWA option is the cheaper option for the City of Flint.

7. **March 2013** – DWSD contacts the City of Flint to begin direct negotiations on a contract extension. Multiple options are provided to the Flint Emergency Manager (EM) Ed Kurtz.

8. **March 25, 2013** – The Flint City Council endorses joining KWA.

9. **April 11, 2013** – State Treasurer Andy Dillon authorizes Flint EM Ed Kurtz, pursuant to Section 12(3) of P.A. 436 of 2012, to enter into a contract with KWA if a final offer from DWSD is either not received for rejected in good faith based upon specific objections.

10. **April 15, 2013** – DWSD provides a best and final offer to the City of Flint. Analyses by Flint EM Ed Kurtz, the Department of Environmental Quality and Treasury's Office of Fiscal Responsibility independently conclude that the KWA option is cheaper for the City of Flint.

11. **April 16, 2013** –Flint EM Ed Kurtz informs the State Treasurer that the City will join KWA. This decision was officially announced May 1, 2013.

12. **April 17, 2013** – DWSD transmits a letter to Flint EM Ed Kurtz terminating service to the City of Flint, effective April 17, 2014.

13. **June 26, 2013** – Groundbreaking for the Karegnondi Water Authority begins. Flint also requests full time use of the Flint Water Treatment Plant with Flint River water as a source.

14. **June 28, 2013** – Financing Contract between the City of Flint and KWA is approved. Effective August 1, 2013. This document was signed by EM Mike Brown.

15. **July 08, 2013** – The City retains Lockwood, Andrews & Newman engineering firm to get the City's water plant up and running while the KWA pipeline is built.

16. **February 19, 2014** – The KWA Board of Directors adopts Resolution 2014-01, authorizing KWA to bond for water line construction on-behalf of the City of Flint.

17. **April 17, 2014** – Water service from DWSD officially ends. The City of Flint also conducts two separate public forums regarding the use of Flint River water, upgrades to the City's water system and the overall cost of the switch to KWA.

18. **April 25, 2014** – City conducts public event marking the transition to the use of Flint River water. DEQ information shows that transition complete by May 2015.

19. **January 2, 2015** – The City issues a press release stating the City water system exceeds the TTHM maximum contaminant level.

20. **March 3, 2015** – Flint EM Jerry Ambrose provides a memorandum to Deputy State Treasurer Wayne Workman stating that a reconnection to DWSD will cost the City $10.1M/year and that water purchases could be as high as $1M/month.

21. **March 12, 2015** – Veolia issues the final operational evaluation of the City's water system.

22. **September 3, 2015** – MDEQ testing of the City's water shows TTHM levels are below the required action level.

23. **September 25, 2015** – Genesee County Health Department and the City of Flint issues a lead advisory for residents to be aware of lead levels in drinking water after hearing concerns from the medical community.

24. **October 16, 2015** – The City of Flint reconnects to Detroit Water.

25. **November 4, 2015** – The EPA issues its final report on high lead levels at three residences in the City.

Osborne, Ken (TREASURY)

From: Osborne, Ken (TREASURY)
Sent: Tuesday, February 16, 2016 9:52 PM
To: Nick Khouri (TREASURY) (KhouriN@michigan.gov)
Subject: SB 136 language
Attachments: 01196'15 (J160216).pdf

Nick,

In looking at SCR 23, which is what Rep. Poleski's language references, it appears to be a hard end date of the declaration of emergency in Flint to April 14, 2016. The House's intent is that April 14 would serve as the hard end date- so bills including that date would be the last billing period the credit would apply to. State Budget Office is reviewing the language as well to make sure they are interpreting it the same way.

I heard from Michelle Lange in the Gov's office this evening though, and they were concerned about a hard date. She was awaiting word from Dick about where they are at. I did share with her your perspective that in a practical sense the $30 million is estimated to cover April 2014 to April 2016, so to cover additional time would potentially require the legislature to revisit the issue anyway.

Will let you know if I hear from her this evening yet.

Ken Osborne
Legislative Liaison
Department of Treasury
Desk: 517-241-2474
Cell:[redacted]

Osborne, Ken (TREASURY)

From:	Lange, Michelle (GOV) <LangeM3@michigan.gov>
Sent:	Wednesday, February 17, 2016 8:13 AM
To:	Osborne, Ken (TREASURY)
Subject:	RE: PDF For Amendment for SB 136

Ignore the email saying he thinks they are good with it!!! He's looking at it again right now & reaching out to Adam in Pscholka's office

M.

From: Lange, Michelle (GOV)
Sent: Wednesday, February 17, 2016 8:09 AM
To: Osborne, Ken (TREASURY) <OsborneK1@michigan.gov>
Subject: RE: PDF For Amendment for SB 136

Just talked to Starr- he thinks they are good with it, was going to call me back to confirm.

M

From: Osborne, Ken (TREASURY)
Sent: Tuesday, February 16, 2016 9:36 PM
To: Lange, Michelle (GOV) <LangeM3@michigan.gov>
Subject: FW: PDF For Amendment for SB 136

Meant to include you on this.

From: Osborne, Ken (TREASURY)
Sent: Tuesday, February 16, 2016 9:34 PM
To: 'Adam Carlson' <acarlson@house.mi.gov>; Starr, Scott (DTMB) <StarrS1@michigan.gov>
Subject: RE: PDF For Amendment for SB 136

What is your interpretation of the language related to the end of the time period for bills to qualify that references SCR 23. I didn't work on that SCR so I'm a little in the dark. The last whereas clause talks about the emergency being extended to April 14, 2016. The resolved clause references 73 additional days from the state of emergency declared January 5. which is sometime in early March.

Governor Snyder requested on January 28, 2016, that the legislature approve an extension of the state of emergency proclaimed on January 5, 2016, and expiring on February 2, 2016, to April 14, 2016, in the county of Genesee and the city of Flint. This 73-day extension coincides with the current Presidential Emergency Declaration; now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That we approve Governor Snyder's request for an extension of the state of emergency in the county of Genesee and the city of Flint proclaimed on January 5, 2016, for another 73 days; and be it further

So is the intent that the credit would cover bills including April 14, or something else?

From: Adam Carlson [mailto:acarlson@house.mi.gov]
Sent: Tuesday, February 16, 2016 9:14 PM
To: Starr, Scott (DTMB) <StarrS1@michigan.gov>; Osborne, Ken (TREASURY) <OsborneK1@michigan.gov>
Subject: FW: PDF For Amendment for SB 136

Last chance to criticize. Thoughts?

From: LSB Legal Division [mailto:legal@legislature.mi.gov]
Sent: Tuesday, February 16, 2016 5:43 PM
To: Earl Poleski <epoleski@house.mi.gov>; Kyle Jen <kjen@house.mi.gov>; Maria Ostrander <Mostrander@house.mi.gov>; Adam Carlson <acarlson@house.mi.gov>
Cc: Kellie A. Seyfried <KSeyfried@legislature.mi.gov>; Jon Bassett <JBassett@legislature.mi.gov>
Subject: PDF For Amendment for SB 136

LEGISLATIVE SERVICE BUREAU

Legal Division

Please do not reply directly to this email.

The attached legislative document is being provided by the Legal Division of the Legislative Service Bureau. If you have any questions regarding this document, please contact the attorney who drafted the document or call the Legal Division's main telephone number at 373-9425 to obtain further assistance.

Legislative Service Bureau
Legal Division
(517) 373-9425 Front Desk
(517) 373-5642 Fax

Rep. _______________ offered the following amendment to Senate Bill No. 136:

1. Amend page 2, following line 13, following "**DEPARTMENT OF TREASURY**" by striking out all of sections 301 and 302 and inserting:

"Sec. 301. (1) From the funds appropriated in part 1 for the Flint declaration of emergency, up to $30,000,000.00 shall be allocated to reimburse the water enterprise fund of the city of Flint in an amount equal to credits posted to its customers' accounts in accordance with section 302.

(2) The department shall report quarterly to the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget director on the distribution of the funds allocated pursuant to part 1.

Sec. 302. (1) There shall be no administrative charges, from any entity, removed or expended from the appropriations in part 1.

(2) There shall be no expenditures from the funds appropriated in part 1 without specific authorization by the state treasurer.

(3) All unexpended funds from the appropriations in part 1, as of September 30, 2016, shall lapse to the general fund.

(4) The credit to a water customer's account shall be equal to the following:

(a) For a residential customer, an amount determined by the state treasurer not to exceed 65% of the amount billed for water from the beginning of the billing period containing April 30, 2014 to the end of the billing period containing the date upon which the declaration of disaster, as described in Senate Concurrent Resolution No. 23 of the 98th Legislature, expires.

(b) For all other customers, an amount determined by the state treasurer not to exceed 20% of the amount billed for water from the beginning of the billing period containing April 30, 2014 to the end of the billing period containing the date upon which the declaration of disaster, as described in Senate Concurrent Resolution No. 23 of the 98th Legislature, expires.

(5) Credits for sewer services are not to be reimbursed under this section or section 301.

(6) The amount of the credits calculated under subsection (4) shall reflect rates consistent with the rates paid at the time of billing.

(7) The state treasurer, or his or her designee, and the auditor general may audit transactions provided for under this section and section 301 at their discretion.".

From:	Doyle, Maureen (Treasury)
Sent:	Wednesday, February 17, 2016 1:11 PM
To:	Khouri, Nick (TREASURY)
Subject:	FW: FWICC Subcommittee Priorities, Objectives and Tasks
Attachments:	FWICC Objectives Tasks.doc
Importance:	High

Tracking:	**Recipient**	**Read**
	Khouri, Nick (TREASURY)	Read. 2/17/2016 1 18 PM

THEY NEED templates no later than 10am tomorrow……
How can I assist?

Maureen Doyle
Executive Assistant to the StateTreasurer
Department of Treasury
430 West Allegan Street
Lansing, MI 48922
(517) 241-2624
Doylem4@michigan.gov

From: Clayton, Stacie (GOV)
Sent: Wednesday, February 17, 2016 12:57 PM
To: Doyle, Maureen (Treasury) <DoyleM4@michigan.gov>; Thelen, Mary Beth (DEQ) <THELENM2@michigan.gov>; Burton, Diane (LARA) <BurtonD2@michigan.gov>
Subject: FW: FWICC Subcommittee Priorities, Objectives and Tasks
Importance: High

Ladies,

I apologize but I was typing too fast yesterday, I **need the templates by end of business <u>today</u> (but please no later than 10am Thursday morning)**. My email below said Friday (the meeting is Friday and they have to be put into the presentation for Friday's meeting).

~Stacie

From: Clayton, Stacie (GOV)
Sent: Tuesday, February 16, 2016 5:06 PM
To: Khouri, Nick (TREASURY) <KhouriN@michigan.gov>; Zimmer, Mike (LARA) <zimmerm@michigan.gov>; Hollins, Harvey (GOV) <hollinsh@michigan.gov>; Creagh, Keith (DEQ) <creaghk@michigan.gov>; Lord, Daniel (DNR) <LordD1@michigan.gov>; Becker, Timothy (DHHS) <beckert1@michigan.gov>
Cc: Doyle, Maureen (Treasury) <DoyleM4@michigan.gov>; Burton, Diane (LARA) <BurtonD2@michigan.gov>; Grijalva,

Nancy (DHHS) <GrijalvaN@michigan.gov>; Thelen, Mary Beth (DEQ) <THELENM2@michigan.gov>
Subject: FWICC Subcommittee Priorities, Objectives and Tasks

Greetings All,

This week we are schedule to have presentations from the FWICC KWA, Policy and Communications Sub-Committees. As a reminder, please send me your lists of priorities, objectives and tasks using the attached template by end of business on Friday (I need to include them in the Governor's briefing on Thursday).

Also, for those who presented last week and have not sent me your items on this template, please do so by end of business on Wednesday. Please let Harvey or me know if you have any questions.

Thank you,
Stacie

313.456.4994 (office)
claytons3@michigan.gov

Robert, Carla M. (Treasury)

Sent:	Wednesday, February 17, 2016 1:22 PM
To:	Baird, Richard (GOV)
Cc:	bill.nowling@finnpartners.com
Subject:	RE: MEDIA RELEASE: Flint Mayor Targets First Lead Pipe Removal for Next Week

From: Baird, Richard (GOV) [mailto:bairdr@michigan.gov]
Sent: Wednesday, February 17, 2016 12:51 PM
To: Khouri, Nick (TREASURY) <KhouriN@michigan.gov>
Cc: bill.nowling@finnpartners.com
Subject: FW: MEDIA RELEASE: Flint Mayor Targets First Lead Pipe Removal for Next Week

From: Snyder, Rick (GOV)
Sent: Wednesday, February 17, 2016 12:40 PM
To: Agen, Jarrod (GOV)
Cc: Baird, Richard (GOV)
Subject: Fwd: MEDIA RELEASE: Flint Mayor Targets First Lead Pipe Removal for Next Week

I just received this email. The Mayor appears to be on her own path.

Please get Nick going ASAP on what is available from existing loan and other financing programs. Also, we need to look at the cash flow timing on the water bill payment program.

Thanks
Rick

Sent from my iPad

Begin forwarded message:

> **From:** "Murray, David (GOV)" <MurrayD1@michigan.gov>
> **Date:** February 17, 2016 at 12:31:07 PM EST
> **To:** "Snyder, Rick (GOV)" <snyderr11@michigan.gov>
> **Subject: Fwd: MEDIA RELEASE: Flint Mayor Targets First Lead Pipe Removal for Next Week**
>
> Good afternoon, Governor. Jarrod asked me to send you this release that the Mayor just issued.
>
> I believe you may get asked questions about some of the Mayor's comments.
>
> Dave
>
> Sent from my iPhone

Begin forwarded message:

From: Kristin Moore <kmoore@cityofflint.com>
Date: February 17, 2016 at 12:14:05 PM EST
To: undisclosed-recipients:;
Subject: MEDIA RELEASE: Flint Mayor Targets First Lead Pipe Removal for Next Week

Kristin Moore
Public Relations Director
kmoore@cityofflint.com

February 17, 2016
For Immediate Release

Flint Mayor Karen Weaver Targets First Lead Pipe Removal for Next Week

Mayor Calls on Gov. Snyder to Pressure House, Senate GOP Leaders to Immediately Pass $25 Million Supplemental to Pay for Pipe Removal

Mayor's Ambitious "Fast Start" Plan Wins Endorsement of Renowned Virginia Tech Water Expert Dr. Marc Edwards

(FLINT)-- Mayor Karen Weaver announced today that her administration intends to begin replacing lead pipes in Flint next week to restore safe, clean drinking water as quickly as possible to the citizens of her city. She called on Gov. Rick Snyder to pressure the Legislature to move immediately to approve funding for the first phase of her $55 million *Fast Start* lead pipe replacement plan.

Mayor Weaver said she is working with water infrastructure experts from the Lansing Board of Water & Light (BWL) to train local Flint workers on lead pipe removal at a vacant property in Flint owned by the Genesee County Land Bank. The training exercise is set to begin next week at a location to be announced. House-by-house lead service line removal and replacement operations targeting high-risk households across the city will commence shortly thereafter, Weaver said.

Mayor Weaver said she is very pleased that her *Fast Start* plan has been endorsed by renowned Virginia Tech water expert Dr. Marc Edwards, who is widely hailed for his role in uncovering the shocking lead levels in Flint's water supply and frequently testifies before Congress on lead contamination in municipal water systems. Dr. Edwards confirmed to MSNBC's The Rachel Maddow Show last week that he supports Mayor Weaver's project moving forward.

"These guys know what they are doing," Edwards told MSNBC. "Society needs to decide if lead pipe replacements are a good investment. Personally, I think so. I support this plan."

"I will not accept anything less than full removal of all lead pipes from our water system," said Mayor Weaver. "I continue to hear from Lansing that the people of Flint should wait to see if pipes can be 'coated.' I call on Governor Snyder to end that discussion, and to commit fully to getting the lead out of Flint."

Weaver added: "Legislative leaders and Governor Snyder say they want to see our city recover. Job one in that recovery is removal of lead service lines. This Legislature can move bills in a matter of hours when it wants to. Now is the time for the state to accept its duty and its responsibility and cover the cost of this important action."

During the training exercise next week, the BWL will demonstrate its innovative technology for removing and replacing lead pipes with new copper pipes in half the time at half the cost of traditional methods. The Lansing public water and electric utility has perfected its technique by removing more than 13,500 lead pipes in Michigan's capital city over the past 12 years.

"Flint is so fortunate to have great neighbors, friends and partners reaching out to us from every corner of Michigan, across the country and all around the world. Our sister city right next door in Lansing is definitely one of our strongest allies," Weaver said. "I'm especially grateful to Lansing Mayor Virg Bernero and the Board of Water & Light for their help. Together, we're going to get the lead out of Flint, starting next week."

Mayor Weaver said she also appreciates Gov. Snyder's change of heart on moving quickly to replace Flint's lead pipes and his recent budget proposal to partially fund the project, but she is not agreeing to allow the governor's engineering firm and contractors do the work. Weaver welcomed the governor's interest in working with the city to coordinate removal of the first 30 lead service lines, but noted that much more needs to be done by Gov. Snyder and others to secure full funding for her plan.

Toward that end, Mayor Weaver said she is working closely with The White House and Flint's representatives in the Michigan Legislature and U.S. Congress to secure full funding for her lead pipe removal project, as well as long-term funding to fully repair the city's devastated water distribution system. She called on state and federal lawmakers to move quickly to approve emergency funding for her project while long-term repairs to Flint's water distribution system are evaluated.

"Lansing and Washington need to understand that the first and most critical priority is an emergency public health intervention to start getting rid of these pipes immediately," Weaver said. "Then we can figure out exactly what it will cost over the long-term to fix our broken water distribution system. If we have to replace major components or even the whole system, it will cost an enormous amount of money. Everyone needs to be prepared for that possibility. Let's start a serious conversation about where that money is going to come from while we get to work removing the pipes."

If funding to ramp up her *Fast Start* project is not secured quickly from the state or federal government, Weaver said she may have to take her case directly to the national and international audience that is closely following the daily indignities still being suffered by the people of Flint, especially the city's children, who have been living on bottled water for months after being forced to drink lead-poisoned water for nearly two years.

"If the state and federal governments won't pay to restore safe drinking water and dignity to the people of my city, I may have to go on national TV and crowdsource the funding on the Internet," Weaver said. "Rachel Maddow might just be willing to help me issue a worldwide challenge to the celebrities and other philanthropic donors who are showing so much love for Flint.

"We're going to get this done -- and done quickly -- by any and every means necessary," Weaver concluded. "The people of my city have simply run out of patience and I have a moral obligation to act."

###

Kristin Moore
Public Relations Director
City of Flint
Office: (810) 237-2039
Mobile: (810) 875-2576

Osborne, Ken (TREASURY)

From: Osborne, Ken (TREASURY)
Sent: Wednesday, February 17, 2016 2:15 PM
To: Durfee, Sally (TREASURY)
Subject: Re: Flint Billing cycle date

They are going to add an amendment that would allow them to extend the timeframe via resolution. I talked with Nick, while not ideal his inclination was we could live with this. In a practical sense it sounds like we may have to revisit this at some point regardless.

They are not inclined to budge much more than that.

Sent from my iPhone

> On Feb 17, 2016, at 2:01 PM, Durfee, Sally (TREASURY) <DurfeeS1@michigan.gov> wrote:
>
> Ken - is it time for Nick to give Rep. Poleski a call.......my sense is that the legislature will keep the pressure on state government if this amendment says April or May.
>
>
>
> -----Original Message-----
> From: Osborne, Ken (TREASURY)
> Sent: Wednesday, February 17, 2016 10:05 AM
> To: Saxton, Thomas (Treasury)
> Cc: Durfee, Sally (TREASURY); Khouri, Nick (TREASURY)
> Subject: Re: Flint Billing cycle date
>
> I've expressed the potential scenario that we need to cover periods beyond April. Rep Poleski feels pretty strongly that he wants to force the administration to revisit the issue with the legislature at that time. His sense is they want the language to serve as pressure on state government to get this resolved.
>
> I am hanging out in committee to catch Chairman Pscholka after and see if he has the same view.
>
> Will update after I talk with him.
>
> Sent from my iPhone
>
>> On Feb 17, 2016, at 9:55 AM, Saxton, Thomas (Treasury) <SaxtonT@michigan.gov> wrote:
>>
>> I would agree with Nick. Particularly given we don't have a firm schedule yet on the software changes, etc we need to make to the billing system.
>>
>> -----Original Message-----
>> From: Khouri, Nick (TREASURY)
>> Sent: Wednesday, February 17, 2016 9:40 AM
>> To: Osborne, Ken (TREASURY) <OsborneK1@michigan.gov>; Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>
>> Cc: Durfee, Sally (TREASURY) <DurfeeS1@michigan.gov>
>> Subject: RE: Flint Billing cycle date

>>
>>
>>
>> Either way, we are still left with a possible situation where we are through April, only spend $25m, and the water still isn't safe
>>
>> Would we have to stop? Wouldn't we want to spend the last $5m on May bills?
>>
>> How about saying something like "program continues until either the water is determined safe, or $30m is spent, whichever is first"
>>
>>
>>
>> -----Original Message-----
>> From: Osborne, Ken (TREASURY)
>> Sent: Wednesday, February 17, 2016 9:35 AM
>> To: Khouri, Nick (TREASURY) <KhouriN@michigan.gov>; Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>
>> Cc: Durfee, Sally (TREASURY) <DurfeeS1@michigan.gov>
>> Subject: Flint Billing cycle date
>>
>>
>> Is there a way to find out what day of the month their billing cycles end on?
>>
>> Committee is still going, but I talked to Rep Poleski and feels pretty strongly about having an end date as his language contemplates.
>>
>> It would mean that bills containing April 14th would be the last bills covered.
>>
>> If the bill covers April 4- May 4 for example I think this would meet the April 2014 to April 2016 goal. If the last bill covered March 15- April 15th, there would be a two week portion of April not covered.
>>
>> Sent from my iPhone

Sampson, Jeremy (TREASURY)

From:	Brown, Jessica (GOV) <BrownJ53@michigan.gov>
Sent:	Wednesday, February 17, 2016 2:33 PM
To:	Stanton, Terry A. (Treasury)
Cc:	Sampson, Jeremy (TREASURY)
Subject:	RE: FOR TODAY at 3: RTAB Appointment

Thanks Terry, we'll make that correction.

Jess

From: Stanton, Terry A. (Treasury)
Sent: Wednesday, February 17, 2016 2:32 PM
To: Brown, Jessica (GOV) <BrownJ53@michigan.gov>
Cc: Sampson, Jeremy (TREASURY) <SampsonJ@michigan.gov>
Subject: RE: FOR TODAY at 3: RTAB Appointment

One correction:

Michael Townsend is the designee of the director of DTMB.

From a Jan 21, 2016 appt release:

"Townsend is the former finance director and budget director of the city of Flint and had served the city since 1997. He has over 25 years of experience in budgetary, finance, accounting and managerial experience. Townsend earned a bachelor's in business administration from Olivet College. He fills the vacancy created by the resignation of Brian Larkin and will serve as the representative of the director of the Department of Technology, Management, and Budget."

From: Brown, Jessica (GOV)
Sent: Wednesday, February 17, 2016 1:46 PM
To: Stanton, Terry A. (Treasury) <StantonT@michigan.gov>
Cc: Sampson, Jeremy (TREASURY) <SampsonJ@michigan.gov>
Subject: FOR TODAY at 3: RTAB Appointment

Hi Terry – We're planning to issue this appointment release at 3 p.m. I'm not sure if Jordan sent you an FYI yet. If you have changes let me know, otherwise we'll issue at 3.

Thanks much!
Jess

Gov. Rick Snyder appoints Joel Ferguson to Flint Receivership Transition Advisory Board

LANSING, Mich. – Gov. Rick Snyder today announced the appointment of Joel Ferguson, of Lansing, to the Flint Receivership Transition Advisory Board.

The board was first named in April 2015 after the city of Flint transitioned back to local control.

"I thank Joel for his willingness to serve on this important board and am confident his collaboration with local leaders will help ensure ongoing financial stability in the city of Flint," Snyder said.

Ferguson is president of Ferguson Development and F&S Development and is chairman of the Michigan State University Board of Trustees. He served in the U.S. Marine Corps and earned a bachelor's degree in elementary education from Michigan State University. He will represent members with relevant professional experience and replaces David McGhee.

Other members of the City of Flint RTAB include: Frederick Headen, representing the State Treasurer, Mike Finney, representing members with relevant professional experience, and Michael Townsend, representing members with relevant professional experience. Members serve at the pleasure of the governor.

For more information about Public Act 436 of 2012, the Local Financial Stability and Choice Act, visit the Local Government Fiscal Health page on the Department of Treasury's web site at www.michigan.gov/treasury.

#####

Jessica M. Brown
Communications Representative
Executive Office of Michigan Governor Rick Snyder
O: 517-335-6397
M: 517-388-3873
Brownj53@michigan.gov

Pleyte, Beth (Treasury)

From:	Saxton, Thomas (Treasury)
Sent:	Wednesday, February 17, 2016 5:32 PM
To:	Khouri, Nick (TREASURY)
Cc:	Wayne Workman; Steckelberg, Larry (TREASURY); Barton, John (Treasury); Martin, Mary G. (Treasury); Pleyte, Beth (Treasury)
Subject:	RE: Flint Water infrastructure funding options
Attachments:	Water Options DRAFT 021716.pptx; FW: Flint - Proposed Emergency Relief Package

Nick – attached are the info/presentations we talked about earlier. As we discussed too we have meeting @ 10 tomorrow morning. I would suggest maybe before John starts drafting that we go thru the attached first. Let me/us know if you are ok with that.

From: Khouri, Nick (TREASURY)
Sent: Wednesday, February 17, 2016 5:18 PM
To: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Wayne Workman <workmanwayne@gmail.com>; Barton, John (Treasury) <BartonJ@michigan.gov>; Steckelberg, Larry (TREASURY) <SteckelbergL@michigan.gov>
Subject: Flint Water infrastructure funding options

We've been asked to put together a couple of pages for the Governor on financing options for pipe replacement in Flint

Let's assume a $100m project

I found the 1/19 document titled "water infrastructure improvements..." It's a good start

What I need is a memo that lays out the options for the Gov

(1) SRO—basically just incorporate John's SRO Federal government proposal
(2) G.O options—CMI, GLWQ (quality of life bonds doesn't seem big enough to mention)
(3) Revenue bonds—bottle deposit, etc

Are there other options we should discuss? Non-state dollars?

For each, a short write up on pros and cons

John—can you take the lead drafting something tomorrow? I know its short notice, but hopefully most of the work has been done already

Thanks

Water Infrastructure Improvements Program and Revenue Generation Options

DRAFT – 2/17/16

CONFIDENTIAL, subject to client privilege

Revenue Generation Options

To date, the following options have been identified as potential sources of proceeds for water infrastructure improvements:

- State GO Bonds
  - Clean Michigan Initiative Program ("CMI")
  - Environmental Protection Program ("EPP"); also known as "Quality of Life Bonds"
  - Great Lakes Water Quality Program ("GLWQ")
- Utilization of the Michigan Finance Authority's ("MFA") Drinking Water Revolving Fund ("DWRF") and/or EPA forgiveness options
- Bottle Deposit Fund usage and/or Bottle Bill changes
- As part of this analysis, tobacco securitization and Lottery revenue bonds have been explored but are not recommended for this purpose

Revenue Generation Options

State GO Bonds - CMI

Purpose

The CMI Program was authorized by voters in 1998 to, "finance environmental and natural resources protection programs that would clean up and redevelop contaminated sites, protect and improve water quality, prevent pollution, ***abate lead contamination***, reclaim and revitalize community waterfronts, enhance recreational opportunities and clean up contaminated sediments in lakes, rivers and streams."

Capacity

- Approximately $80 million is remaining of the originally authorized $675 million
- Last issuance in 2011 - $85 million

Enabling Legislation

PA 451 of 1994, Part 196

Benefits

- Likely easiest to accomplish

Considerations

- Amendments needed to utilize and identify specifically the remaining allocations

Revenue Generation Options

State GO Bonds – EPP "Quality of Life Bonds"

Purpose

The EPP Program was authorized by voters in 1988 to, "finance environmental protection programs that would ***clean up sites of toxic and other environmental contamination,*** contribute to a regional Great Lakes protection fund, address solid waste problems, ***treat sewage and other water quality problems***, and reuse industrial sites and preserve open space."

Capacity

- Approximately $8 million is remaining of the originally authorized $660 million
- Last issuance in 2006 - $25 million

Enabling Legislation

PA 451 of 1994, Parts 193 (proposal and authorization) & 195 (implementation)

Benefits

- Due to spirit of original purpose and small amount of remaining authorization, may not be a strong candidate for other interested parties to mount legal challenges

Considerations

- Appears to be more focused on "dirt-like" projects, i.e., "sites" and "environmental contamination"
- Lead abatement projects not specifically mentioned in ballot language
- Slight possibility of legal challenges; could be offset by new ballot initiatives
- Amendments needed to authorize uses to address water quality problems and other environmental contamination issues and to utilize remaining allocations

Revenue Generation Options

State GO Bonds - GLWQ

Purpose

The GLWQ Program was authorized by voters in 2002 to, "***improve the quality of waters of the state by financing*** sewage treatment works projects, storm water projects and ***water pollution projects***."

Capacity

Out of the $1 billion originally authorized, $527.4 million is not fully expended:

- $200 million is remaining under the Water Pollution Control Revolving Fund
- A $90 million "Rising Bond", issued to satisfy original statutory issuance requirements, is held at the MFA level and could be refunded
- $237.4 million has been committed to local governments for project that have already been approved although funds have not expended under the Strategic Water Quality Initiatives Fund ("SWQIF")

Enabling Legislation

PA 451 of 1994, Parts 53, 54 and 197

Benefits

- Potentially largest source of GO bond proceeds

Considerations

- Appears to be more focused on sewage treatment works projects, storm water projects and nonpoint source projects
- Lead abatement projects not specifically mentioned in ballot language or in authorization paragraph
- SWQIF funds have already been committed and local governments have begun making expenditures based on those commitments
- Possibility of legal challenges; could be offset by new ballot initiatives
- Amendments needed to expand authorization, remove annual borrowing limits and utilize remaining allocations

Revenue Generation Options

Traditional Drinking Water Revolving Fund "DWRF"

Purpose

Designed to make low-interest rate loans to communities and water suppliers in order to improve water quality.

Capacity

- Annual program size approximately $55 million
- $36.3 million has been committed in FY 16

Enabling Legislation

Amendments may be considered to amend application scoring process

Benefits

- Program already well established
- State may be able to supplant or offset debt service to local units of government through revenue sharing modifications

Considerations

- If revenue sharing not used as an offset, normally loans are repaid by local governments who pass along the costs to homeowners through water and sewer rates or special assessments
- FY 16 funding already set; Federal requirements dictate the FY 17 application process begins May 2016 and loans are awarded on a quarterly basis but can be as early as October 1, 2016
- Would need to comply with Federal guidelines related to material sourcing and labor
- Limit of 30% of fundable range

Revenue Generation Options

DWRF Forgiveness

Purpose

The Environmental Protection Agency ("EPA") has allowed for certain percentages of loan forgiveness for disadvantaged communities.

Capacity

- Up to 30% of loans made since 2010 could be eligible for forgiveness
- Potentially up to $60 million in loans could be forgiven, producing upfront proceeds

Enabling Legislation

Federal program – state legislation not needed

Benefits

- No need to backfill program with Proposal 2 bonds or other bonding

Considerations

- Need replacement funds for Clean Water Fund ("CWF")
- 10-15% reduction in annual capacity if CWF funds not replaced

Revenue Generation Options

Bottle Deposit Fund Usage and/or Bottle Bill Changes

Purpose

- Use of cash assets in Bottle Deposit Fund
- Could be combined with an expansion (to other beverages, e.g., tea and juice) or modification of the Bottle Bill to lower the deposit rate to 10 cents in order to increase annual amounts of unclaimed property

Capacity

- Revenues in the Bottle Deposit Fund were $18.8 million in FY 15, $21.7 million in FY 14 and $18.9 million in FY 13
- The Bottle Deposit Fund has $52 million in Common Cash as of FY 15, down from $56 million in FY 14 and $58 million in FY 13

Enabling Legislation

- Changes to the Bottle Bill would need to be drafted and introduced

Benefits

- Utilizes assets generated for environmental purposes

Considerations

- Determination needed to see if funds held in Common Cash can be redirected
- Lowering the deposit rate could appear to be adverse to environmental purposes
- Replacement revenues needed for current expenditures

Program Questions

- Is this to be a statewide program, or specific to a local unit of government?
  - If for a specific unit of government, would the unit be asked to borrow as well?
  - Can special assessments be passed along to the homeowners?
- Are funds to be used for grants or loans? If a revolving loan program, what assumptions should be used to establish the amount of needed seed capital?
  - Amount of individual loans
  - Number of loans targeted per year
  - Repayment terms: duration and rate
  - Default rate
  - Administrative fees
- Does an educational field study need to be funded to determine the most cost effective and fastest way to execute the projects?
- Are there other expenditures other than for pipe replacements that need to be funded? For example:
  - Treatment facility upgrades
  - Water main replacements
  - Education enhancements
  - Health care costs – initial and ongoing

Revolving Loan Fund Example

State of Michigan
Water Infrastructure Replacement
Cash Flow Analysis

Assumptions

Cash Deposit	100 000 000
Replacement Project (Loan) Size	7 500
Replacements (Loans) per Year	2,500
Length of Loans (Years)	20
Loan Lending Rate	2 50%
Investment Rate	0 75%
Administrative Fee	0 00%
Default Rate	25 00%
Loan Inflator Factor	0 25%

NOTES

Loans close at beginning of FY
All Loans are the same amounts
All Loans are the same length
All Loans have the same rate

Minimum Net CF	74 992
FY for Minimum	FY - 8

	FY 1	FY 2	FY 3	FY 4	FY - 5	FY 6	FY - 7	FY - 8	FY - 9	FY 10
Revenues										
Beginning Balance		82 444 694	65 672 940	49 689 801	34 500 363	20 109 737	6 523 057	297 823	74 992	876 891
Cash Deposits	100,000,000									
Interest Earnings	375 000	309 168	246,274	186 337	129 376	75 412	24 461	1 117	281	3,288
Loan Repayments	1,092 925	2 287 939	3,435 940	4 686 936	5 890 935	7 097 944	7 903 579	8,351 273	8,720 143	9 085 880
Total Revenues (Available for Loans)	101,467,925	85,041,800	69,405,153	54,563,074	40,520,675	27,283,092	14,456,097	8,650,213	8,795,416	9,966,059
Loans & Expenses										
Loans ($ per year)	18 750 000	18,796 875	18 843 867	18 890 977	18 938 204	18,985 550	12 181 129	6,487 403	5 738 459	5 752 838
Administration Fees	0	0	0	0	0	0	0	0	0	0
Loan Defaults @ 25 00% per year	273 231	571 985	871 485	1 171 734	1 472 734	1 774,486	1 977 145	2,087 818	2 180 036	2 271 470
Total Loans & Expenses	19,023,231	18,368,860	19,715,352	20,062,711	20,410,938	20,760,036	14,158,273	8,575,221	7,918,525	8,024,306
Net Cash Flow (End of FY)	82,444,694	65,672,940	49,689,801	34,500,363	20,109,737	6,523,057	297,823	74,992	876,891	1,941,754
Loans Repayments (Loans / Defaults)	[illegible]	(17 080 921)	(16 229 412)	[illegible]	[illegible]	[illegible]	[illegible]	223 948	801 618	1 061 574

Period		1	2	3	4	5	6	7	8	9
Loan Size	7,500	7 519	7 538	7 556	7 575	7 594	7 613	7 632	7 651	7 670
Inflator Factor		0 25%	0 25%	0 25%	0 25%	0 25%	0 25%	0 25%	0 25%	0 25%
Number Of Replacements	2 500	2,500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2,500
Number Of Replacements Adjustment		-	-	-	-		900	1 650	1 750	1 750
Adjusted Number of Replacements	2 500	2,500	2 500	2 500	2 500	2 500	1 600	850	750	750
Dollar Value of Replacements	18 750 000	18,796 875	18 843 867	18 890 977	18 938 204	18 985 550	12,181 129	6 487 403	5 738 459	5 752 838
Accumulated Total of Replacements	2,500	5,000	7,500	10,000	12,500	15,000	16,600	17,450	18,200	18,950

This example uses the assumptions located in the blue boxes and supports 18,950 replacements (loans) over 10 years from a $100 million initial deposit

Robert, Carla M. (Treasury)

From:	Khouri, Nick (TREASURY)
Sent:	Friday, January 29, 2016 4:43 PM
To:	Barton, John (Treasury); Saxton, Thomas (Treasury)
Subject:	FW: Flint - Proposed Emergency Relief Package
Attachments:	Flint - Proposed Emergency Relief Package draft 1-29-16.docx

From: Khouri, Nick (TREASURY)
Sent: Friday, January 29, 2016 4:42 PM
To: Mcbride, Bill (GOV) <mcbrideb@michigan.gov>; Roberts, John (DTMB) <RobertsJ9@michigan.gov>; Creagh, Keith (DEQ) <creaghk@michigan.gov>
Subject: FW: Flint - Proposed Emergency Relief Package

Here's a simple offer for the Senate

Its two pieces

(1) Allow the State to forgive the current $21m DWRF loan to Flint AND recapitalize the fund by the same amount so other communities in Michigan aren't hurt
(2) Provide an additional $25m capitalization each year for 5 years to the DWRF (above the normal $25m/yr) directed toward communities under an emergency declaration. The capitalization could be converted to a forgivable loan based on a viable implementation plan

#2 could be modified based on legislative appetite

Call with questions

From: Barton, John (Treasury)
Sent: Friday, January 29, 2016 4:36 PM
To: Khouri, Nick (TREASURY) <KhouriN@michigan.gov>
Cc: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Epkey, Amy (DEQ) <epkeya@michigan.gov>
Subject: Flint - Proposed Emergency Relief Package

Attached is the draft proposed emergency relief package summary for the City of Flint.

Thank you
John

Robert, Carla M. (Treasury)

From:	Doyle, Maureen (Treasury)
Sent:	Wednesday, February 17, 2016 1:11 PM
To:	Khouri, Nick (TREASURY)
Subject:	FW: FWICC Subcommittee Priorities, Objectives and Tasks
Attachments:	FWICC Objectives Tasks.doc
Importance:	High

THEY NEED templates no later than 10am tomorrow......
How can I assist?

Maureen Doyle
Executive Assistant to the StateTreasurer
Department of Treasury
430 West Allegan Street
Lansing, MI 48922
(517) 241-2624
Doylem4@michigan gov

From: Clayton, Stacie (GOV)
Sent: Wednesday, February 17, 2016 12:57 PM
To: Doyle, Maureen (Treasury) <DoyleM4@michigan.gov>; Thelen, Mary Beth (DEQ) <THELENM2@michigan.gov>; Burton, Diane (LARA) <BurtonD2@michigan.gov>
Subject: FW: FWICC Subcommittee Priorities, Objectives and Tasks
Importance: High

Ladies,

I apologize but I was typing too fast yesterday, I need the templates by end of business **today** (but please no later than 10am Thursday morning). My email below said Friday (the meeting is Friday and they have to be put into the presentation for Friday's meeting).

~Stacie

From: Clayton, Stacie (GOV)
Sent: Tuesday, February 16, 2016 5:06 PM
To: Khouri, Nick (TREASURY) <KhouriN@michigan.gov>; Zimmer, Mike (LARA) <zimmerm@michigan.gov>; Hollins, Harvey (GOV) <hollinsh@michigan.gov>; Creagh, Keith (DEQ) <creaghk@michigan.gov>; Lord, Daniel (DNR) <LordD1@michigan.gov>; Becker, Timothy (DHHS) <beckert1@michigan.gov>
Cc: Doyle, Maureen (Treasury) <DoyleM4@michigan.gov>; Burton, Diane (LARA) <BurtonD2@michigan.gov>; Grijalva, Nancy (DHHS) <GrijalvaN@michigan gov>; Thelen, Mary Beth (DEQ) <THELENM2@michigan.gov>
Subject: FWICC Subcommittee Priorities, Objectives and Tasks

Greetings All,

This week we are schedule to have presentations from the FWICC KWA, Policy and Communications Sub-Committees. As a reminder, please send me your lists of priorities, objectives and tasks using the attached template by end of business on Friday (I need to include them in the Governor's briefing on Thursday).

Also, for those who presented last week and have not sent me your items on this template, please do so by end of business on Wednesday. Please let Harvey or me know if you have any questions.

Thank you,
Stacie

313.456.4994 (office)
claytons3@michigan.gov

Information for Flint Water Interagency Coordinating Committee Subcommittees

Establishing Initial Incident Priorities

Clear initial priorities are important to establishing unity of effort early in the incident response process. When the members of the team clearly understand the intent behind instructions, they are equipped to act decisively and make better decisions. While many things vie for attention, especially in the immediate aftermath of a disaster or emergency, not everything can be a priority. The axiom that if everything is a priority, then nothing is a priority clearly applies to incident management.

Objectives

Good objectives:
- Are concise and stated in the form of a command
- Begin with an action verb (but not "continue" or "maintain")

Tasks

Tasks define specific actions to be performed to achieve a planned outcome. Tasks specify who, what, where, and when for implementing strategies to achieve incident objectives. Tasks describe the deployment and direction of resources, based on the strategy to accomplish the incident objectives.

In this case, tasks or tactics can be developed by those personnel at lower levels who will be implementing the priorities and objectives.

Water Quality

PRIORITY:		
Objectives & Tasks	Metric	Timeline
Objective 1:		
Task 1.1:		
Task 1.2:		
Task 1.3:		
Task 1.4:		
Task 1.5:		
Objective 2:		
Task 2.1:		
Task 2.2:		
Task 2.3:		
Task 2.4:		
Task 2.5:		
Objective 3:		
Task 3.1:		
Task 3.2:		
Task 3.3:		
Task 3.4:		
Task 3.5:		
Objective 4:		
Task 4.1:		
Task 4.2:		
Task 4.3:		
Task 4.4:		
Task 4.5:		
Objective 5:		
Task 5.1:		
Task 5.2:		
Task 5.3:		
Task 5.4:		
Task 5.5:		
Task 5.5:		

Water Quality

PRIORITY:		
Objectives & Tasks	Metric	Timeline
Objective 1:		
Task 1.1:		
Task 1.2:		
Task 1.3:		
Task 1.4:		
Task 1.5:		
Objective 2:		
Task 2.1:		
Task 2.2:		
Task 2.3:		
Task 2.4:		
Task 2.5:		
Objective 3:		
Task 3.1:		
Task 3.2:		
Task 3.3:		
Task 3.4:		
Task 3.5:		
Objective 4:		
Task 4.1:		
Task 4.2:		
Task 4.3:		
Task 4.4:		
Task 4.5:		
Objective 5:		
Task 5.1:		
Task 5.2:		
Task 5.3:		
Task 5.4:		
Task 5.5:		
Task 5.5:		

Water Quality

PRIORITY		
Objectives & Tasks	Metric	Timeline
Objective 1:		
Task 1.1:		
Task 1.2:		
Task 1.3:		
Task 1.4:		
Task 1.5:		
Objective 2:		
Task 2.1:		
Task 2.2:		
Task 2.3:		
Task 2.4:		
Task 2.5:		
Objective 3:		
Task 3.1:		
Task 3.2:		
Task 3.3:		
Task 3.4:		
Task 3.5:		
Objective 4:		
Task 4.1:		
Task 4.2:		
Task 4.3:		
Task 4.4:		
Task 4.5:		
Objective 5:		
Task 5.1:		
Task 5.2:		
Task 5.3:		
Task 5.4:		
Task 5.5:		
Task 5.5:		

Water Infrastructure Integrity

PRIORITY:		
Objectives & Tasks	Metric	Timeline
Objective 1:		
Task 1.1:		
Task 1.2:		
Task 1.3:		
Task 1.4:		
Task 1.5:		
Objective 2:		
Task 2.1:		
Task 2.2:		
Task 2.3:		
Task 2.4:		
Task 2.5:		
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Water Infrastructure Integrity

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Health and Education

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Health and Education

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Communication and Transparency

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Incident Action Plan

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Robert, Carla M. (Treasury)

From:	Baird, Richard (GOV) <bairdr@michigan.gov>
Sent:	Wednesday, February 17, 2016 12:51 PM
To:	Khouri, Nick (TREASURY)
Cc:	bill.nowling@finnpartners.com
Subject:	FW: MEDIA RELEASE: Flint Mayor Targets First Lead Pipe Removal for Next Week

From: Snyder, Rick (GOV)
Sent: Wednesday, February 17, 2016 12:40 PM
To: Agen, Jarrod (GOV)
Cc: Baird, Richard (GOV)
Subject: Fwd: MEDIA RELEASE: Flint Mayor Targets First Lead Pipe Removal for Next Week

I just received this email. The Mayor appears to be on her own path.

Please get Nick going ASAP on what is available from existing loan and other financing programs. Also, we need to look at the cash flow timing on the water bill payment program.

Thanks
Rick

Sent from my iPad

Begin forwarded message:

> **From:** "Murray, David (GOV)" <MurrayD1@michigan.gov>
> **Date:** February 17, 2016 at 12:31:07 PM EST
> **To:** "Snyder, Rick (GOV)" <snyderr11@michigan.gov>
> **Subject: Fwd: MEDIA RELEASE: Flint Mayor Targets First Lead Pipe Removal for Next Week**
>
> Good afternoon, Governor. Jarrod asked me to send you this release that the Mayor just issued.
>
> I believe you may get asked questions about some of the Mayor's comments.
>
> Dave
>
> Sent from my iPhone
>
> Begin forwarded message:
>
>> **From:** Kristin Moore <kmoore@cityofflint.com>
>> **Date:** February 17, 2016 at 12:14:05 PM EST
>> **To:** undisclosed-recipients:;
>> **Subject: MEDIA RELEASE: Flint Mayor Targets First Lead Pipe Removal for Next Week**

Kristin Moore
Public Relations Director
kmoore@cityofflint.com

February 17, 2016
For Immediate Release

Flint Mayor Karen Weaver Targets First Lead Pipe Removal for Next Week

Mayor Calls on Gov. Snyder to Pressure House, Senate GOP Leaders to Immediately Pass $25 Million Supplemental to Pay for Pipe Removal

Mayor's Ambitious "Fast Start" Plan Wins Endorsement of Renowned Virginia Tech Water Expert Dr. Marc Edwards

(FLINT)-- Mayor Karen Weaver announced today that her administration intends to begin replacing lead pipes in Flint next week to restore safe, clean drinking water as quickly as possible to the citizens of her city. She called on Gov. Rick Snyder to pressure the Legislature to move immediately to approve funding for the first phase of her $55 million *Fast Start* lead pipe replacement plan.

Mayor Weaver said she is working with water infrastructure experts from the Lansing Board of Water & Light (BWL) to train local Flint workers on lead pipe removal at a vacant property in Flint owned by the Genesee County Land Bank. The training exercise is set to begin next week at a location to be announced. House-by-house lead service line removal and replacement operations targeting high-risk households across the city will commence shortly thereafter, Weaver said.

Mayor Weaver said she is very pleased that her *Fast Start* plan has been endorsed by renowned Virginia Tech water expert Dr. Marc Edwards, who is widely hailed for his role in uncovering the shocking lead levels in Flint's water supply and frequently testifies before Congress on lead contamination in municipal water systems. Dr. Edwards confirmed to MSNBC's The Rachel Maddow Show last week that he supports Mayor Weaver's project moving forward.

"These guys know what they are doing," Edwards told MSNBC. "Society needs to decide if lead pipe replacements are a good investment. Personally, I think so. I support this plan."

"I will not accept anything less than full removal of all lead pipes from our water system," said Mayor Weaver. "I continue to hear from Lansing that the people of Flint should wait to see if pipes can be 'coated.' I call on Governor Snyder to end that discussion, and to commit fully to getting the lead out of Flint."

Weaver added: "Legislative leaders and Governor Snyder say they want to see our city recover. Job one in that recovery is removal of lead service lines. This Legislature can move bills in a matter of hours when it wants to. Now is the time for the state to accept its duty and its responsibility and cover the cost of this important action."

During the training exercise next week, the BWL will demonstrate its innovative technology for removing and replacing lead pipes with new copper pipes in half the time at half the cost of traditional methods. The Lansing public water and electric utility has perfected its technique by removing more than 13,500 lead pipes in Michigan's capital city over the past 12 years.

"Flint is so fortunate to have great neighbors, friends and partners reaching out to us from every corner of Michigan, across the country and all around the world. Our sister city right next door in Lansing is definitely one of our strongest allies," Weaver said. "I'm especially grateful to Lansing Mayor Virg Bernero and the Board of Water & Light for their help. Together, we're going to get the lead out of Flint, starting next week."

Mayor Weaver said she also appreciates Gov. Snyder's change of heart on moving quickly to replace Flint's lead pipes and his recent budget proposal to partially fund the project, but she is not agreeing to allow the governor's engineering firm and contractors do the work. Weaver welcomed the governor's interest in working with the city to coordinate removal of the first 30 lead service lines, but noted that much more needs to be done by Gov. Snyder and others to secure full funding for her plan.

Toward that end, Mayor Weaver said she is working closely with The White House and Flint's representatives in the Michigan Legislature and U.S. Congress to secure full funding for her lead pipe removal project, as well as long-term funding to fully repair the city's devastated water distribution system. She called on state and federal lawmakers to move quickly to approve emergency funding for her project while long-term repairs to Flint's water distribution system are evaluated.

"Lansing and Washington need to understand that the first and most critical priority is an emergency public health intervention to start getting rid of these pipes immediately," Weaver said. "Then we can figure out exactly what it will cost over the long-term to fix our broken water distribution system. If we have to replace major components or even the whole system, it will cost an enormous amount of money. Everyone needs to be prepared for that possibility. Let's start a serious conversation about where that money is going to come from while we get to work removing the pipes."

If funding to ramp up her *Fast Start* project is not secured quickly from the state or federal government, Weaver said she may have to take her case directly to the national and international audience that is closely following the daily indignities still being suffered by the people of Flint, especially the city's children, who have been living on bottled water for months after being forced to drink lead-poisoned water for nearly two years.

"If the state and federal governments won't pay to restore safe drinking water and dignity to the people of my city, I may have to go on national TV and crowdsource the funding on the Internet," Weaver said. "Rachel Maddow might just be willing to help me issue a worldwide challenge to the celebrities and other philanthropic donors who are showing so much love for Flint.

"We're going to get this done -- and done quickly -- by any and every means necessary," Weaver concluded. "The people of my city have simply run out of patience and I have a moral obligation to act."

###

Kristin Moore
Public Relations Director
City of Flint
Office: (810) 237-2039
Mobile: (810) 875-2576

3500 (Rev 04-15)

STATE OF MICHIGAN
DEPARTMENT OF TREASURY

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DATE: February 17, 2016

TO: File

FROM: Nick A. Khouri

SUBJECT: Flint Emergency Loan Waiver

Pursuant to Section 21 of the Emergency Loan Agreement between the State of Michigan and the City of Flint, dated April 29, 2015, I hereby waive the requirement of Section 6(c) in which the city must seek prior approval of the Receivership Transition Advisory Board to terminate the City Administrator.

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

Index of Documents in Respect to
City of Flint Emergency Loan
(General Obligation Limited Tax)
2014-15 Series I
April 29, 2015

Responsibility for:	Document:
City Officials	1. Application
City Officials	2. EM Order Authorizing Loan Application
Emergency Loan Board	3. Emergency Loan Board Order of Approval
Department of Treasury	4. EM Appointment Documentation
City Officials	5. EM Order Ratifying Terms of Loan
Department of Treasury	6. Certification of Statutory Compliance
Department of Treasury	7. Certification of Final Transcript
Department of Treasury	8. Certified Copy of Emergency Municipal Loan Act
Department of Treasury	9. Emergency Loan Agreement
City Officials	10. Certification of City Charter
City Officials	11. Copy of Note
City Officials	12. Certification of Non-Litigation/Signature Identification
City Officials	13. Certification of Receipt of Loan
City Officials	14. Certification of Non-Litigation of City Attorney
City Officials	15. Certification of City Clerk Incumbency
Miller Canfield	16. Legal Opinion of Miller Canfield
Office of Attorney General	17. Letter from Office of Attorney General
City Officials	18. Certification of Final Transcript by City

1. APPLICATION

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

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

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

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

3. Income Tax Revenue Growth Rate			
A. Calendar year preceding application:	2014	Income tax revenue:	$13,038,276
B. Calendar year preceding above year:	2013	Income tax revenue:	$14,674,274
		A/B	0.89
4. Local and State Tax Base Growth Rates			
C. Tax year of most recent municipal State Equalized Value:	2014	Municipal SEV (real and personal):	$773,073,560
D. Tax year five years preceding above year:	2009	Municipal SEV (real and personal):	$1,548,866,055
E. Tax year of most recent statewide State Equalized Value:	2014	Statewide SEV (real and personal):	$360,592,938,004
F. Tax year five years preceding above year:	2009	Statewide SEV (real and personal):	$423,901,291,288
		C/D	0.50
		E/F	0.85
		(C/D)/(E/F)	0.59
5. Decrease in State Equalized Value			
G. Tax year of most recent municipal SEV:	2014	Municipal SEV (real and personal):	$773,073,560
H. Tax year preceding above year:	2013	Municipal SEV (real and personal):	$797,212,769
6. Ad valorem operating tax millage			
I. Maximum levy per charter:	10.0000		
J. Maximum levy authorized as approved by voters:	9.1000		
K. Current levy:	19.1000		

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

If yes, provide explanation:

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

If yes, provide explanation:

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

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

ADDITIONAL REQUIRED INFORMATION

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

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

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

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

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

16. Accounts Payable Aging Report.

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

Chief Administrative Officer Name: Gerald Ambrose

Chief Administrative Officer Signature: Date: 4/17/15

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

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

Impact of Emergency Loan on General Fund Deficit:

1 **Status Quo - No Loan:**

$1 million surplus committed annually by ordinance for deficit elimination/reserve accumulation/OPEB reduction
Assumes revenue-expense gap is not eliminated each year

	Tentative FY16	Tentative FY17	Projected FY18	Projected FY19	Projected FY20
General Fund (101)					
Revenues	$51,239,208	$50,029,123	$50,638,175	$51,180,184	$51,762,300
Expenses	$51,239,208	$50,029,123	$50,638,175	$51,180,184	$51,762,300
Revenues - Expenses Gap	$0	$0	$0	$0	$0
Committed for Deficit Reserve	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000
Projected Fund Balance June 30, 2015*	($7,000,000)				
Projected Fund Balance FY17 - FY20		($6,000,000)	($5,000,000)	($4,000,000)	($3,000,000)
Ending Fund Balance	($6,000,000)	($5,000,000)	($4,000,000)	($3,000,000)	($2,000,000)

* Accumulated GF Deficit per audit, June 30, 2014	($8,961,427)
$1,000,000 revenue surplus budgeted in GF for FY15 for deficit elimination	$1,000,000
$800,000 budgeted in Public Improvement Fund for FY15 to reduce GF deficit per previous EM order	$800,000
Additional projected GF surplus for FY15 which will reduce deficit	$161,427
	($7,000,000)

2 **With $7 million Loan:**

$1 million surplus committed annually by ordinance for deficit elimination/reserve accumulation/OPEB reduction
Revenue - expense gap is eliminated each year

	Projected FY16	Projected FY17	Projected FY18	Projected FY19	Projected FY20
General Fund (101)					
Revenues	$51,239,208	$50,029,123	$50,638,175	$51,180,184	$51,762,300
Expenses	$51,239,208	$50,029,123	$50,638,175	$51,180,184	$51,762,300
Revenues - Expenses Gap	$0	$0	$0	$0	$0
Committed for Deficit Reserve	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000
Projected Fund Balance June 30, 2015*	$0				
Projected Fund Balance FY17 - FY20		$1,000,000	$2,000,000	$3,000,000	$4,000,000
Ending Fund Balance	$1,000,000	$2,000,000	$3,000,000	$4,000,000	$5,000,000
Reserves as % of Revenues	2%	4%	6%	8%	10%

* Accumulated GF Deficit per audit, June 30, 2014	($8,961,427)
$1,000,000 revenue surplus budgeted in GF for FY15 for deficit elimination	$1,000,000
$800,000 budgeted in Public Improvement Fund for FY15 to reduce GF deficit per previous EM order	$800,000
Additional projected GF surplus for FY15 which will reduce deficit	$161,427
	($7,000,000)
Loan	$7,000,000
	$0

Submitted April 17, 2015

Gerald Ambrose
Emergency Manager, City of Flint

CITY OF FLINT, MICHIGAN

Setting a Sustainable Course for the City of Flint

Five Year Financial Projections 2015-2019

Adopted Budgets for FY15 and FY16

Future Projections for FY17, FY18 and FY19

Darnell Earley, ICMA-CM, MPA
Emergency Manager

Prepared by
Department of Finance
Gerald Ambrose, Finance Director
Antonio Brown, Deputy Finance Director

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City of Flint 5-Year Financial Plan

Preface

This adopted budget for the City of Flint covers the FY15 and FY16 fiscal years which begin July 1, 2014 and July 1, 2015 respectively. Financial projections for the following 3 fiscal years are included as well.

This budget has been developed within the context of the City's recently adopted Master Plan, the Vision, Mission, and Goals for the City government as adopted by the City Council, and the Budget Priorities as adopted by the City Council. Accompanying this budget is a preliminary statement of objectives initially proposed to be accomplished during the two years.

Taken together, the budget and strategic plan will serve as a template to move the City government forward to become a well-managed, financially stable, and accountable organization focused on creating a vibrant and growing community which will attract and retain residents, businesses, students, and visitors and improve our quality of life.

However, this budget demonstrates the continuing financial challenges facing the City of Flint. Stagnant revenue growth in property tax and income tax revenues, coupled with significant increases in legacy costs, retiree health care in particular, create a significant gap between revenues and expenses which require increases in other revenues and decreases in City staffing and services including the possibility of adjustments in public safety services.

Unfortunately, the financial forecast for the next several years beyond FY16 show a continuing gap between projected revenues and expenses. Within the next few years, without significant means to identify and collect additional revenues, or to further reduce the cost base, the City of Flint will be extremely challenged to provide even the most basic of City services.

Over the last several weeks, this adopted budget has been reviewed by the City Council, which will also held a public hearing to receive citizen input. The Mayor and Council subsequently provided comments and recommendations pertaining to the budget to the Emergency Manager.

Background

The City of Flint has been in state receivership since December, 2011, as a result of consistent deficits in the General Fund, a decline in pooled cash, unrealistic budgeting, and unfunded liabilities for postemployment benefits. Significant progress has been made in addressing these financial issues, as the $19.1 million deficit at the end of FY12 had been reduced to $12.9 million at the end of FY13, cash position had improved, and the FY14 budget was realistically balanced, with further reduction of the deficit anticipated.

The FY14 budget was designed and implemented with the same goals in mind – operating within the constraints of available revenues; restructuring operations and cost factors to enhance future financial stability, and continuing to reduce the remaining $12.9 million deficit. The FY14 budget was constructed with the specific intent of further reducing the deficit by a minimum of $1 million, by budgeting expenses at $1 million less than projected revenues. As of January 31, 2014, seven months into the FY14 year, revenues and expenses are on target.

In order to regain and maintain financial solvency, it is not only necessary to eliminate the remaining accumulated deficit but to have an adequate amount of reserves to protect the City in the event of unexpected financial losses. Planning to accomplish this requires a continual dedication of revenues over the next several years to eliminate the remaining deficit and establish an adequate reserve level. A draft deficit elimination plan to accomplish this is currently under review by the Michigan Department of Treasury.

Making progress to date has required hard decisions and sacrifices for all. The FY13 and FY14 budgets were balanced through a mixture of significant revenue increases, significant expenditure decreases, and steps taken to reduce legacy costs. Revenue increase included a 25 percent increase in water and sewer rates, passage of a 6 mill property tax increase for police and fire, establishment of a special assessment district for street lighting, and implementation of a fee sufficient to cover the cost of waste collection. Expenditure reductions included elimination of 20 percent of the City's workforce, compensation decreases equivalent to a 20 percent wage reduction for remaining employees, and the restructuring of health and retirement benefits for current employees and retirees necessary to develop a credibly balanced spending plan.

The actions taken to-date to restructure healthcare benefits for current employees and retirees have also had a significant impact on reducing both current costs and long-term liabilities. The 20% reduction in the workforce required significant reorganizational activities focused on reducing current costs. Long term liabilities were reduced by eliminating traditional defined benefit pension programs for new employees in favor of hybrid plans; by moving the City's retirement system into the a state wide retirement system; by restructuring health insurance benefits for current employees and placing retirees into those same plans; and by eliminating the promise of retiree health care for new employees in favor of providing retiree medical savings accounts. Much of the positive financial result in FY13 came from these actions. The restructuring, which was implemented during the course of FY12, reduced the City's OPEB liabilities alone from nearly $900 million to less than $325 million as noted in the FY13 audit.

The efforts of the City to regain financial solvency have been aided by support from numerous Federal, State and private partners. State police troopers have been placed in the City to support local law enforcement efforts, and funds have been allocated to enhance prosecution activities and to operate the City's lock up. The Governor's proposed budget continues this support.

The steps taken to begin to restore the City to financial solvency have not been without conflict and changing circumstances. A significant legal challenge has been made to the decision to move retirees from their historical health insurance plans into the same plans offered current employees. This action resulted in an initial cost reduction in FY13 of $3.5 million to the City and imposed deductibles and co-pays on retirees. This challenge is currently pending in federal court. If the challenge is ultimately upheld, it will pose a significant challenge to the City in its efforts to regain and maintain financial and service solvency. Due to the stay imposed by the federal court, the City must increase its budget for retiree healthcare costs in the FY15 budget by $5 million and may even need to pay more as retirees seek reimbursement for past medical expenses. These healthcare expenses will continue to increase in subsequent years.

Legacy costs in total will continue to be a cost burden to the City of Flint. In FY 14, the City budgeted $30.2 million for its retiree healthcare and pension costs, an amount equal to 17% of its total revenues. The General Fund alone budgeted $16.4 million, an amount equal to 31% of its total revenues. By FY19, it is projected that the City will need to budget over $43 million, an amount equal to 23% of its total revenues. For the General Fund alone, the amount projected to be needed will exceed $21 million, an amount equal to 34% of General Fund revenues.

The future financial solvency of Flint will also be challenged by a continuing structural deficit. As part of the planning for future financial solvency, five year projections and a strategic plan were developed. This exercise indicated a significant financial challenge forthcoming in FY15, due to the current status of the retiree health care lawsuit and the ending of a major grant supporting firefighting resources. Future year projections also show a continuing gap between revenues and projections.

Finally, the most important challenge to be addressed in the City of Flint will be instituting structural changes in the organization of the City to foster financial solvency as a core value and to assure that future governance and management of the City is conducted in a financially responsible manner. To this end, the current Emergency Manager has created a Blue Ribbon Committee on Governance, charged with developing recommended changes to current ordinances, procedures, and the Charter. The recommendations of the Task Force are anticipated within six months.

Overview

The City of Flint has spent considerable time planning for the community's future through the comprehensive master plan and creating an organizational framework focused on the City's new vision, mission, and goals. The 2-Year budget has been developed in a balanced manner to best meet the needs of a variety of service areas and challenges.

However, challenges to changes in retiree healthcare and the loss of grant funds have required that a new service baseline be established; this also poses significant and immediate challenges to the City's financial viability. Current court rulings in regards to the retiree health care lawsuit have increased retiree health care expenses nearly $5 million in FY15, and the loss of the SAFER grant ($ 3.4 million) eliminates funding for 39 of the City's 65 firefighters.

The harsh winter increased the need to remove hundreds (if not thousands) of damaged and fallen trees throughout the city, and to repair damaged roads and sidewalks. The winter also placed additional stress on the antiquated city facilities as they faced water leaks and damage to walkways and sidewalks. Implementing the master plan, and continuing to eliminate blight will also require dedicated resources going forward.

The recently completed study of the water and sewer system finances also demonstrated a shortfall in revenues needed to operate this critical service and provide for necessary maintenance. As much as the high rates for providing water and sewer services pose significant financial challenges and community implications, the alternative of not addressing basic maintenance and adjustments based on guidance in the master plan is equally challenging.

These factors have a significant effect on the adopted staffing levels. Reductions in city staffing over the past two years have come almost exclusively from City services other than police, fire, and 911. As a result, those remaining city services are thinly staffed, and despite valiant efforts of dedicated employees, service levels have been reduced. In some cases, the reductions have been severe and counter-productive. For example, reductions in customer service at Treasury and staffing at Utilities has reduced capacity to effectively pursue collection of delinquent bills. Reductions in Information Technology have slowed the implementation of technology which can improve effective processing. Reductions in Human Resources have slowed the process of hiring employees. Reductions in Building Safety have slowed the process of conducting inspections and issuing permits, and have eliminated much in the way of code compliance efforts.

Therefore, balancing the budget in a financially sustainable way requires addressing the impact of these issues. It also requires that they are addressed within the context of the Mayor's and Council's stated budget priorities. The Council's stated priorities are:

- Maintaining police and fire staffing levels at the maximum level feasible
- Reducing the General Fund deficit by at least $1 million
- Continuing efforts to reduce blight, including demolition
- Hiring an experienced City Administrator
- Assure that capacity exists to implement the Master Plan
- Add capacity in the areas of Economic Development

- Fund years 1 & 2 of capital improvements identified in the Master Plan
- Improve street maintenance
- Establish parks partnerships
- Improve customer service through training and technology
- Increase removal of dead and diseased trees
- Evaluate ways to reduce water and sewer rates for constituents in the budget process

Balancing the budget responsibly in the context of these immediate and significant financial challenges, while addressing stated priorities, is a significantly difficult task. The unplanned addition of $5 million in expenses for increased retiree health care is a "Game-Changer" and seriously undermines the ability of the City government to move forward in becoming a positive force helping to create a vibrant and growing community which will attract and retain residents, businesses, students, and visitors and improve quality of life.

As the development of the FY15 budget began, there was a significant gap between projected General Fund revenues and General Fund expenses alone. While some revenue sources indicated a slight increase over the current year, projected expenses were significantly above the current year. The expense increases are due primarily to a nearly $5 million increase in costs for retiree health care and an increase in the per person cost of pension contribution. In addition, there was recognition of the need to assure capacity to implement the Master Plan to continue addressing blight, to address increased costs of health care for current employees, and to address critically needed facility maintenance.

The budget presented here is balanced in a financially responsible manner, in that revenues and expenses meet. However, the consequence is that, where possible, revenues have been increased, and where necessary, expenses have been decreased. Whether the result is an acceptable result, in the context of the needs and the future of the City, is uncertain.

It is clear that proposed changes in service levels reflected in this budget are significant, and that at the same time the financial plan is being finalized within the confines of available revenues, considerable efforts will continue to mitigate the impacts. Continued efforts to achieve a satisfactory resolution of the retiree healthcare lawsuit, as well as to continue searching for additional sustainable funding, or to engage in mutually beneficial partnerships will continue. The changes necessary to achieve necessary balancing of revenues and expenses will be done in a managed way, not in a crisis response.

The financial projection for the years following FY15 and FY16 show the continuing challenge of a structural deficit. Without a means to identify a new significant revenue source or to sustain and even make further reductions in the City's cost base, such as retiree health care, Flint will be extremely challenged to provide even the most basic of City services in future years.

Highlights of the Adopted Budget

Costs to taxpayers are increased....

- Property tax levies remain unchanged
- Street lighting assessment increased to $71 in FY15 and $74 in FY16
- Solid Waste fee increased to $163 in FY15 and $169 in FY16
- Water and Sewer rates increased by a total of 6.5% in FY15 and 6% in FY16

Costs to City employees are increased....

- 20% premium share for health insurance implemented
- Premium contribution for non-Medicare eligible employees retiring after July 1, 2014 established
- 50% premium share for dental and vision insurance implemented
- Vacation and sick leave replaced with PTO, new accumulation caps established
- All new employees enrolled in hybrid pension plan
- All new employees enrolled in RMSA in lieu of promise of retiree health care

Legacy costs are increased significantly...

- General Fund costs for retiree health care are increased 25%, from $8 million to $10 million in FY15, increasing on an annual basis thereafter
- General Fund costs for retiree health care and pension in total are projected to increase from $16.4 million (31% of total revenues) in FY14 to $21.5 million (34% of total revenues) by FY19
- For all funds, total costs for retiree healthcare and pension are projected to increase from $30.4 million (or 17% of total revenues)in FY14 to $43.5 million (23% of total revenues) by FY19

City staffing is budgeted at 522 in FY15 and 523 in FY16.....

- Staffing is maintained in District Court, 911, Finance, Assessing, Transportation, IT, and Fleet
- Police Department – Total department staffing will be 115, with 7 vacant positions and 29 additional positions eliminated through attrition by end of FY15. Additionally, a recently offered COPS Hiring grant for six School Resource Officers will not be accepted. The next several months will be focused on mitigating the impact of this through reorganization with the assistance of consultants specialized in police and fire service; seeking additional funds; and obtaining assistance from law enforcement partners in order to achieve the best possible level of police response.
- Fire Department – Total department will be 75, with 19 positions eliminated as the SAFER grant expires. There are several vacant positions to be eliminated as part of this, with a goal of needed reduction no later than December, 2014. The next several months will be focused on mitigating the impact of this through reorganization and restructuring obtained with the assistance of consultants specialized in fire and police service.

- Planning and Development Department - Staffing is at 25, with adding 1 position. The department is being reorganized to assure capacity to implement the newly adopted Master Plan and continue efforts of blight management. Continued assistance in the form of grants and partnerships will be utilized, and general fund support for those activities is increased.

- Public Works Department - 6 positions are added to the Utilities division as the Water Treatment Plant begins operation as the primary source for Flint water; 1 position is added to Facilities to address critically needed maintenance issues.

- Finance and Administration Department - 3 positions are added to the Treasurer's Office to increase delinquent collections, with the added cost to be offset by additional revenues.

- Governance – As efforts to resolve the financial emergency progress, the position of City Administrator will be filled. Additionally, the salaries of Mayor and Council are partially restored as their role in governance increases.

Council budget priorities are addressed as follows:

- Maintaining police and fire staffing levels at the maximum level feasible – Due to revenue shortfall, increased retiree health care, and lack of other options, staffing is reduced. The Police and Fire millage funds will be used to fund 20 fire fighters and 26 police officers through FY15 and FY16. However, the accumulated millage funds will be fully used by the end of FY16.

- Reducing the General Fund deficit by at least $1 million – General Fund expenses are budgeted at $1 million less than revenues, and $800,000 in Capital Improvement Funds will be appropriated to the Utilities, thus reducing the General Funds debt to the Utility Fund by an additional $800,000. The plan is to continue this commitment for the next several years until the deficit is eliminated, and then the commitment will become one of building a financial reserve equal to 15% of General Fund revenues.

- Continuing efforts to reduce blight, including demolition – CDBG funds continue to be used for demolition and General Fund is assuming partial cost of the Blight Coordinator position

- Hiring an experienced City Administrator – Funds are included in budget.

- Assure that capacity exists to implement the Master Plan – General Fund is assuming partial cost of the Planning and Development Director, and Associate Planner, and a position of GIS technician is created, whose funding is shared among various city funds. Lead partners will be identified in each work area. Also, the Mayor has committed to overseeing the process of assuring that Master Plan implementation is an ongoing important part of city operations.

- Add capacity in the areas of Economic Development-The P&D Director is committed to defining a program for small business development, to be funded in FY16 through CDBG funds. Additionally, 20% of staff time of two DCED staffers and a portion of the Director's time will be devoted to economic development. Also, the Mayor has committed to leading the City's economic development efforts with partners and the assistance of this City staff.

- Fund years 1 & 2 of capital improvements identified in the Master Plan – the CIP portion of the Master Plan will be finalized in FY15, and the results will be considered for inclusion in the FY16 budget.

- Improve street maintenance – Due to minimal increases in state funding for streets, maintenance efforts will continue at the current levels. State financial support has been sought and obtained for some major street projects, in particular those related to economic development projects.
- Establish parks partnerships – The Planning and Development Department now has oversight of Parks, and as one of its strategic objectives, has committed to increase the number of parks partnerships in FY15 and FY16. Funding even the most basic of parks maintenance activities is increasingly challenging within the constraints of the parks millage funds. The goal is to eliminate General Fund support of these activities by the end of FY16.
- Improve customer service through training and technology– Human Resources, as it did in FY14, is committed to continuing ongoing training for supervisors and will be extending these efforts to all employees. IT likewise is committed to providing ongoing training for employees. Finally, most departments are including funds for ongoing training for employees. For example, the Treasury's customer service division is committed to specific customer service training for its front line employees.
- Increase removal of dead and diseased trees – Oversight of removal of trees within street right of ways is now the responsibility of the Transportation Division of Public Works, removal of trees within Parks is now the responsibility of Planning and Development; and removal of trees on other city properties is the responsibility of the Facilities Division of Public Works. Unfortunately, there is only a limited amount of funds available for these purposes, and the general effort will be focused on emergency responses. However, the Transportation Division is committed to attempting to secure assistance from other entities to increase capacity to address this problem.
- Evaluate ways to reduce water and sewer rates for constituents in the budget process-The results of the recent rate study confirm that it unlikely that water and sewer rates can be decreased at any time in the foreseeable future, and in fact, rates need to be increased. However, the actions taken to date to join KWA and to temporarily use the Flint River show that future rate increases will be less than had the City stayed with its prior provider.

Absent new sources of funding or reduced expenses in areas such as retiree healthcare, the commitments to progress and the staffing and service levels here are anticipated to continue for both FY15 and FY16. It is anticipated that the slight additional revenues in the General Fund for FY 16 will not be sufficient to cover increased costs, and it will be necessary to utilize additional funding from the police and fire millage to cover the costs of some police or fire positions in the General Fund in FY15. Depending on the rate of attrition in the Police Department, there should be sufficient remaining funds in the Police and Fire millage to avoid additional reductions in police or fire positions in FY16.

CITY OF FLINT

OFFICE OF THE EMERGENCY MANAGER

Darnell Earley, ICMA-CM, MPA
Emergency Manager

June 3, 2014

Mr. Scott Kincaid, President
Members of the Flint City Council
1101 S. Saginaw St.
Flint, MI 48502

Dear Mr. Kincaid and Members of the Flint City Council:

Transmitted herewith are the final numbers for the biennial budget beginning FY14-15 and ending FY 15-16.

This budget is reflective of some of the recommended revisions offered following the Council's departmental budget hearings. All recommendations put forth by City Council were reviewed and thoroughly vetted at Treasury. The attached budget document was revised upwards by $90,000 and includes the details of the incorporated revisions.

The budget was revised to include your recommendations, along with those of the Mayor, which I felt could be implemented without adversely impacting the organizational structure, management, and the anticipated transition of the City of Flint to a Receivership Transition Advisory Board during the course of this spending plan.

Following the public hearing and consideration of the comments received, it is my intent to execute the order adopting the budget at the next Council meeting scheduled for June 23, 2014. At that time, Council will be able to officially receive the two-year budget consistent with PA 436 and the 7 Point Transition Management Plan.

You should also be aware that effective July 1, 2014, the day-to-day operations of the departments of Planning and Development, and Public Works will be shifted to Mayor Dayne Walling. The Mayor is currently putting together a plan for the allocation of resources within those departments. Similarly, Police Chief Tolbert and Fire Chief Cox are also putting together their work plans to utilize the final resource allocations for public safety.

City of Flint • 1101 S. Saginaw Street • Flint, Michigan 48502
www.cityofflint.com • (810) 766-7346 • Fax: (810) 766-7218

The assistance and cooperation from you and the Council given to me, the Mayor, and the Administration in this process is greatly appreciated. I think we can agree that this is a responsible and realistic snapshot of the City's financial stability over the next two years, given its myriad financial challenges.

Sincerely,

Darnell Earley

Darnell Earley, ICMA-CM, MPA
Emergency Manager

CC: Dayne Walling, Mayor
Inez Brown, City Clerk
Administration

Proposed Changes to the City of Flint Proposed FY15 & FY16 Budget

On April 30, 2014, Emergency Manager Darnell Earley transmitted a proposed bi-annual budget to the Mayor and City Council, with a request that the Mayor and Council review and comment on the proposed budget. Accordingly, the City Council, acting as Committee of the Whole chaired by Finance Chair Josh Freeman, met five times to review the budget. At the conclusion, a set of recommendations was adopted and given to the Emergency Manager.

This document summarizes the key recommendations of the Council and Mayor and outlines changes made to the proposed budget as a result.

Summary of Council and Mayor Recommended Changes to FY15 & FY16 Proposed Budget

1. The recommendation of the Council identifies $1,824,510 in additional funds to be used by the Police Department:

- Specifically, $1 million of the $2.5 million in state appropriated revenues for the Lock-Up is proposed to be moved to the Police Budget.
- In addition, $1 million is identified by increasing the allocation in the CIP Fund for the purpose of reducing the deficit, thus freeing up the $1 million in the General Fund which has been identified for deficit reduction. Of that $1 million, $763,000) ($628,000 + $135,000) would be moved to the Police budget. Additionally, $61,510 is identified to be moved from the Finance Budget to the Police Budget.

2. The remaining funds from the proposed re-appropriation of the freed-up General Fund revenues ($237,000) would be used for the following:

- $50,000 - District Court
- $72,000 - City Clerk
- $50,000 - City Council Staff
- $45,000 – Additional Pay Raises for Council
- $10,000 – Brennen Center
- $10,000 – Hasselbring

3. Finally, there is a recommendation to eliminate funding for the Human Relations Commission ($22,547) and split those funds equally between Brennen Center and Hasselbring:

- Brennen - $11,274
- Hasselbring - $11,274

4. The Mayor has also made recommendations in other areas, including:

- Adding capacity to Economic Development by replacing the 20% of 2 DCED staff currently subsidized by the GF with CDBG funds and directing that staff to perform 100%

CDGB activities. The freed-up funds ($51,458) would then be used to contract for economic development services.

- Reduce DCED program staff by 1 FTE and utilize CDBG administrative funds for 50% of administrative staff support in Planning and Development
- Add 1 new FTE in Planning and Development dedicated to the new Business Licensing function
- Add to the Strategic Plan a key objective under Governance and Administration: "Respond to a minimum of 500 constituent services per month, including those formerly addressed by the Human Relations Commission staff."

Changes to the Proposed FY15 & FY16 Recommended Budget in response to Council and Mayor recommended changes

The changes proposed by the Mayor and Council have been reviewed, and changes made as considered appropriate within the context of maintaining a viable financial plan for the next two years. The proposed budget, as submitted to the Mayor and Council on April 30, 2014, will be revised as follows in response:

1. The Proposed Budget anticipates a reduction in public safety staffing of 36 officers and 19 firefighters. However, it also does not anticipate these reductions (other than vacancies occurring through attrition) until the comprehensive study of the police and fire departments is concluded. That study is to be completed prior to the end of 2014. At that time, depending on the study recommendations, a decision will be made as to the need for additional resources, and to the extent that funds in the General Fund which are currently targeted for deficit reduction can be used. Although the State will not agree to utilize funds appropriated for the operation of the Lock-Up to fund Flint police officers and firefighters, the Mayor and Emergency Manager will continue their efforts to obtain other state funding to support police and fire operations in Flint during this critical time.
2. The concern of the City Clerk, and supported by both the Council and the Mayor, of her inability to properly conduct the upcoming elections with the proposed staffing reduction, is acknowledged. Accordingly, the proposed budget is revised to continue FY14 budget level of staffing within the Clerk's Office. The business license position, originally moved to the Planning and Zoning Department in the FY15 and FY16 Proposed Budget, has been restored back to City Clerk's department. The new Business Licensing process is scheduled to be implemented by January 1, 2015; at which time, the responsibility for the process will be assumed by the Department of Planning and Development. Since the Clerk's Office staff will remain the same while reducing the responsibilities of the Clerks' Office, there should be adequate staff to conduct the elections and to provide additional support to the Council Office. Until such time as the

Business Licensing process is assumed by the Department of Planning and Development, the Clerk is authorized to increase the hours of the current part-time employee in the Council Office. $15,000 in temporary wages is added to the Council's budget for FY15.

3. The concern of the Council and the Mayor that financial support be continued to assist in the transition of the senior citizen programming at the Brennen Center and Hasselbring is acknowledged. The end goal is for there to be successful senior citizen programming at these locations, supported in their entirety by the County's senior citizen millage, which has been approved by voters within the City of Flint as well as the rest of Genesee County. Instead of adding additional funding to the FY15 and FY16 budgets, however, an amendment to the FY14 budget is being prepared to make a one-time appropriation to each center in the amount of $20,000, for a total expenditure of $40,000. The purpose of this appropriation is to support this transition.
4. The concern of the Council to add additional resources to the District Court is noted. However, during the presentation by the Court at its budget hearing, it became apparent that the proposed strategy of the Court to utilize part time employees may not be consistent with the requirement that temporary employees working in excess of 29 hours per week must be provided access to health care to the extent that full time employees are. Thus, additional funds in the amount of $40,000 is added to the Court's budget to address this potential problem.
5. The recommendation of the Mayor to add additional capacity to economic development as stated in #4 above is acknowledged. Additional resources for economic development was also a stated priority of the Council. The change recommended by the Mayor provides $50,000 in financial capacity, is revenue neutral, and is incorporated into the budget.
6. The recommendation of the Mayor with respect to reducing DCED staff by 1 FTE and redistributing the funds as noted above are also incorporated into the budget.
7. The recommendation of the Mayor to add one new FTE in Planning and Development dedicated to the new Business Licensing function is also acknowledged as being valuable in helping to assure that the new process is implemented aggressively and successfully. Accordingly, $64,000 for wages and fringes is added to the budget of Planning and Development for that purpose.
8. Finally, the recommendation of the Mayor to add an additional objective to the Governance and Administration section of the Strategic Plan is acknowledged and will be incorporated. Accordingly, while the Human Relations Commission may continue as a volunteer board, the proposed allocation is eliminated. As it has become apparent that the Human Resources Director is fully engaged with managing the Human Resources function, the portion of the Director's salary allocated to the HRC budget will be transferred to the Human Resources Budget.

Implementing the changes noted above require identifying $119,000 in FY15 General Fund appropriations and $104,000 in FY16 appropriations. The revenue and expense projections in the budget have been reviewed, and the necessary funds have been identified from the following sources:

FY15:

- $39,000 - reduction in audit costs
- $ 2,600 – net reduction in HRC budget
- $38,400 - additional projected revenue - income tax revenue
- $39,000 – additional projected revenue – delinquent income tax collections

FY16:

- $31,000 - reduction in audit costs
- $ 2,678 – net reduction in HRC budget
- $32,000 - additional projected revenue - income tax revenue
- $38,322 - additional projected revenue - delinquent income tax collections

Appreciation is extended to the Mayor, Council, and staff for the time and effort spent reviewing the proposed budget. The citizens of Flint will be better served by the changes made.

Proposed Budget FY15 and FY16 Technical Adjustments

1. Included the pension expense in the Office of the Clerk - $29,519

2. Removed wages and fringes for GIS Technician from Assessing Department because it was already budgeted in the Planning and Zoning Department - $60,518

3. Corrected the inclusion of all salaries, wages, and fringes in the Planning and Zoning department for all the approved positions - $123,596

4. Corrected Fund 202 FY15 and FY16 fund balance use. The indirect cost allocation was double reported in FY15. This was a $536,000 reduction in cost in FY15. In FY16, wages in administration was entered in error causing salaries to be overstated by $812,000. This correction was made.

FLINT STRATEGIC PLAN

2015 -2019

Setting a Sustainable Course for the City of Flint

<u>The Vision for the City Government of Flint:</u>

A well managed, financially stable, and accountable government focused on creating and maintaining a vibrant and growing community which will attract and retain residents, businesses, students, and visitors and improve our quality of life.

<u>The Mission of the City Government:</u>

To assure that residents, businesses, students and visitors in the City of Flint receive municipal services in a customer friendly and financially responsible manner

<u>The Goals:</u>

In order to realize our Mission, residents, businesses, students and visitors can expect that:

The City will provide a highly trained and professional staff of elected leaders, appointed officials and employees

The City will provide for a safe, secure, and healthy environment in which to live, work, learn and play

The City will provide access to dependable and affordable water, sewer, and waste collection

The City will provide access to an adequate and well maintained transportation network serving motorized, non-motorized, and pedestrian needs

The City will foster cooperation between business, non-profit, and foundation partners and residents to create a climate that supports community and economic development

The City government will also:

Seek partnerships with Local, State and Federal governmental partners and other private entities in order to maximize efficiencies and resources in meeting its Mission

Provide municipal services consistent with the City's Master Plan and also work with residents, businesses, and others to foster development of the City and its infrastructure in a manner consistent with its Master Plan

Encourage partnerships for recreation and access to open space across the City

Enforce building and occupancy codes and to aggressively work with others to address blighted conditions

Assure that City ordinances and regulatory activities are consistent with the Master plan and supportive of economic development

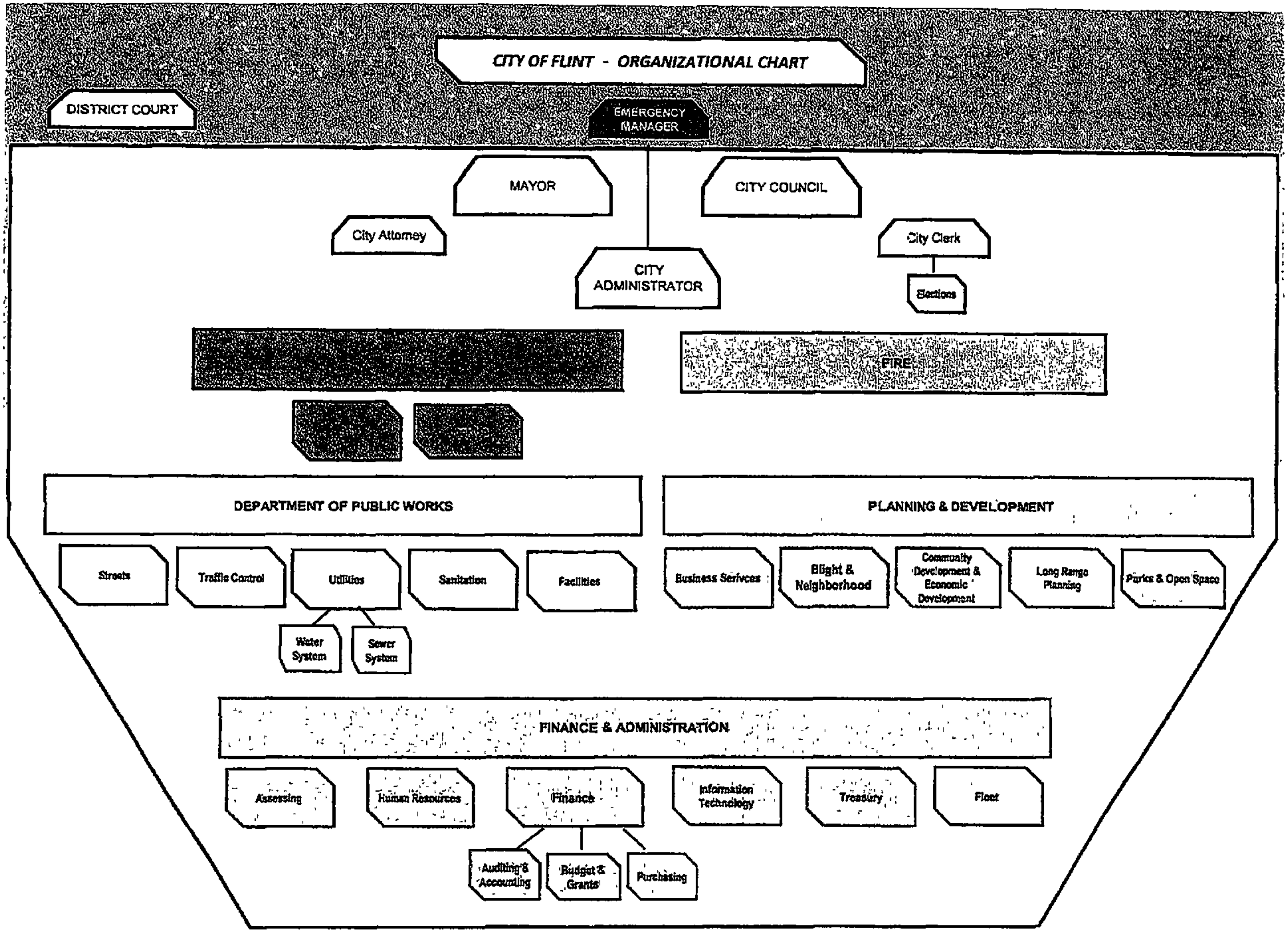
Operate in an open and financially sustainable manner, including improving citizen access, focusing on measurable results, improving the City's financial position, and eliminating accumulated deficits

Mayor and Council Priorities for Developing the Two-year (FY15 & FY16) Budget

The Mayor and Council request that the two-year budget to be developed will include a set of objective which, when achieved, will result in significant progress being made towards achieving their stated Vision, Mission, and Goals.

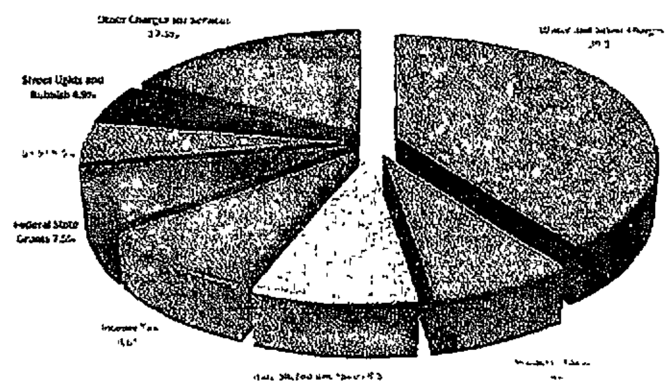
Additionally, the Mayor and Council request that the two-year budget to be developed address the following specific priorities:

1. Maintain police and fire staffing levels at the maximum level feasible
2. Reduce the General Fund deficit by at least $1 million
3. Continue efforts to reduce blight, including demolition
4. Hire an experienced and professional City Administrator
5. Assure that capacity exists to implement the Master Plan
6. Add capacity in the area of Economic Development
7. Fund years 1 & 2 of capital improvements identified in the Master Plan
8. Improve street maintenance
9. Establish parks partnerships
10. Improve customer service through training and technology
11. Increase removal of dead and diseased trees
12. Evaluate ways to reduce water and sewer rates for constituents in the budget process

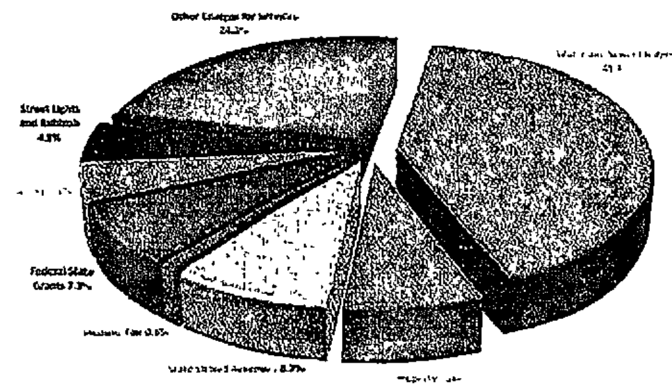

CITY OF FLINT - ORGANIZATIONAL CHART
DISTRICT COURT
EMERGENCY MANAGER
MAYOR
CITY COUNCIL
City Attorney
CITY ADMINISTRATOR
City Clerk
Elections
FIRE
DEPARTMENT OF PUBLIC WORKS
Streets
Traffic Control
Utilities
Water System
Sewer System
Sanitation
Facilities
PLANNING & DEVELOPMENT
Business Services
Blight & Neighborhood
Community Development & Economic Development
Long Range Planning
Parks & Open Space
FINANCE & ADMINISTRATION
Assessing
Human Resources
Finance
Auditing & Accounting
Budget & Grants
Purchasing
Information Technology
Treasury
Fleet

REVENUE - ALL FUNDS

FY15 $165,609,588

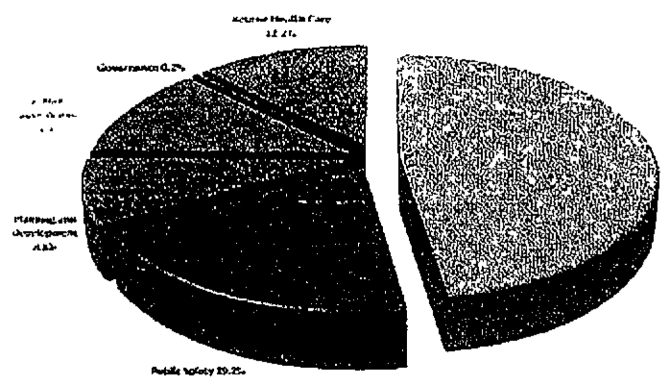


FY16 $169,482,080

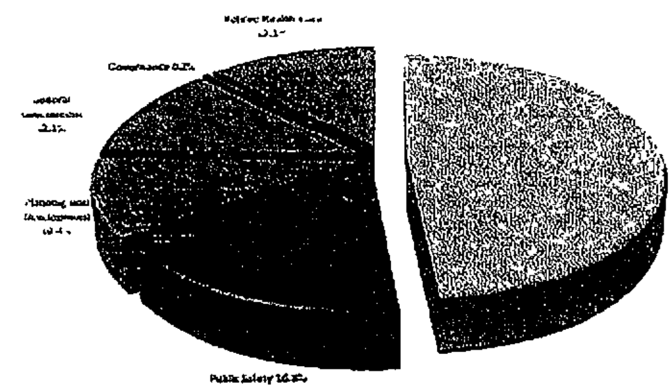


EXPENSES - ALL FUNDS

FY15 $162,186,042



FY16 $166,592,999



CITY OF FLINT - FIVE YEAR OUTLOOK
All Funds Summary

Fund	Line	No.	Current FY14	Adopted FY15	Adopted FY16	Projected FY17	Projected FY18	Projected FY19
General Fund		101						
	Revenues*		$53,558,121	$55,097,880	$56,308,236	$56,815,010	$56,985,455	$57,498,324
	Expenses		$53,558,121	$55,097,880	$56,308,236	$58,616,874	$61,020,165	$63,644,033
	Cumulative Gap		$0	$0	$0	($1,801,864)	($5,836,574)	($11,982,282)
	Annual Gap		$0	$0	$0	($1,801,864)	($4,034,710)	($6,145,708)
Major Streets		202						
	Revenues		$6,335,406	$7,022,888	$7,306,688	$7,511,255	$7,721,570	$7,945,495
	Expenses		$6,331,406	$7,022,888	$7,306,688	$7,577,015	$7,842,210	$8,124,530
	Cumulative Gap		$4,000	$0	$0	($65,760)	($186,400)	($365,435)
	Annual Gap		$0	$0	$0	($65,760)	($120,640)	($179,034)
Local Streets		203						
	Revenues		$2,601,090	$2,694,458	$2,783,112	$2,841,557	$2,904,072	$2,967,961
	Expenses		$2,601,090	$2,694,458	$2,783,112	$2,880,521	$2,972,698	$3,067,824
	Cumulative Gap		$0	$0	$0	($38,964)	($107,590)	($207,452)
	Annual Gap		$0	$0	$0	($38,964)	($68,626)	($99,863)
Police and Fire Millage		205						
	Revenues		$1,845,827	$9,258,560	$7,249,000	$4,464,540	$4,602,941	$4,671,985
	Expenses		$1,845,827	$9,258,560	$7,249,000	$7,538,960	$7,848,057	$8,169,828
	Cumulative Gap		$0	$0	$0	($3,074,420)	($6,319,537)	($9,817,379)
	Annual Gap		$0	$0	$0	($3,074,420)	($3,245,117)	($3,497,843)
Neighborhood Police Millage		207						
	Revenues		$1,550,180	$1,405,180	$1,418,300	$1,446,668	$1,491,513	$1,513,886
	Expenses		$1,550,180	$1,378,104	$1,408,660	$1,465,008	$1,525,072	$1,587,600
	Cumulative Gap		$0	$27,076	$9,640	($18,340)	($51,899)	($125,614)
	Annual Gap		$0	$0	$0	($18,340)	($33,559)	($73,714)
Parks Millage		208						
	Revenues		$373,064	$440,140	$344,370	$351,257	$362,148	$367,578
	Expenses		$373,064	$440,140	$344,343	$358,117	$372,800	$388,084
	Cumulative Gap		$0	$0	$27	($6,859)	($17,512)	($38,018)
	Annual Gap		$0	$0	$0	($6,859)	($10,653)	($20,506)
Lighting Special Assessment		219						
	Revenues		$2,982,960	$2,694,870	$2,698,300	$2,561,485	$2,433,411	$2,311,740
	Expenses		$2,982,960	$2,694,870	$2,698,300	$2,696,300	$2,696,300	$2,696,300
	Cumulative Gap		$0	$0	$0	($134,815)	($397,704)	($782,264)
	Annual Gap		$0	$0	$0	($134,815)	($262,889)	($384,560)

*Includes $1 million for deficit elimination

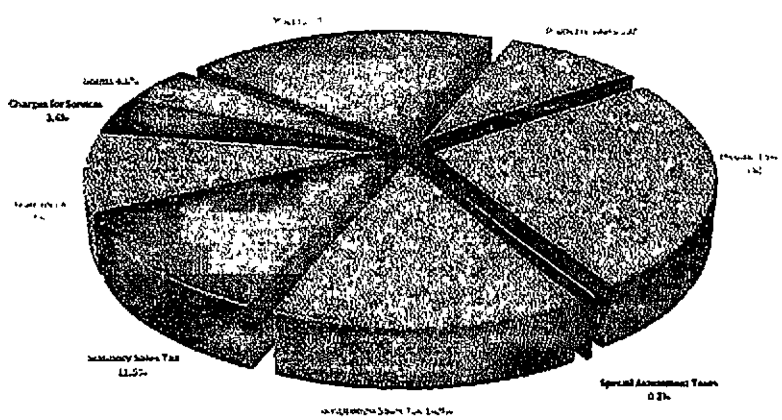
Fund		No.	Current FY14	Adopted FY15	Adopted FY16	Projected FY17	Projected FY18	Projected FY19
Waste Collection		226						
	Revenues		$5,132,490	$5,398,293	$5,450,723	$5,178,187	$4,919,278	$4,673,314
	Expenses		$5,132,490	$5,398,293	$5,450,723	$5,559,737	$5,670,932	$5,784,351
	Cumulative Gap		$0	$0	$0	($381,551)	($1,133,206)	($2,244,243)
	Annual Gap		$0	$0	$0	($381,551)	($751,655)	($1,111,037)
Drug Forfeiture		265						
	Revenues		$435,042	$439,063	$439,063	$452,235	$465,802	$479,776
	Expenses		$435,042	$425,063	$433,399	$446,401	$459,793	$473,587
	Cumulative Gap		$0	$14,000	$5,664	$5,834	$11,643	$18,032
	Annual Gap		$0	$0	$0	$5,834	$6,009	$6,189
HUD Grant 2014		274						
	Revenues		$11,767,729	$5,035,900	$5,035,900	$5,186,977	$5,342,586	$5,502,864
	Expenses		$11,767,729	$5,035,900	$5,035,900	$5,186,977	$5,342,586	$5,502,864
	Cumulative Gap		$0	$0	$0	$0	$0	$0
	Annual Gap		$0	$0	$0	$0	$0	$0
Other Grants		298						
	Revenues		$7,483,689	$4,864,976	$4,864,976	$5,010,925	$5,161,253	$5,316,091
	Expenses		$7,477,931	$4,864,976	$4,864,976	$5,010,925	$5,161,253	$5,316,091
	Cumulative Gap		$5,758	$0	$0	$0	$0	$0
	Annual Gap		$0	$0	$0	$0	$0	$0
Federal Stimulus Grant		297						
	Revenues		$4,524,108	$0	$0	$0	$0	$0
	Expenses		$4,524,108	$0	$0	$0	$0	$0
	Cumulative Gap		$0	$0	$0	$0	$0	$0
	Annual Gap		$0	$0	$0	$0	$0	$0
Public Improvement Fund		402						
	Revenues		$2,150,000	$2,850,957	$2,867,987	$2,925,347	$3,016,032	$3,081,273
	Expenses*		$2,150,000	$2,850,957	$2,867,987	$2,982,706	$3,102,015	$3,228,095
	Cumulative Gap		$0	$0	$0	($57,360)	($143,342)	($308,164)
	Annual Gap		$0	$0	$0	($57,360)	($85,983)	($164,822)
Building Safety Fund		542						
	Revenues		$2,548,456	$2,395,528	$2,484,700	$2,484,700	$2,484,700	$2,484,700
	Expenses		$2,548,456	$2,395,528	$2,484,700	$2,584,088	$2,687,452	$2,794,950
	Cumulative Gap		$0	$0	$0	($99,388)	($302,140)	($612,390)
	Annual Gap		$0	$0	$0	($99,388)	($202,752)	($310,250)
TOTAL General City								
	Revenues		$103,288,162	$99,596,694	$99,249,335	$97,230,141	$97,890,758	$98,794,987
	Expenses		$103,278,404	$99,555,618	$99,234,004	$102,903,628	$106,701,333	$110,776,135
	Cumulative Gap		$9,758	$41,076	$16,331	($5,673,486)	($14,484,061)	($25,465,209)
	Annual Gap		$0	$0	$0	($5,673,486)	($8,810,575)	($11,981,148)

* Includes $600,000 for deficit elimination

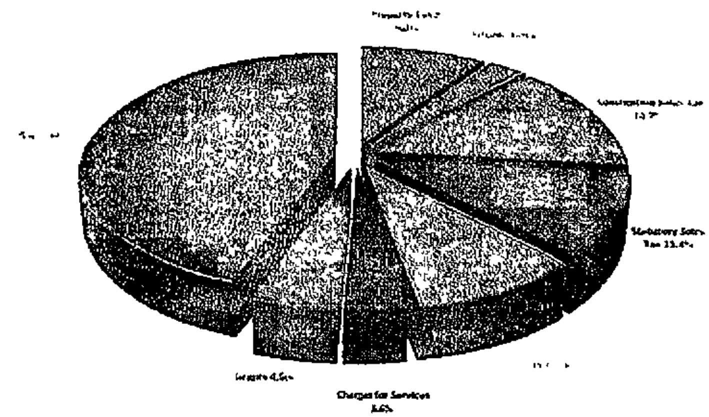
			Current FY14	Adopted FY15	Adopted FY16	Projected FY17	Projected FY18	Projected FY19
Sewer Fund		590						
	Revenues		$31,829,269	$28,126,894	$32,346,745	$32,346,745	$32,346,745	$32,346,745
	Expenses		$31,829,269	$28,126,894	$32,346,745	$34,609,099	$36,149,143	$37,216,957
	Cumulative Gap		$0	$0	$0	($2,262,354)	($6,064,752)	($10,934,964)
	Annual Gap		$0	$0	$0	($2,262,354)	($3,802,398)	($4,870,212)
Water Fund		591						
	Revenues		$47,896,872	$37,886,000	$37,886,000	$37,500,000	$37,500,000	$37,500,000
	Expenses		$47,896,872	$34,503,530	$35,012,250	$38,841,189	$40,741,806	$41,943,725
	Cumulative Gap		$0	$3,382,470	$2,873,750	($1,341,189)	($4,583,095)	($9,026,820)
	Annual Gap		$0	$0	$0	($1,341,189)	($3,241,906)	($4,443,725)
Water and Sewer		**590 & 591**						
	Revenues		**$79,826,141**	**$66,012,894**	**$70,232,745**	**$69,846,745**	**$69,846,745**	**$69,846,745**
	Expenses		**$79,826,141**	**$62,630,424**	**$67,358,995**	**$73,450,288**	**$76,891,049**	**$79,160,682**
	Cumulative Gap		**$0**	**$3,382,470**	**$2,873,750**	**($3,603,543)**	**($10,647,847)**	**($19,961,784)**
	Annual Gap		**$0**	**$0**	**$0**	**($3,603,543)**	**($7,044,304)**	**($9,313,937)**
TOTAL CITY								
	Revenues		**$183,114,303**	**$165,609,588**	**$169,482,080**	**$167,076,886**	**$167,737,503**	**$168,641,732**
	Expenses		**$183,104,545**	**$162,186,042**	**$166,592,999**	**$176,353,916**	**$183,592,382**	**$189,936,817**
	Cumulative Gap		**$9,758**	**$3,423,546**	**$2,889,081**	**($9,277,029)**	**($25,131,908)**	**($46,426,993)**
	Annual Gap		**$0**	**$0**	**$0**	**($9,277,029)**	**($15,854,879)**	**($21,295,085)**

REVENUE - GENERAL FUND

FY15 $55,097,880

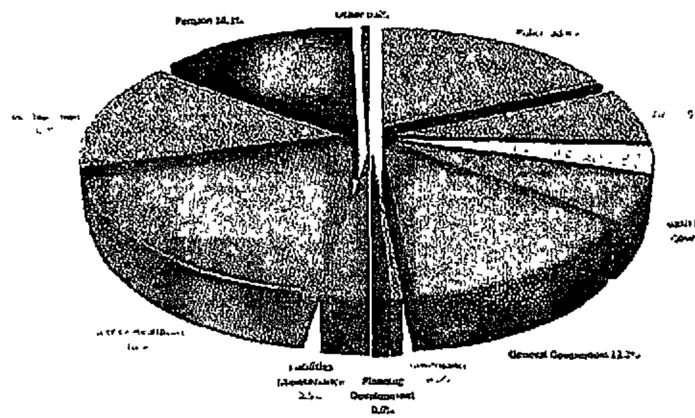


FY16 $56,308,239

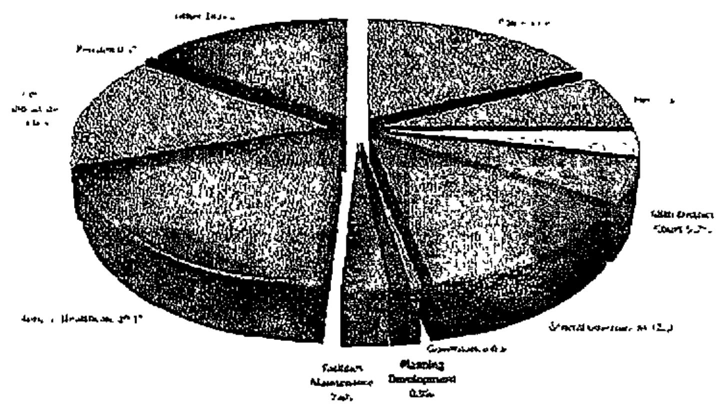


EXPENSES - GENERAL FUND

FY15 $55,097,880



FY16 $56,308,239



CITY OF FLINT PORPOSED FINANCIAL BUDGET
FOR FISCAL YEARS 2015 AND 2016
GENERAL FUND

DESCRIPTION		2013-14 AMENDED BUDGET		2014-15 PROPOSED BUDGET		2015-16 PROPOSED BUDGET
Fund 101 - General Fund						
ESTIMATED REVENUES						
Function: General government						
Property Taxes	$	4,622,000	$	4,970,000	$	5,069,400
Income taxes		14,210,000		14,238,400		14,354,000
Special assessment taxes		97,941		89,000		89,000
State revenues		16,730,120		17,161,829		17,347,719
License and Permits		1,303,626		1,298,626		1,398,626
Fines and forfeitures		1,825,000		1,862,600		1,967,000
Charges for service rendered		9,942,465		11,161,416		11,582,811
Interest and dividend income		850,000		919,000		1,118,325
Other revenues		898,946		601,011		605,360
Transfers in		4,077,998		3,777,998		3,777,998
Drawings from fund balance		(1,000,000)		(1,000,000)		(1,000,000)
Total - Function General government		53,558,116		55,097,880		56,308,239
TOTAL ESTIMATED REVENUES	$	53,558,116	$	55,097,880	$	56,308,239
APPROPRIATIONS						
Function: Legislative						
City Council	$	373,220	$	356,505	$	341,080
Total - Funcition Legislative		373,220		356,505		341,080
Function: General govememnt						
District Court		5,194,307		4,099,999		4,167,078
Office Of Mayor		228,813		215,426		218,278
City Administrator		396,646		362,912		358,034
Finance -Admin/Accounting/Payroll		1,188,137		951,331		962,846
Finance Purchasing		130,229		139,185		141,145
Total Finance and Purchasing Department		1,318,366		1,090,516		1,103,991
Office Of City Clerk		220,645		153,146		154,955
City Clerk-License And Permits		90,850		185,408		185,651
City Clerk-Board Of Review		10,500		11,601		11,601
City Clerk-Election		403,183		391,241		399,979
Cty Clk Elec Div. - Election Workers		138,654		179,591		179,627
Total City Clerk and Elections		863,832		920,986		931,813
Customer Services-Treasury Operations		380,321		275,977		279,810
Customer Services-Income Tax		465,825		432,000		433,740
Customer Services-Water Collection		1,018,852		1,240,933		1,263,429
Customer Service-Sewer collection		1,020,102		1,243,133		1,264,475
Delinquent Collections		167,686		263,063		267,313
Total Treasury Department		3,052,786		3,455,106		3,508,767
Assessment		1,084,221		1,160,515		1,175,686
Law Office Operations		962,042		940,589		953,797

Human Relations Commission	28,237		
Personnel Office	551,542	624,409	629,970
Personnel Office-Personnel-Training	70,625	55,500	56,415
Total Human Relations and Personnel	648,404	679,909	686,385
Police - Fleet	990,000	990,000	1,000,000
Police Reduction		(2,608,823)	(2,835,863)
Pol Admin Bureau - Admin	6,023,126	409,689	419,941
Pol Admin Bureau-Inspections	127,364	125,606	126,865
Pol Admin - City Lock up	2,573,649	2,554,329	2,534,329
Pol Tech Serv-Records & Identification	1,831,592	2,121,908	2,168,785
Pol Tech Serv-Planning, Research, & Trai	135,359	129,847	130,692
Pol Tech Serv - City Impound	437,323	438,575	439,969
Pol Invst Ovrhd - Criminal Invest Overh	2,469,997	2,369,082	2,398,335
Pol Invst Ovrhd - Police School Liason	764,011	751,475	760,749
Pol Invst Ovrhd - Special Operations	707,260	738,802	749,143
Patrol Bureau - Administration	5,502,823	4,263,373	4,326,180
Patrol Bureau-School Crossing Guards	267,864	285,712	285,712
Total Police Department	21,930,338	12,569,434	12,504,837
Public Safety 911 - Administration	3,746,525	2,604,021	2,540,188
Office Of Fire Chief	753,547	692,077	709,158
Fire Admin-Maintenance	116,000	412,500	424,500
Fire Admin - Training	263,400	161,641	164,771
Firefighting Division-Fire Battalion Chi	3,349,960	496,649	506,293
Firefighting Division-Fire Station Overh	5,858,149	4,101,133	4,168,260
SAFER Grant EMW-2011-FH-00843	1,083,370		
Fire Prevent - Inspection And Training	285,370	315,903	322,422
Total Fire Department	11,699,796	6,179,903	6,295,404
Development-Planning & Zoning	121,875	395,277	397,634
DCD - Administration	186,293	279,007	285,416
Golf Division - Kearsley Lake Gc	3,500		
Golf Division-Mott Park Gc		9,000	9,270
Golf Division-Swartz Crk Gc	1,600		
Total Planning and Development Department	313,268	683,284	692,320
Facilities Maint-Municipal Center	1,207,382	1,464,233	1,532,362
Total - Function General government	52,645,726	36,416,733	36,666,940
Cost Allocation and Retiree Healthcare		17,911,941	18,986,658
Transfer out to Fund 208		99,140	
Transfers out to fund 542	539,170	313,561	313,561
Total - Function Transfers out	539,170	412,701	313,561
TOTAL APPROPRIATIONS	$ 53,558,116	$ 55,097,880	$ 56,308,239
NET OF REVENUES/APPROPRIATIONS - FUND 101	0	0	0
BEGINNING FUND BALANCE	(12,895,642)	(11,895,642)	(10,895,642)
ENDING FUND BALANCE	(11,895,642)	(10,895,642)	(9,895,642)

CITY OF FLINT STAFFING PROJECTION

	FY11 ACTUAL	FY12 ACTUAL	FY13 ACTUAL	FY14 CURRENT	FY15 PROPOSED	FY16 PROPOSED
GOVERNANCE AND ADMINISTRATION	38.5	20	17	19	20	20
POLICE	150	148	144	151	115	115
911	25.5	23	22	23	23	23
FIRE	75	94	91	94	75	75
DISTRICT COURT	49	35	30	31	31	31
DEPARTMENT OF PUBLIC WORKS	263	207	156	166	173	173
PLANNING AND DEVELOPMENT	71	56	26	24	25	26
FINANCE AND ADMINISTRATION	120.5	103	60	57	60	60
TOTALS	792.5	686	546	565	522	523

PROJECTED FACILITIES IMPROVEMENTS FY15-FY19

IMPROVEMENT	RANK	COST	FY15	FY16	FY17	FY18	FY19
City Hall Elevators(2 main only)	1	400,000.00	$ 400,000.00				
Repl/Rep Chiller in city Hall - only 1.5 of 4 cmprs for air	2	155,000.00	$ 155,000.00				
Assessing Renovations	3	65,000.00	$ 65,000.00				
Roof Repair - Main Fire Station	4	127,400.00	$ 127,400.00				
Roof Repair - Atherton Rd Fire Station	5	10,000.00	$ 10,000.00				
Repair walkway between Police and City Hall Main Bldg	6	20,000.00	$ 20,000.00				
I.S. Water Leaks PART I OF II	7	50,000.00	$ 50,000.00				
Legal Renovations	8	40,000.00	$ 40,000.00				
Police Station Bridge to 5th St	9	30,000.00	$ 30,000.00				
Roof Repair - North building	10	99,384.00	$ 99,384.00				
Motion Lights, City Hall & Police	11	100,000.00	$ 100,000.00				
Pave City Hall Parking Lot	12	100,000.00		$ 100,000.00			
911 Consoles & Telephones	13	330,000.00		$ 330,000.00			
I.S. Water Leaks PART II OF II	14	50,000.00		$ 50,000.00			
Council Chambers Renovations PART I OF III	15	116,666.67		$ 116,666.67			
City Hall Building Facade PART I OF III	16	500,000.00		$ 500,000.00			
Parking lot lighting - City Hall, Pol, Stevens & 7th St Lots	17	250,000.00			$ 250,000.00		
Council Chambers Renovations PART II OF III	18	116,666.67			$ 116,666.67		
City Hall Building Facade PART II OF III	19	500,000.00			$ 500,000.00		
Council Chambers Renovations PART III OF III	20	116,666.67				$ 116,666.67	
City Hall Building Facade PART III OF III	21	500,000.00				$ 500,000.00	
Police Shooting Range	22	250,000.00				$ 250,000.00	
Fire Station Kitchens - Remodel	23	60,000.00				$ 60,000.00	
TOTAL		$3,926,784.00	$ 1,096,784.00	$ 1,096,666.67	$ 866,666.67	$ 926,666.67	$ -

IMPROVEMENT	RANK	COST	CUMULATIVE COST
City Hall Elevators(2 main only)	1	400,000.00	
Repl/Rep Chiller in city Hall - only 1.5 of 4 cmprs for air	2	155,000.00	$ 555,000.00
Assessing Renovations	3	65,000.00	$ 620,000.00
Roof Repair - Main Fire Station	4	127,400.00	$ 747,400.00
Roof Repair - Atherton Rd Fire Station	5	10,000.00	$ 757,400.00
Repair walkway between Police and City Hall Main Bldg	6	20,000.00	$ 777,400.00
I.S. Water Leaks PART I OF II	7	50,000.00	$ 827,400.00
Legal Renovations	8	40,000.00	$ 867,400.00
Police Station Bridge to 5th St	9	30,000.00	$ 897,400.00
Roof Repair - North building	10	99,384.00	$ 996,784.00
Motion Lights, City Hall & Police	11	100,000.00	$ 1,096,784.00
Pave City Hall Parking Lot	12	100,000.00	$ 1,196,784.00
911 Consoles & Telephones	13	330,000.00	$ 1,526,784.00
I.S. Water Leaks PART II OF II	14	50,000.00	$ 1,576,784.00
Council Chambers Renovations PART I OF III	15	116,666.67	$ 1,693,450.67
City Hall Building Facade PART I OF III	16	500,000.00	$ 2,193,450.67
Parking lot lighting - City Hall, Pol, Stevens & 7th St Lots	17	250,000.00	$ 2,443,450.67
Council Chambers Renovations PART II OF III	18	116,666.67	$ 2,560,117.33
City Hall Building Facade PART II OF III	19	500,000.00	$ 3,060,117.33
Council Chambers Renovations PART III OF III	20	116,666.67	$ 3,176,784.00
City Hall Building Facade PART III OF III	21	500,000.00	$ 3,676,784.00
Police Shooting Range	22	250,000.00	$ 3,926,784.00
Fire Station Kitchens - Remodel	23	60,000.00	$ 3,986,784.00
TOTAL		$3,926,784.00	$ 3,986,784.00

DEFICIT ELIMINATION AND RESERVE ACCUMULATION PROJECTIONS

FINANCIAL COMMITMENT NECESSARY TO ELIMINATE THE DEFICIT AND ACCUMULATE AN APPROPRIATE BUDGET STABILIZATION RESERVE OF 10% -15%

	DEFICIT REDUCTION						
	FY14	FY15	FY16	FY17	FY18	FY19	FY20
DEFICIT	($12,895,642)	($11,095,642)	($9,295,642)	($7,495,642)	($5,695,642)	($3,895,642)	($2,095,642)
GF CONTRIBUTION	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000
CIP CONTRIBUTION	$800,000	$800,000	$800,000	$800,000	$800,000	$800,000	$800,000
REMAINING DEFICIT	($11,095,642)	($9,295,642)	($7,495,642)	($5,695,642)	($3,895,642)	($2,095,642)	($295,642)
GENERAL FUND REVENUE	$53,555,121	$55,080,609	$56,281,965	$56,788,503	$56,958,868	$57,471,498	$58,620,928

	RESERVE ACCUMULATION					
	FY21	FY22	FY23	FY24	FY25	
RESERVE	($295,642)	$1,504,358	$3,304,358	$5,104,358	$6,904,358	
GF CONTRIBUTION	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	
CIP CONTRIBUTION	$800,000	$800,000	$800,000	$800,000	$800,000	
ACCUMULATED RESERVE	$1,504,358	$3,304,358	$5,104,358	$6,904,358	$8,704,358	Equals 13% of GF Revenues
GENERAL FUND REVENUE	$59,793,347	$60,989,213	$62,208,998	$63,453,178	$64,722,241	

CITY OF FLINT - FIVE YEAR OUTLOOK
Pension and Retiree Healthcare Costs

			Current FY14	Adopted FY15	Adopted FY16	Projected FY17	Projected FY18	Projected FY19
General Fund		101						
	Retiree Healthcare Expense		$8,034,324	$10,167,701	$10,777,763	$11,424,429	$12,109,895	$12,836,488
	Pension Expense		$8,401,335	$7,981,672	$8,439,853	$8,946,244	$9,483,019	$10,052,000
	Other Expenses		$37,122,462	$36,948,508	$37,090,623	$38,246,204	$39,427,255	$40,755,548
	Total Expenses		$53,558,121	$55,097,881	$56,308,239	$58,616,877	$61,020,169	$63,644,036
	Retiree Healthcare as % of Total Expenses		15%	18%	19%	19%	20%	20%
	Pension as % of Total Expenses		16%	14%	15%	15%	16%	16%
	Healthcare & Pension Costs as % of Total		31%	33%	34%	35%	35%	36%
Major Streets		202						
	Retiree Healthcare		$598,165	$1,056,180	$1,119,551	$1,186,724	$1,257,928	$1,333,403
	Pension		$565,832	$551,415	$586,563	$632,357	$670,298	$710,516
	Other expenses		$5,167,418	$5,415,293	$6,400,554	$6,597,904	$6,783,353	$6,981,277
	Total		$6,331,406	$7,022,888	$8,118,868	$8,416,985	$8,711,579	$9,025,196
	Healthcare & Pension %		18%	23%	21%	22%	22%	23%
Local Streets		203						
	Retiree Healthcare		$388,761	$200,824	$212,873	$225,645	$239,184	$253,535
	Pension		$331,106	$330,318	$354,959	$376,257	$398,832	$422,762
	Other expenses		$1,881,223	$2,163,316	$2,215,280	$2,278,819	$2,334,682	$2,391,527
	Total		$2,601,090	$2,694,458	$2,783,112	$2,880,621	$2,972,698	$3,067,824
	Healthcare & Pension %		28%	20%	20%	21%	21%	22%
Police and Fire Millage		205						
	Retired Healthcare		$0	$1,337,828	$1,418,098	$1,503,184	$1,593,375	$1,688,977
	Pension		$448,524	$2,593,093	$2,748,679	$2,913,600	$3,088,416	$3,273,721
	Other expenses		$1,397,303	$5,327,639	$3,082,223	$3,122,176	$3,166,267	$3,207,130
	Total		$1,845,827	$9,258,560	$7,249,000	$7,538,960	$7,848,057	$8,169,828
	Healthcare & Pension %		24%	42%	57%	59%	60%	61%
Neighborhood Police Millage		207						
	Retiree Healthcare		$0	$0	$0	$0	$0	$0
	Pension		$379,934	$300,795	$318,844	$337,975	$358,253	$379,748
	Other expenses		$1,170,246	$1,077,309	$915,030	$945,254	$977,588	$1,010,863
	Total		$1,550,180	$1,378,104	$1,233,874	$1,283,229	$1,335,841	$1,390,611
	Healthcare & Pension %		25%	22%	26%	26%	27%	27%
Parks Millage		208						
	Retiree Healthcare		$0	$0	$0	$0	$0	$0
	Pension		$5,591	$20,663	$20,663	$21,903	$23,217	$24,610
	Other expenses		$367,473	$419,477	$320,760	$333,177	$346,421	$360,183
	Total		$373,064	$440,140	$341,423	$355,080	$369,638	$384,793
	Healthcare & Pension %		1%	5%	6%	6%	6%	6%
Lighting Special Assessment		219						
	Retiree Healthcare		$0	$0	$0	$0	$0	$0
	Pension		$0	$6,029	$8,390	$8,773	$7,180	$7,611
	Other expenses		$2,982,980	$2,688,841	$2,689,910	$2,689,527	$2,689,120	$2,688,689
	Total		$2,982,980	$2,694,870	$2,698,300	$2,698,300	$2,696,300	$2,696,300
	Healthcare & Pension %		0%	0%	0%	0%	0%	0%

			Current FY14	Adopted FY15	Adopted FY16	Projected FY17	Projected FY18	Projected FY19
Waste Collection		228						
	Retiree Healthcare		$621,190	$411,202	$435,874	$462,026	$489,748	$519,133
	Pension		$25,335	$12,988	$13,767	$14,593	$15,469	$16,397
	Other expenses		$4,485,965	$4,972,103	$5,001,082	$5,083,118	$5,165,715	$5,248,821
	Total		$5,132,490	$5,396,293	$5,450,723	$5,559,737	$5,670,932	$5,784,351
	Healthcare & Pension %		13%	8%	8%	9%	9%	9%
Drug Forfeiture		265						
	Retiree Healthcare		$0	$0	$0	$0	$0	$0
	Pension		$122,739	$82,406	$87,351	$92,592	$98,148	$104,036
	Other expenses		$312,303	$342,657	$346,049	$353,809	$361,645	$369,550
	Total		$435,042	$425,063	$433,399	$446,401	$459,793	$473,587
	Healthcare & Pension %		28%	19%	20%	21%	21%	22%
HUD Grant 2014		274						
	Retiree Healthcare		$0	$0	$0	$0	$0	$0
	Pension		$230,159	$292,418	$292,418	$309,963	$328,561	$348,275
	Other expenses		$11,537,570	$4,743,481	$4,743,481	$4,877,013	$5,014,024	$5,154,588
	Total		$11,767,729	$5,035,899	$5,035,899	$5,186,976	$5,342,585	$5,502,863
	Healthcare & Pension %		2%	6%	6%	6%	6%	6%
Other Grants		298						
	Retiree Healthcare		$0	$0	$0	$0	$0	$0
	Pension		$40,027	$230,605	$230,605	$244,441	$259,108	$274,654
	Other expenses		$7,437,904	$4,634,371	$4,634,371	$4,766,484	$4,902,145	$5,041,438
	Total		$7,477,931	$4,864,976	$4,864,976	$5,010,925	$5,161,253	$5,316,091
	Healthcare & Pension %		1%	5%	5%	5%	5%	5%
Federal Stimulus Grant		297						
	Retiree Healthcare		$0	$0	$0	$0	$0	$0
	Pension		$1,355,981	$0	$0	$0	$0	$0
	Other expenses		$3,168,127	$0	$0	$0	$0	$0
	Total		$4,524,108	$0	$0	$0	$0	$0
	Healthcare & Pension %		30%	0%	0%	0%	0%	0%
Public Improvement Fund		402						
	Retiree Healthcare		$0	$0	$0	$0	$0	$0
	Pension		$0	$0	$0	$0	$0	$0
	Other expenses		$2,150,000	$2,850,857	$2,857,987	$2,982,706	$3,104,997	$3,232,302
	Total		$2,150,000	$2,850,857	$2,857,987	$2,982,706	$3,104,997	$3,232,302
	Healthcare & Pension %		0%	0%	0%	0%	0%	0%
Building Safety Fund		542						
	Retiree Healthcare		$562,954	$393,633	$417,251	$442,286	$468,823	$496,953
	Pension		$151,734	$237,628	$251,886	$266,999	$283,019	$300,000
	Other expenses		$1,833,768	$1,764,268	$1,815,563	$1,874,803	$1,935,609	$1,997,697
	Total		$2,548,456	$2,395,529	$2,484,700	$2,584,088	$2,687,452	$2,794,650
	Healthcare & Pension %		28%	26%	27%	27%	28%	29%
Internal Service Funds								
	Retiree Healthcare		$300,210	$722,428	$722,428	$764,604	$809,105	$856,382
	Pension		$382,106	$383,747	$383,747	$406,772	$431,178	$457,049
	Other expenses		$7,795,975	$6,780,612	$7,845,631	$8,116,802	$8,398,419	$8,684,357
	Total		$8,478,291	$7,886,787	$8,951,806	$9,288,178	$9,638,703	$9,997,788
	Healthcare & Pension %		8%	14%	12%	13%	13%	13%

		FY14	FY15	FY16	FY17	FY18	FY19
TOTAL General City							
	Retiree Healthcare Expense	$10,505,594	$14,289,786	$15,103,838	$16,008,788	$16,968,057	$17,984,872
	Pension Expense	$12,440,403	$13,023,777	$13,745,725	$14,670,469	$15,444,697	$16,371,378
	Other Expenses	$97,288,889	$87,975,619	$88,920,349	$91,555,874	$94,241,946	$97,122,057
	Total Expenses	$118,302,313	$116,374,211	$116,854,931	$123,285,261	$127,873,827	$132,770,582
	Retiree Healthcare as % of Total Expenses	9%	12%	13%	13%	13%	14%
	Pension as % of Total Expenses	11%	11%	12%	12%	12%	12%
	Healthcare & Pension Costs as % of Total	19%	23%	24%	25%	26%	26%

			Current FY14	Adopted FY15	Adopted FY16	Projected FY17	Projected FY18	Projected FY19
Sewer Fund		590						
	Retiree Healthcare		$2,329,983	$2,447,568	$2,594,420	$2,750,085	$2,915,090	$3,089,996
	Pension		$2,179,100	$2,040,715	$2,163,159	$2,292,949	$2,430,525	$2,576,357
	Other expenses		$27,420,188	$25,768,264	$27,589,166	$29,566,065	$30,803,527	$31,550,604
	Total		$31,929,269	$30,256,545	$32,346,745	$34,609,099	$36,149,143	$37,216,957
	Healthcare & Pension %		14%	15%	15%	15%	15%	15%
Water Fund		591						
	Retiree Healthcare		$1,680,062	$2,963,588	$3,141,403	$3,329,887	$3,529,680	$3,741,461
	Pension		$1,815,687	$1,803,098	$1,911,284	$2,025,961	$2,147,518	$2,278,370
	Other expenses		$44,401,123	$29,736,844	$29,959,563	$33,485,341	$35,064,707	$35,925,894
	Total		$47,896,872	$34,503,530	$35,012,250	$38,841,189	$40,741,908	$41,943,725
	Healthcare & Pension %		7%	14%	14%	14%	14%	14%
Water and Sewer		590 & 591						
	Retiree Healthcare		$4,010,045	$5,411,154	$5,735,823	$6,079,972	$6,444,771	$6,831,457
	Pension		$3,994,787	$3,843,813	$4,074,443	$4,318,910	$4,578,044	$4,852,727
	Other expenses		$71,821,309	$55,505,108	$57,548,729	$63,051,406	$65,868,234	$67,476,498
	Total		$79,826,141	$64,760,075	$67,358,995	$73,450,288	$76,891,049	$79,160,682
	Retiree Healthcare as % of Total Expenses		5%	8%	9%	8%	8%	9%
	Pension as % of Total Expenses		5%	6%	6%	6%	6%	6%
	Healthcare & Pension %		10%	14%	15%	14%	14%	15%
TOTAL CITY								
	Retiree Healthcare		$14,515,639	$19,700,950	$20,839,661	$22,088,771	$23,412,828	$24,816,329
	Pension		$16,435,190	$16,867,580	$17,820,168	$18,889,378	$20,022,741	$21,224,105
	Other expenses		$169,110,298	$143,480,727	$146,469,078	$154,607,280	$160,110,180	$184,598,555
	Total		$198,128,454	$181,134,286	$186,213,926	$186,735,549	$204,764,876	$211,931,264
	Retiree Healthcare %		7%	11%	11%	11%	11%	12%
	Pension %		8%	9%	10%	10%	10%	10%
	Healthcare & Pension %		16%	20%	21%	21%	21%	22%

PROJECTED TAXPAYER IMPACT

$41,000 House, $40,000 Income

	FY14 Current Winter & Summer		FY15 Adopted Winter & Summer		FY16 Adopted Winter & Summer
Values					
House value	$41,000.00		$41,000.00		$41,000.00
Taxable value	$20,500.00		$20,500.00		$20,500.00
Annual Income	$40,000.00		$40,000.00		$40,000.00
Tax rate (mills)	65.88		65.88		65.88
Street Lights	$67.87		$70.94		$74.14
Garbage	$146.00		$162.63		$168.84
Water Bill	$1,800.00		$1,917.00		$2,032.02
Payments					
Property taxes	$1,351.00		$1,351.00		$1,351.00
Street lights	$67.87		$70.94		$74.14
Rubbish	$146.00		$162.63		$168.84
Income tax	$400.00		$400.00		$400.00
Water bill	$1,800.00		$1,917.00		$2,032.02
Total Payments	$3,764.87		$3,901.57		$4,026.00
		$137 3.6%		$124 3.2%	

$61,500 House, $50,000 Income

	FY14 Current Winter & Summer		FY15 Adopted Winter & Summer		FY16 Adopted Winter & Summer
Values					
House value	$61,500.00		$61,500.00		$61,500.00
Taxable value	$30,750.00		$30,750.00		$30,750.00
Annual Income	$50,000.00		$50,000.00		$50,000.00
Tax rate (mills)	65.88		65.88		65.88
Street Lights	$67.87		$70.94		$74.14
Garbage	$146.00		$162.63		$168.84
Water Bill	$1,800.00		$1,917.00		$2,032.02
Payments					
Property taxes	$2,026.00		$2,026.00		$2,026.00
Street lights	$67.87		$70.94		$74.14
Garbage	$146.00		$162.63		$168.84
Income tax	$500.00		$500.00		$500.00
Water bill	$1,800.00		$1,917.00		$2,032.02
Total Payments	$4,539.87		$4,676.57		$4,801.00
		$137 3.0%		$124 2.7%	

Projected Cash Flow

	05/31/2016	06/30/2016	07/31/2016	08/31/2014	09/30/2014	10/31/2014	11/30/2014	12/31/2014	01/31/2015	02/29/2016	03/31/2016	04/30/2016	05/31/2016	06/30/2016	
Beginning Bal.	4,591,000	5,020,000	481,000	2,957,000	389,000	474,000	(638,000)	(1,012,358)	1,573,078	1,065,871	2,709,669	2,904,052	4,230,670	4,441,816	
Taxes	1,441,146	1,346,444	4,058,491	1,539,949	1,036,812	1,643,428	745,642	1,235,436	1,662,793	1,918,798	1,324,383	1,126,618	1,441,146	1,946,444	19,079,940
State Aid	250,000	2,670,000	250,000	2,710,000	250,000	2,800,000	250,000	2,800,000	250,000	2,725,000	250,000	2,630,000	250,000	2,750,000	17,915,000
Other Rev	1,620,000	1,620,000	1,620,000	1,600,000	1,580,000	1,620,000	1,580,000	1,600,000	1,580,000	1,600,000	1,620,000	1,620,000	1,620,000	1,620,000	19,260,000
Ending Bal.	7,902,146	10,656,444	6,409,491	8,806,949	3,255,812	6,537,428	1,937,642	4,623,078	5,065,871	6,709,669	5,904,052	8,280,670	7,541,816	10,758,260	56,254,940
Payrolls	(2,350,000)	(2,600,000)	(2,400,000)	(2,600,000)	(2,400,000)	(2,550,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(30,750,000)
Other Exp	(532,146)	(7,575,444)	(1,052,491)	(5,817,949)	(381,812)	(4,625,428)	(350,000)	(450,000)	(1,400,000)	(1,400,000)	(400,000)	(1,450,000)	(500,000)	(6,500,000)	(24,327,680)
Ending Bal.	5,020,000	481,000	2,957,000	389,000	474,000	(638,000)	(1,012,358)	1,573,078	1,065,871	2,709,669	2,904,052	4,230,670	4,441,816	1,658,260	(55,077,680)
														Surplus	1,177,260
													07-01 Bal.		481,000
													Proof		1,658,260

City of Flint Outstanding Invoices as of 4/17/15

Vendor Name	Invoice #	Reference #	Invoice Date	Due Date	Amount
GARNER K. TRAIN	032615	281049	3/26/2015 12:00:00 AM	4/16/2015 12:00:00 AM	1250.00
FRED ROSS	310551	281100	4/7/2015 12:00:00 AM	4/23/2015 12:00:00 AM	27.00
GENESEE COUNTY TREASURER	4083	281101	3/31/2015 12:00:00 AM	4/23/2015 12:00:00 AM	602.58
GENESEE COUNTY TREASURER	4086	281102	3/31/2015 12:00:00 AM	4/23/2015 12:00:00 AM	664.54
PAULA J. MCGLOWN	032315	281187	3/23/2015 12:00:00 AM	4/23/2015 12:00:00 AM	60.34
Y W C A OF FLINT	1408104	281123	10/21/2014 12:00:00 AM	4/23/2015 12:00:00 AM	1709.44
Y W C A OF FLINT	1408105	281124	12/15/2014 12:00:00 AM	4/23/2015 12:00:00 AM	1764.93
Y W C A OF FLINT	1408106	281125	1/28/2015 12:00:00 AM	4/23/2015 12:00:00 AM	1377.70
Y W C A OF FLINT	1408107	281126	2/22/2015 12:00:00 AM	4/23/2015 12:00:00 AM	2184.76
ROWE ENGINEERING INC	0076196	281130	4/14/2015 12:00:00 AM	4/23/2015 12:00:00 AM	8804.25
SIMEN, FIGURA & PARKER PLC	179123	281167	4/15/2015 12:00:00 AM	4/23/2015 12:00:00 AM	22.00
SIMEN, FIGURA & PARKER PLC	179124	281168	4/15/2015 12:00:00 AM	4/23/2015 12:00:00 AM	495.00
SALEM HOUSING COMM DEVELOPMENT CORP	1315305	273500	10/31/2014 12:00:00 AM	12/4/2014 12:00:00 AM	1579.99
TREASURER CITY OF FLINT	40-01-229-041	274711	12/12/2014 12:00:00 AM	1/1/2015 12:00:00 AM	44.19
METRO COMMUNITY DEVELOPMENT, INC	1407103	274779	12/22/2014 12:00:00 AM	1/1/2015 12:00:00 AM	2175.00
CHRIST ENRICHMENT CENTER	1406207	277628	2/13/2015 12:00:00 AM	2/19/2015 12:00:00 AM	11369.02
C S MOTT COMMUNITY COLLEGE	003028480	278195	2/24/2015 12:00:00 AM	3/5/2015 12:00:00 AM	33027.28
BIG BROTHERS BIG SISTERS OF	1406007	278198	2/5/2015 12:00:00 AM	3/5/2015 12:00:00 AM	2972.50
HI-TECH PROTECTION	2711	278255	2/25/2015 12:00:00 AM	3/5/2015 12:00:00 AM	19888.00
HI-TECH PROTECTION	2699	278256	1/22/2015 12:00:00 AM	3/5/2015 12:00:00 AM	9372.00
HI-TECH PROTECTION	2703	278257	2/5/2015 12:00:00 AM	3/5/2015 12:00:00 AM	9944.00
SALEM HOUSING COMM DEVELOPMENT CORP	0902253	278680	10/22/2014 12:00:00 AM	3/5/2015 12:00:00 AM	12300.00
SALEM HOUSING COMM DEVELOPMENT CORP	0909741	278681	10/10/2014 12:00:00 AM	3/5/2015 12:00:00 AM	4795.31
GENESEE CTY COMMUNITY ACTION	1310307	279042	3/5/2015 12:00:00 AM	3/12/2015 12:00:00 AM	38244.50
UNITED WAY OF GENESEE COUNTY	1309512	279230	2/18/2015 12:00:00 AM	3/19/2015 12:00:00 AM	801.00
UNITED WAY OF GENESEE COUNTY	1408001	279356	1/16/2015 12:00:00 AM	3/19/2015 12:00:00 AM	6826.56
UNITED WAY OF GENESEE COUNTY	1408002	279357	3/16/2015 12:00:00 AM	3/19/2015 12:00:00 AM	2260.00
SIMEN, FIGURA & PARKER PLC	178812	279648	3/19/2015 12:00:00 AM	3/26/2015 12:00:00 AM	1408.00
BIG BROTHERS BIG SISTERS OF	1406008	279962	3/6/2015 12:00:00 AM	4/2/2015 12:00:00 AM	3056.59
CONSUMERS ENERGY	1000 0025 4035	280600	3/31/2015 12:00:00 AM	4/9/2015 12:00:00 AM	76.90
DOVER & COMPANY	528	280673	3/24/2015 12:00:00 AM	4/9/2015 12:00:00 AM	762.42
GENESEE COUNTY LAND BANK AUTHORITY	1400405	280737	3/10/2015 12:00:00 AM	4/9/2015 12:00:00 AM	16834.54
GENESEE CTY COMMUNITY ACTION	1310308	280771	3/25/2015 12:00:00 AM	4/9/2015 12:00:00 AM	41498.42
SHORELINE INVESTMENT SERVICES INC	121521	280978	5/1/2015 12:00:00 AM	4/16/2015 12:00:00 AM	360.00
SHORELINE INVESTMENT SERVICES INC	121520	280979	5/1/2015 12:00:00 AM	4/16/2015 12:00:00 AM	360.00

QUEST DIAGNOSTICS INC	9158972585	280804	3/26/2015 12:00:00 AM	4/16/2015 12:00:00 AM	51.20
GENESYS OCCUPATIONAL HEALTH NETWORK	62174	280672	3/31/2015 12:00:00 AM	4/9/2015 12:00:00 AM	209.00
WATKINS PHARMACY AND SURGICAL SUPPL	0000356976	278889	2/6/2015 12:00:00 AM	3/12/2015 12:00:00 AM	795.35
GENESYS OCCUPATIONAL HEALTH NETWORK	60773	278707	2/27/2015 12:00:00 AM	3/12/2015 12:00:00 AM	96.00
QUEST DIAGNOSTICS INC	9158374352	278823	2/24/2015 12:00:00 AM	3/12/2015 12:00:00 AM	225.72
NAN MCKAY & ASSOCIATES INC	001323	279859	2/28/2015 12:00:00 AM	4/2/2015 12:00:00 AM	2547.00
LEHIGH OUTFITTERS LLC	0171392	280992	2/25/2015 12:00:00 AM	4/16/2015 12:00:00 AM	1021.84
LEHIGH OUTFITTERS LLC	0173700	280993	6/26/2015 12:00:00 AM	4/16/2015 12:00:00 AM	200.00
LEHIGH OUTFITTERS LLC	0246622	280996	4/1/2015 12:00:00 AM	4/16/2015 12:00:00 AM	-122.39
NAN MCKAY & ASSOCIATES INC	001347	281182	3/28/2015 12:00:00 AM	4/23/2015 12:00:00 AM	9480.00
MICHIGAN ELECTRIC SUPPLY COMPANY	S100318875.006	281153	4/3/2015 12:00:00 AM	4/23/2015 12:00:00 AM	79.45
MICHIGAN ELECTRIC SUPPLY COMPANY	S100318875.007	281154	4/3/2015 12:00:00 AM	4/23/2015 12:00:00 AM	73.50
MICHAEL REITER OR CODE OFFICIALS	05042015	281063	3/17/2015 12:00:00 AM	4/16/2015 12:00:00 AM	150.00
GCR TIRES & SERVICE	536-25901	281104	4/15/2015 12:00:00 AM	4/23/2015 12:00:00 AM	35.00
GCR TIRES & SERVICE	536-25909	281134	4/15/2015 12:00:00 AM	4/23/2015 12:00:00 AM	620.00
ARNOLD SALES	1137948	281159	4/10/2015 12:00:00 AM	4/23/2015 12:00:00 AM	45.48
WEST SHORE FIRE INC	9354	280455	3/25/2015 12:00:00 AM	4/9/2015 12:00:00 AM	-1785.00
WEST SHORE FIRE INC	9371	280461	3/27/2015 12:00:00 AM	4/9/2015 12:00:00 AM	1607.41
WEST SHORE FIRE INC	9217	278796	2/25/2015 12:00:00 AM	3/12/2015 12:00:00 AM	3168.00
WEST SHORE FIRE INC	9065	277166	1/27/2015 12:00:00 AM	2/12/2015 12:00:00 AM	2342.71
WEST SHORE FIRE INC	8928	274952	12/22/2014 12:00:00 AM	1/1/2015 12:00:00 AM	1473.86
CINTAS CORP	308309454	281150	4/7/2015 12:00:00 AM	4/23/2015 12:00:00 AM	36.95
MICHIGAN STATE UNIVERSITY	150330	281145	4/13/2015 12:00:00 AM	4/23/2015 12:00:00 AM	3500.00
BASIC	88524	281164	4/10/2015 12:00:00 AM	4/23/2015 12:00:00 AM	625.00
AMERAPLAN INC	0515	281175	4/15/2015 12:00:00 AM	4/23/2015 12:00:00 AM	7479.45
KIMBERLY YOUNG	5-13-15 CHICAGO	280668		4/30/2015 12:00:00 AM	513.10
BS & A SOFTWARE	099591	278364	2/1/2015 12:00:00 AM	2/19/2015 12:00:00 AM	27810.00
EPIC TECHNOLOGY SOLUTIONSLLC	4108	281176	4/16/2015 12:00:00 AM	4/23/2015 12:00:00 AM	5501.50
EPIC TECHNOLOGY SOLUTIONSLLC	4109	281177	4/16/2015 12:00:00 AM	4/23/2015 12:00:00 AM	4528.00
LAW OFFICE OF I'LANTA M ROBBINS PLC	15-009	281178	4/16/2015 12:00:00 AM	4/23/2015 12:00:00 AM	965.44
DAVID ROTH	012615	281183	1/26/2015 12:00:00 AM	4/23/2015 12:00:00 AM	35.07
SIMEN, FIGURA & PARKER PLC	178927	281165	4/15/2015 12:00:00 AM	4/23/2015 12:00:00 AM	55.00
SIMEN, FIGURA & PARKER PLC	178929	281166	4/15/2015 12:00:00 AM	4/23/2015 12:00:00 AM	550.00
HARVEY KRUSE PC	377664	281170	3/31/2015 12:00:00 AM	4/23/2015 12:00:00 AM	3762.00
HARVEY KRUSE PC	377667	281171	3/31/2015 12:00:00 AM	4/23/2015 12:00:00 AM	748.00
HARVEY KRUSE PC	374666	281172	3/31/2015 12:00:00 AM	4/23/2015 12:00:00 AM	638.00
HARVEY KRUSE PC	377665	281173	3/31/2015 12:00:00 AM	4/23/2015 12:00:00 AM	1661.00
AXIOM REQUISITION COPY SERVICE	389588	281151	4/10/2015 12:00:00 AM	4/23/2015 12:00:00 AM	45.00
GIARMARCO MULLINS & HORTON PC	83547.003	281136	12/17/2014 12:00:00 AM	4/23/2015 12:00:00 AM	393.75

GIARMARCO MULLINS & HORTON PC	83547.001	281137	12/17/2014 12:00:00 AM	4/23/2015 12:00:00 AM	2150.00
GIARMARCO MULLINS & HORTON PC	83547.001	281138	1/13/2015 12:00:00 AM	4/23/2015 12:00:00 AM	5033.28
GIARMARCO MULLINS & HORTON PC	83547.003	281139	2/12/2015 12:00:00 AM	4/23/2015 12:00:00 AM	2610.50
GIARMARCO MULLINS & HORTON PC	83547.001	281140	2/12/2015 12:00:00 AM	4/23/2015 12:00:00 AM	4942.90
GIARMARCO MULLINS & HORTON PC	83547.001	281141	3/9/2015 12:00:00 AM	4/23/2015 12:00:00 AM	2950.00
GIARMARCO MULLINS & HORTON PC	83547.003	281142	3/9/2015 12:00:00 AM	4/23/2015 12:00:00 AM	2450.00
GIARMARCO MULLINS & HORTON PC	83547.001	281143	4/13/2015 12:00:00 AM	4/23/2015 12:00:00 AM	2196.88
GIARMARCO MULLINS & HORTON PC	83547.003	281144	4/13/2015 12:00:00 AM	4/23/2015 12:00:00 AM	593.75
ANTHONY CHUBB	040815	281185	4/8/2015 12:00:00 AM	4/23/2015 12:00:00 AM	86.15
PETER BADE	032615	281186	3/26/2015 12:00:00 AM	4/23/2015 12:00:00 AM	71.51
LAW OFFICE OF I'LANTA M ROBBINS PLC	15-008	281128	4/14/2015 12:00:00 AM	4/23/2015 12:00:00 AM	250.00
AT&T	AMER23201405370059T\	273233	7/11/2014 12:00:00 AM	11/27/2014 12:00:00 AM	5455.29
CONSUMERS ENERGY	9301315980	257517	1/14/2014 12:00:00 AM	2/13/2014 12:00:00 AM	517.31
LEVEL ONE LLC	0020354	257897	10/30/2013 12:00:00 AM	2/13/2014 12:00:00 AM	7818.63
CONSUMERS ENERGY	9301493882	257977	2/10/2014 12:00:00 AM	2/20/2014 12:00:00 AM	1120.57
CONSUMERS ENERGY	96706399	261488	8/9/2011 12:00:00 AM	4/24/2014 12:00:00 AM	10797.11
WILLIAM E WALTER INC	41281	279999	3/27/2015 12:00:00 AM	4/2/2015 12:00:00 AM	182.50
WILLIAM E WALTER INC	41110	280094	3/5/2015 12:00:00 AM	4/2/2015 12:00:00 AM	3624.97
LOWE'S HOME CENTER	923593	281009	3/21/2015 12:00:00 AM	4/16/2015 12:00:00 AM	152.28
LOWE'S HOME CENTER	923480	281007	3/18/2015 12:00:00 AM	4/16/2015 12:00:00 AM	96.50
MID MICHIGAN LOCK & SAFE SERVICE	30775	281031	2/20/2015 12:00:00 AM	4/16/2015 12:00:00 AM	149.00
ALLIE BROTHERS INC	54914	280951	4/3/2015 12:00:00 AM	4/16/2015 12:00:00 AM	933.02
UNITED PARCEL SERVICE	0000T1188T145	280953	4/4/2015 12:00:00 AM	4/16/2015 12:00:00 AM	7.32
GENESEE COUNTY TREASURER	30	280918	4/8/2015 12:00:00 AM	4/16/2015 12:00:00 AM	178268.86
COMPLETE TOWING SERVICE	390387	280489	3/23/2015 12:00:00 AM	4/9/2015 12:00:00 AM	80.00
ALLIE BROTHERS INC	54825	280853	3/26/2015 12:00:00 AM	4/16/2015 12:00:00 AM	219.52
COMPLETE AUTO AND TRUCK PARTS, INC	088	280862	3/31/2015 12:00:00 AM	4/16/2015 12:00:00 AM	10050.00
ALLIE BROTHERS INC	54864	280884	3/30/2015 12:00:00 AM	4/16/2015 12:00:00 AM	1060.33
ALLIE BROTHERS INC	54719	279754	3/18/2015 12:00:00 AM	3/26/2015 12:00:00 AM	2961.34
ALLIE BROTHERS INC	54578	279734	3/10/2015 12:00:00 AM	3/26/2015 12:00:00 AM	6010.39
ALLIE BROTHERS INC	54622	279735	3/12/2015 12:00:00 AM	3/26/2015 12:00:00 AM	4010.80
MIDSTATE SECURITY	342308	279619	3/10/2015 12:00:00 AM	3/26/2015 12:00:00 AM	666.00
COMPLETE TOWING SERVICE	390042	279088	2/21/2015 12:00:00 AM	3/19/2015 12:00:00 AM	80.00
Consumers Energy	100010646956	268393	8/27/2014 11:56:15 AM	8/28/2014 12:00:00 AM	1033.88
Consumers Energy	100010646956	270761	10/8/2014 9:12:38 AM	10/9/2014 12:00:00 AM	1126.65
MIDSTATE SECURITY	341029	274276	12/4/2014 12:00:00 AM	12/11/2014 12:00:00 AM	564.00
MOTOROLA INC	91734597	275536	12/26/2014 12:00:00 AM	1/8/2015 12:00:00 AM	308.00
STATE OF MICHIGAN	551-434189	275913	1/14/2015 12:00:00 AM	1/22/2015 12:00:00 AM	540.00
MIDSTATE SECURITY	341644	276801	1/18/2015 12:00:00 AM	1/29/2015 12:00:00 AM	404.50

XEROX CORP	800644532	280874	3/21/2015 12:00:00 AM	4/16/2015 12:00:00 AM	6772.32
MAIL ROOM SERVICE CENTER	03150261	281000	3/31/2015 12:00:00 AM	4/16/2015 12:00:00 AM	3315.95
RITZ SAFETY SUPPLIES	5127150	280839	4/6/2015 12:00:00 AM	4/16/2015 12:00:00 AM	91.14
LOWE'S HOME CENTER	922266	281006	3/6/2015 12:00:00 AM	4/16/2015 12:00:00 AM	83.70
LOWE'S HOME CENTER	922762	281008	3/23/2015 12:00:00 AM	4/16/2015 12:00:00 AM	68.25
LEHIGH OUTFITTERS LLC	0116702	280986	1/28/2015 12:00:00 AM	4/16/2015 12:00:00 AM	1897.91
LEHIGH OUTFITTERS LLC	0145216	280988	2/11/2015 12:00:00 AM	4/16/2015 12:00:00 AM	284.59
LEHIGH OUTFITTERS LLC	0147540	280989	2/12/2015 12:00:00 AM	4/16/2015 12:00:00 AM	100.00
DETROIT SALT CO	49578	280900	4/6/2015 12:00:00 AM	4/16/2015 12:00:00 AM	16131.57
AIS CONSTRUCTION EQUIP&CONTRACTORS	515573	280665	3/20/2015 12:00:00 AM	4/9/2015 12:00:00 AM	5187.00
MICHIGAN ELECTRIC SUPPLY COMPANY	S100320739.001	280536	3/31/2015 12:00:00 AM	4/9/2015 12:00:00 AM	95.00
MICHIGAN ELECTRIC SUPPLY COMPANY	S100320783.001	280548	4/1/2015 12:00:00 AM	4/9/2015 12:00:00 AM	-61.76
MICHIGAN ELECTRIC SUPPLY COMPANY	S100313387.004	279630	3/17/2015 12:00:00 AM	3/26/2015 12:00:00 AM	11.50
MICHIGAN ELECTRIC SUPPLY COMPANY	S100313387.005	279632	3/18/2015 12:00:00 AM	3/26/2015 12:00:00 AM	88.24
COMCAST	09501 756493-03-7	279738	3/14/2015 12:00:00 AM	3/26/2015 12:00:00 AM	76.15
OFFICE DEPOT	757187419001	279792	3/19/2015 12:00:00 AM	3/26/2015 12:00:00 AM	6.56
RITZ SAFETY SUPPLIES	5123449	279855	3/23/2015 12:00:00 AM	4/2/2015 12:00:00 AM	786.87
MICHIGAN ELECTRIC SUPPLY COMPANY	S100313387.008	281152	3/31/2015 12:00:00 AM	4/23/2015 12:00:00 AM	73.53
MICHIGAN ELECTRIC SUPPLY COMPANY	S100313387.010	281155	4/6/2015 12:00:00 AM	4/23/2015 12:00:00 AM	47.06
MICHIGAN ELECTRIC SUPPLY COMPANY	S100313387.011	281156	4/9/2015 12:00:00 AM	4/23/2015 12:00:00 AM	134.12
MICHIGAN ELECTRIC SUPPLY COMPANY	S100320081.001	281157	4/13/2015 12:00:00 AM	4/23/2015 12:00:00 AM	9.95
MICHIGAN ELECTRIC SUPPLY COMPANY	S100313387.009	281158	4/3/2015 12:00:00 AM	4/23/2015 12:00:00 AM	170.58
RITZ SAFETY SUPPLIES	5129469	281118	4/14/2015 12:00:00 AM	4/23/2015 12:00:00 AM	97.20
MCNAUGHTON MCKAY ELECTRIC CO	13867460-01	281113	4/14/2015 12:00:00 AM	4/23/2015 12:00:00 AM	317.62
MCNAUGHTON MCKAY ELECTRIC CO	13884140-00	281114	4/14/2015 12:00:00 AM	4/23/2015 12:00:00 AM	10.80
CONSTRUCTION FASTENERS	637088-01	281037	4/10/2015 12:00:00 AM	4/16/2015 12:00:00 AM	14.54
MID STATES BOLT & SCREW CO	30517304	279968	3/19/2015 12:00:00 AM	4/2/2015 12:00:00 AM	68.95
MCNAUGHTON MCKAY ELECTRIC CO	13845226-00	279911	3/24/2015 12:00:00 AM	4/2/2015 12:00:00 AM	87.04
MCNAUGHTON MCKAY ELECTRIC CO	13854310-00	279954	3/26/2015 12:00:00 AM	4/2/2015 12:00:00 AM	113.82
MCNAUGHTON MCKAY ELECTRIC CO	13843814	279771	3/20/2015 12:00:00 AM	3/26/2015 12:00:00 AM	353.60
MID STATES BOLT & SCREW CO	30518212	279851	3/20/2015 12:00:00 AM	4/2/2015 12:00:00 AM	382.53
GENESEE COUNTY ROAD COMMISSION	23674	279731	2/28/2015 12:00:00 AM	3/26/2015 12:00:00 AM	67.69
GENESEE COUNTY ROAD COMMISSION	23685	279732	2/28/2015 12:00:00 AM	3/26/2015 12:00:00 AM	958.42
LOWE'S HOME CENTER	922521	279127	2/10/2015 12:00:00 AM	3/12/2015 12:00:00 AM	109.58
LOWE'S HOME CENTER	923740	279129	2/12/2015 12:00:00 AM	3/12/2015 12:00:00 AM	27.94
LOWE'S HOME CENTER	922085	279130	2/18/2015 12:00:00 AM	3/12/2015 12:00:00 AM	32.54
MCNAUGHTON MCKAY ELECTRIC CO	13817172-00	279187	3/12/2015 12:00:00 AM	3/19/2015 12:00:00 AM	200.00
MCNAUGHTON MCKAY ELECTRIC CO	13817172-01	279188	3/12/2015 12:00:00 AM	3/19/2015 12:00:00 AM	54.00
MCNAUGHTON MCKAY ELECTRIC CO	13829476-00	279204	3/13/2015 12:00:00 AM	3/19/2015 12:00:00 AM	86.66

CONSTRUCTION FASTENERS	635477-01	276783	1/16/2015 12:00:00 AM	1/29/2015 12:00:00 AM	12.16
MCNAUGHTON MCKAY ELECTRIC CO	13801414-00	278656	3/2/2015 12:00:00 AM	3/5/2015 12:00:00 AM	13.87
CONSTRUCTION FASTENERS	41841-01	278888	2/28/2015 12:00:00 AM	3/12/2015 12:00:00 AM	489.00
CONSTRUCTION FASTENERS	636082-01	278081	2/18/2015 12:00:00 AM	2/26/2015 12:00:00 AM	34.94
MCNAUGHTON MCKAY ELECTRIC CO	13788826-00	277959	2/23/2015 12:00:00 AM	2/26/2015 12:00:00 AM	63.10
CONSTRUCTION FASTENERS	636647-01	280492	3/20/2015 12:00:00 AM	4/9/2015 12:00:00 AM	247.75
MICHIGAN ELECTRIC SUPPLY COMPANY	S100317318.002	280512	3/26/2015 12:00:00 AM	4/9/2015 12:00:00 AM	83.25
MCNAUGHTON MCKAY ELECTRIC CO	13854310-01	280525	3/31/2015 12:00:00 AM	4/9/2015 12:00:00 AM	10.26
MCNAUGHTON MCKAY ELECTRIC CO	13860832-00	280526	3/31/2015 12:00:00 AM	4/9/2015 12:00:00 AM	66.56
UNITED PARCEL SERVICE	Y7A222125	280468	3/21/2015 12:00:00 AM	4/9/2015 12:00:00 AM	26.41
STATE OF MICHIGAN	SE 375892	280806	3/4/2015 12:00:00 AM	4/16/2015 12:00:00 AM	2515.11
MID STATES BOLT & SCREW CO	30528651	280859	4/7/2015 12:00:00 AM	4/16/2015 12:00:00 AM	23.94
MCNAUGHTON MCKAY ELECTRIC CO	13867460-00	280820	4/6/2015 12:00:00 AM	4/16/2015 12:00:00 AM	21.82
MCNAUGHTON MCKAY ELECTRIC CO	13880457-00	280957	4/10/2015 12:00:00 AM	4/16/2015 12:00:00 AM	112.70
MCNAUGHTON MCKAY ELECTRIC CO	13877158-00	280935	4/9/2015 12:00:00 AM	4/16/2015 12:00:00 AM	25.39
WADE TRIM, INC	3002469	280469	3/31/2015 12:00:00 AM	4/9/2015 12:00:00 AM	1164.80
ROWE ENGINEERING INC	0075817	277978	2/5/2015 12:00:00 AM	2/26/2015 12:00:00 AM	1151.50
ROWE ENGINEERING INC	0075846	278011	2/10/2015 12:00:00 AM	2/26/2015 12:00:00 AM	635.95
WADE TRIM, INC	3002201	278355	2/17/2015 12:00:00 AM	3/5/2015 12:00:00 AM	2688.00
RESOURCE RECYCLING SYSTEMS INC	727219	273242	11/10/2014 12:00:00 AM	11/27/2014 12:00:00 AM	18750.00
ROWE ENGINEERING INC	0076052	279961	3/20/2015 12:00:00 AM	4/2/2015 12:00:00 AM	891.02
WADE TRIM, INC	3002461	279963	3/26/2015 12:00:00 AM	4/2/2015 12:00:00 AM	3266.99
Consumers Energy	100004254759	277079	2/4/2015 1:52:32 PM	2/5/2015 12:00:00 AM	49.48
LINDE LLC	51844456	281032	4/12/2015 12:00:00 AM	4/16/2015 12:00:00 AM	1848.00
ROWLEYS WHOLESALE	1774963-01	281021		4/16/2015 12:00:00 AM	866.50
RITZ SAFETY SUPPLIES	5129075	281022	4/13/2015 12:00:00 AM	4/16/2015 12:00:00 AM	218.84
RITZ SAFETY SUPPLIES	5129201	281023	4/13/2015 12:00:00 AM	4/16/2015 12:00:00 AM	27.58
FLINT WELDING SUPPLY CO	411242	281026	4/6/2015 12:00:00 AM	4/16/2015 12:00:00 AM	67.00
RAFTELIS FINANCIAL CONSULTANTS INC	FLMI1501-03	281034	4/6/2015 12:00:00 AM	4/16/2015 12:00:00 AM	8155.00
RITZ SAFETY SUPPLIES	5129103	281052	4/13/2015 12:00:00 AM	4/16/2015 12:00:00 AM	139.48
B & D ELEVATOR SERVICES INC	10897	281072	4/1/2015 12:00:00 AM	4/16/2015 12:00:00 AM	175.00
PVS TECHNOLOGIES INC	196286	281111	4/10/2015 12:00:00 AM	4/23/2015 12:00:00 AM	6049.61
MCNAUGHTON MCKAY ELECTRIC CO	13578247-01	281115	4/14/2015 12:00:00 AM	4/23/2015 12:00:00 AM	64680.00
CHEMCO PRODUCTS INC	104269	281127	4/14/2015 12:00:00 AM	4/23/2015 12:00:00 AM	4950.00
MCNAUGHTON MCKAY ELECTRIC CO	13886559-00	281148	4/16/2015 12:00:00 AM	4/23/2015 12:00:00 AM	385.02
MCNAUGHTON MCKAY ELECTRIC CO	13878891-00	281149	4/16/2015 12:00:00 AM	4/23/2015 12:00:00 AM	142.80
STANDARD ELECTRIC CO	1379880-01	281110	4/13/2015 12:00:00 AM	4/23/2015 12:00:00 AM	74.12
POLYDYNE INC	960907	281146	4/15/2015 12:00:00 AM	4/23/2015 12:00:00 AM	6777.00
MID STATES BOLT & SCREW CO	30535218	281147	4/16/2015 12:00:00 AM	4/23/2015 12:00:00 AM	989.99

TESTAMERICA ANALYTICAL TESTING CORP	19005310	281131	4/15/2015 12:00:00 AM	4/23/2015 12:00:00 AM	750.00
TESTAMERICA ANALYTICAL TESTING CORP	19005317	281132	4/15/2015 12:00:00 AM	4/23/2015 12:00:00 AM	30.00
MACOMB GROUP	4379955	281133	4/16/2015 12:00:00 AM	4/23/2015 12:00:00 AM	1235.35
MACOMB GROUP	4380824	281162	4/17/2015 12:00:00 AM	4/23/2015 12:00:00 AM	573.06
MACOMB GROUP	4381158	281163	4/17/2015 12:00:00 AM	4/23/2015 12:00:00 AM	36.68
AMERICAN ELECTRIC MOTOR CORP	51565	281169	4/15/2015 12:00:00 AM	4/23/2015 12:00:00 AM	424.00
HACH COMPANY	9330698	281179	4/14/2015 12:00:00 AM	4/23/2015 12:00:00 AM	1356.60
HUBBELL, ROTH & CLARK INC	0135303	281180	4/13/2015 12:00:00 AM	4/23/2015 12:00:00 AM	3000.00
MCNAUGHTON MCKAY ELECTRIC CO	13880748-00	281116	4/14/2015 12:00:00 AM	4/23/2015 12:00:00 AM	84.28
ROBERT CASE	040915	281098	4/9/2015 12:00:00 AM	6/11/2015 12:00:00 AM	220.43
ALEXANDER CHEMICAL CORP	SLS10030902	281036	4/7/2015 12:00:00 AM	4/16/2015 12:00:00 AM	694.00
ROBERT CASE	033015	281188	3/30/2015 12:00:00 AM	4/23/2015 12:00:00 AM	100.76
TESTAMERICA ANALYTICAL TESTING CORP	19005290	281002	4/13/2015 12:00:00 AM	4/16/2015 12:00:00 AM	76.00
SEEPEX, INC	30466241	281003	3/31/2015 12:00:00 AM	4/16/2015 12:00:00 AM	381933.60
MCNAUGHTON MCKAY ELECTRIC CO	13618724-00	280936	4/10/2015 12:00:00 AM	4/16/2015 12:00:00 AM	19800.00
POWER PLUS ENGINEERING INC	54194	280938	3/24/2015 12:00:00 AM	4/16/2015 12:00:00 AM	17139.00
STANDARD ELECTRIC CO	1300004-00	280925	4/9/2015 12:00:00 AM	4/16/2015 12:00:00 AM	1658.71
STANDARD ELECTRIC CO	1379990-00	280926	4/9/2015 12:00:00 AM	4/16/2015 12:00:00 AM	109.59
OAK CONSTRUCTION CORPORATION	13-6-66	280098	3/27/2015 12:00:00 AM	4/2/2015 12:00:00 AM	2039.86
OAK CONSTRUCTION CORPORATION	13-6-64	280099	3/26/2015 12:00:00 AM	4/2/2015 12:00:00 AM	12316.00
ALEXANDER CHEMICAL CORP	10030967	280903	4/8/2015 12:00:00 AM	4/16/2015 12:00:00 AM	1735.00
PCT SECURITY LLC	52474	277751	2/16/2015 12:00:00 AM	2/26/2015 12:00:00 AM	449.00
PCT SECURITY LLC	52475	277752	2/16/2015 12:00:00 AM	2/26/2015 12:00:00 AM	1760.00
RITZ SAFETY SUPPLIES	5124835	280022	3/26/2015 12:00:00 AM	4/2/2015 12:00:00 AM	360.00
ETNA SUPPLY COMPANY	S101378140.001	279910	3/24/2015 12:00:00 AM	4/2/2015 12:00:00 AM	3722.50
ETNA SUPPLY COMPANY	S101365773.005	279838	3/23/2015 12:00:00 AM	4/2/2015 12:00:00 AM	584.80
ETNA SUPPLY COMPANY	S101384948.001	280819	4/7/2015 12:00:00 AM	4/16/2015 12:00:00 AM	1010.00
MICHIGAN PIPE & VALVE - FLINT	X002710	280802	3/27/2015 12:00:00 AM	4/16/2015 12:00:00 AM	777.03
MICHIGAN PIPE & VALVE - FLINT	X002682	280803	3/27/2015 12:00:00 AM	4/16/2015 12:00:00 AM	189.00
CINTAS CORP	308309139	280742	4/6/2015 12:00:00 AM	4/9/2015 12:00:00 AM	373.76
ACE SAGINAW PAVING COMPANY	2020906	280442	3/25/2015 12:00:00 AM	4/9/2015 12:00:00 AM	5364.11
HD SUPPLY WATERWORKS, LTD.	D681716	280531	3/31/2015 12:00:00 AM	4/9/2015 12:00:00 AM	4930.92
ETNA SUPPLY COMPANY	S101384669.001	280608	4/1/2015 12:00:00 AM	4/9/2015 12:00:00 AM	314.36
ETNA SUPPLY COMPANY	S101390356.002	280934	4/8/2015 12:00:00 AM	4/16/2015 12:00:00 AM	179.46
GENESEE COUNTY SHERIFF	15-1016	280941	4/6/2015 12:00:00 AM	4/9/2015 12:00:00 AM	4705.77
OFFICE DEPOT	764209695001	280961	4/7/2015 12:00:00 AM	4/16/2015 12:00:00 AM	192.59
OFFICE DEPOT	76429828001	280962	4/8/2015 12:00:00 AM	4/16/2015 12:00:00 AM	37.17
CENTRAL CONCRETE PRODUCTS, INC	80845	280973	4/6/2015 12:00:00 AM	4/16/2015 12:00:00 AM	612.00
CENTRAL CONCRETE PRODUCTS, INC	80844	280974	4/6/2015 12:00:00 AM	4/16/2015 12:00:00 AM	185.00

LEHIGH OUTFITTERS LLC	0155325	280991	2/17/2015 12:00:00 AM	4/16/2015 12:00:00 AM	100.00
ETNA SUPPLY COMPANY	S101382503.004	280956	4/10/2015 12:00:00 AM	4/16/2015 12:00:00 AM	644.00
COMCAST	09501750593-01-5	281033	4/7/2015 12:00:00 AM	4/16/2015 12:00:00 AM	86.67
ALDRIDGE TRUCKING	30604	281038	4/10/2015 12:00:00 AM	4/16/2015 12:00:00 AM	1090.59
MICHIGAN PIPE & VALVE - FLINT	X002798	281040	4/6/2015 12:00:00 AM	4/16/2015 12:00:00 AM	1427.13
LEHIGH OUTFITTERS LLC	0150025	281053	2/13/2015 12:00:00 AM	4/16/2015 12:00:00 AM	299.67
CENTRAL CONCRETE PRODUCTS, INC	80850	281055	4/7/2015 12:00:00 AM	4/16/2015 12:00:00 AM	405.00
CENTRAL CONCRETE PRODUCTS, INC	80858	281056	4/9/2015 12:00:00 AM	4/16/2015 12:00:00 AM	229.50
EXOTIC AUTOMATION & SUPPLY	I355984	281112	4/14/2015 12:00:00 AM	4/23/2015 12:00:00 AM	129.85
LIQUI-FORCE SERVICES INC.	1798	281105	3/31/2015 12:00:00 AM	4/23/2015 12:00:00 AM	41700.00
CENTRAL CONCRETE PRODUCTS, INC	80861	281181	4/10/2015 12:00:00 AM	4/23/2015 12:00:00 AM	267.75
HOWARD SWICKARD	032415	281184	3/13/2015 12:00:00 AM	4/23/2015 12:00:00 AM	213.07

2. EM Order Authorizing Loan Application

EM SUBMISSION NO.: EMA 1672015

PRESENTED: 4-08-15

ADOPTED: 4-08-15

BY THE EMERGENCY MANAGER:

RESOLUTION APPROVING SUBMISSION OF AN APPLICATION TO THE LOCAL EMERGENCY FINANCIAL ASSISTANCE LOAN BOARD CREATED PURSUANT TO THE EMERGENCY MUNICIPAL LOAN ACT, REQUESTING AN EMERGENCY LOAN FOR THE PURPOSE OF ENABLING THE CITY TO MEET ITS FINANCIAL OBLIGATIONS, PRESCRIBING THE FORM OF THE NOTE, AND DETERMINING OTHER MATTERS RELATING TO THE APPLICATION, THE LOAN AND RELATED DOCUMENTATION TO ASSURE THAT THE LOAN MAY BE MADE UNDER THE MOST FAVORABLE CONDITIONS FOR THE CITY

The City of Flint, County of Genesee, State of Michigan (the "City"), a municipal corporation of the State of Michigan (the "State), has been duly created under the provisions of the Home Rule Cities Act of the State, Act 279, Michigan Public Acts of 1909, as amended ("Act 279"), pursuant to which the City has the comprehensive home rule power conferred upon it by Act 279 and the Constitution of the State of 1963 (the "Constitution"), subject only to the limitations on the exercise of that power contained in the Constitution, by statute of the State or by Flint City Charter (the "City Charter") provisions; and

Pursuant to the City Charter, the City may borrow money for any purpose within the scope of its powers, may issue bonds or other evidences of indebtedness therefor, and may when permitted by the Constitution and the law, pledge the full faith, credit and resources of the City for the payment of those obligations; and

The State has enacted the Revised Municipal Finance Act, Act 34, Michigan Public Acts of 2001, as amended ("Act 34"), relative, inter alia, to the borrowing of money and the issuance of certain debt and securities, providing for tax levies, authorizing the issuance of certain debt and securities and to generally govern municipal finance practices in the State; and

The City is defined to be a "municipality" under Act 34 that has the power to issue a security such as bonds, notes, contracts, obligations or other similar instruments; and

Pursuant to the provisions of the Local Financial Stability and Choice Act, Act 436, Michigan Public Acts of 2012 ("Act 436"), a financial emergency has been determined to exist within the City and Gerald W. Ambrose has been appointed, pursuant to Act 436, as Emergency Manager (the "Manager") for the City and is authorized to take certain actions in accordance with Act 436; and

The Manager has determined that there exists a deficit in the City's general fund for the current fiscal year that could not be adequately provided for in the current fiscal year budget; and

The Manager has determined that it is necessary and in the best interest of the City to make application to the Michigan Local Emergency Financial Assistance Loan Board (the "Board") established pursuant to the Emergency Municipal Loan Act, Act 243, Michigan Public Acts of 1980, as amended ("Act 243") to borrow the sum of not to exceed Seven Million Dollars ($7,000,000); and

The City is defined to be a "municipality" under Act 243 which may apply for and receive a loan under Act 243; and

Pursuant to Act 34, Act 279, Act 436 and Act 243, the Manager may approve the issuance of municipal securities to finance the deficit and pay necessary operating expenditures of the City; and

Pursuant to Act 436 and Act 34, the Manager may order or resolve the issuance of a municipal security which order or resolution shall contain an irrevocable provision for the levying of a tax in order to repay the municipal security from the receipt of such taxes; and

The Manager has determined that a deficit for the City's general fund is projected for the City's current fiscal year; and

The Manager anticipates that within the last eighteen (18) months immediately preceding the request for a loan with the Board, the Department of Treasury will act upon a request by the City to issue tax anticipation notes under Act 34; and

The state equalized valuation of real and personal property within the City at the time the loan application will be made will be less than the state equalized valuation of real and personal property within the City in the immediately preceding year; and

The City has or will submit a five-year plan that has been approved by the Manager on behalf of the City, outlining actions to be taken to balance future expenditures with anticipated revenues; and

The Manager hereby certifies the foregoing and further desires to make certain determinations for, on behalf of and in the best interests of the City, which determinations by the Manager shall be in writing and included along with all other documentation of the Loan, as hereinafter defined.

IT IS RESOLVED that:

Section 1. The Manager is authorized to submit an application to the Board requesting a loan in the amount of not to exceed Seven Million Dollars ($7,000,000) or such part thereof as the Michigan Department of Treasury may authorize (the "Loan") for which a note (the "Note") of the City shall be issued as evidence thereof.

Section 2. The Note shall bear interest at the current rate of interest of 2.09% per annum or such other rate established by the Board not to exceed 3.00% per annum, as in compliance with and pursuant to Act 243 in its Order, as hereinafter defined, approving the Loan, and interest payments shall be due and payable on June 1 and December 1 of each year commencing on December 1, 2015 or such other dates established by the Board in its Order.

Section 3. Principal payments under the Note shall be payable in not to exceed fifteen (15) annual installments on June 1 of each year commencing on June 1, 2016 or such other dates and in the amounts specified by the Board in the Order.

Section 4. The Loan shall be a general obligation of the City, and the full faith and credit of the City shall be pledged to the payment of the principal of and interest on the Note as and when due. The Note shall be payable out of the general fund of the City, including collections of ad valorem taxes the City may levy on all taxable property within the City within applicable Constitutional, statutory and City Charter limitations. As additional security for the payments due and owing under the Note, the City shall acknowledge, assign, and pledge, to the repayment of principal of or interest on the Note, the State's statutory right to withhold the amount of all delinquent payments due on the Note from State payments owed to the City under the Glenn Steil State Revenue Sharing Act of 1971, Act 140, Michigan Public Acts of 1971, as amended ("Act 140").

Section 5. The Manager shall execute the Note on behalf of the City and the City's seal or facsimile thereof shall be imprinted or affixed thereon, and upon receipt of the principal amount of the Loan, the fully executed Note shall be delivered to the Board as agent for the State.

Section 6. The Note shall be in substantially the form attached hereto as Exhibit A.

Section 7. The City hereby acknowledges that the Loan will be made pursuant to an order of the Board (the "Order") which Order may contain terms and conditions of the Loan. The Manager is hereby authorized to accept such terms and conditions if he determines that accepting such terms and conditions is in the best interests of the City, and once accepted such terms and conditions of any such Order shall be binding on the City.

Section 8. Notwithstanding anything herein to the contrary, the Manager, City Clerk, Finance Director, Deputy Finance Director, City Attorney and any other official or employee of the City are each hereby authorized and ordered to take such action or execute such documents and certificates as may be necessary or desirable and in the best interests of the City in connection with the delivery of the Note and the City's receipt of the proceeds of the Loan.

Section 9. The appointment of the law firm of Miller, Canfield, Paddock and Stone, P.L.C. of Detroit, Michigan as Note Counsel for the Note securing the Loan is hereby ratified and confirmed notwithstanding the periodic representation by Miller, Canfield, Paddock and Stone, P.L.C. in unrelated matters of the State and other parties and potential parties, if any, to the issuance of the Note.

Section 10. All resolutions and parts of resolutions insomuch and insofar as they conflict with the provisions of this Resolution be and the same are hereby rescinded.

<u>Section 11</u>. This Resolution shall be effective immediately upon execution.

APPROVED AS TO FORM:

____
Peter M. Bade, City Attorney

____
Natasha L. Henderson, City Administrator

<u>EM DISPOSITION</u>:

ENACT ___X___ **FAIL** __________ **REFER TO COUNCIL** ______

____
Gerald Ambrose, Emergency Manager

EXHIBIT A

NOTE FORM

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF GENESEE

CITY OF FLINT

EMERGENCY LOAN NOTE
(General Obligation Limited Tax)
2014-15 Series _

Registered Owner: **State of Michigan**

Principal Amount: ______________

Date of Original Issue: __________, 2015

The CITY OF FLINT, County of Genesee, State of Michigan (the "Issuer"), acknowledges itself to owe and for value received hereby promises to pay to the State of Michigan, the Principal Amount specified above, in lawful money of the United States of America, in ____ installments on the dates and in the amounts set forth on Schedule A attached hereto ("Schedule A"), unless prepaid prior thereto as hereinafter provided, with interest on the unpaid principal balance hereof from the Date of Original Issue specified above or such later date to which interest has been paid, until paid, at the rate of __ percent (__%) per annum payable semiannually on the dates and in the amounts set forth on Schedule A. Interest on this note shall be computed on the basis of a 365-day year and the actual number of days elapsed. Both the principal of and interest on this note are payable at the Office of the State Treasurer in Lansing, Michigan, or such other place as may be designated in writing to the Issuer by the State Treasurer.

This note is issued pursuant to a resolution of the Emergency Manager of the Issuer, and under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically the Emergency Municipal Loan Act, Act 243, Michigan Public Acts of 1980, as amended, to evidence the obligation of the Issuer to make repayment of an emergency loan made by the State of Michigan for the purpose of enabling the Issuer to meet its financial obligations.

The Issuer shall have the right to pay at any time or times prior to maturity, without penalty or premium, all or any portion of this note. Prepayments shall be credited to principal payments in direct order of maturity.

This note, including the interest hereon, is payable as a first budget obligation from the general fund of the Issuer, and the Issuer is required, if necessary, to levy ad valorem taxes on all taxable property in the Issuer for the payment thereof, subject to applicable constitutional, statutory and charter tax rate limitations.

As additional security for payment of this note and in the event of the delinquency of the Issuer on the payment of required principal or interest hereon, the State Treasurer is authorized to withhold all delinquent amounts of principal or interest due on this note from state payments to the Issuer otherwise required to be made to the Issuer pursuant to the provisions of the Glenn Steil State Revenue Sharing Act of 1971, Act 140, Michigan Public Acts of 1971, as amended ("Act 140"), and said withholding shall be applied by the State Treasurer against said delinquent payments.

The Issuer covenants that it shall perform and meet all requirements imposed upon the Issuer as a result of receiving this loan pursuant to Act 243 until this note is paid in full.

It is hereby certified and recited that all acts, conditions and things required by law to be done, precedent to and in the issuance of this note, exist and have been done and performed in regular and due form and time as required by law, and that the total indebtedness of the Issuer, including this note, does not exceed any constitutional, statutory or charter debt limitation.

[Signature page to follow]

IN WITNESS WHEREOF, the Issuer, by resolution of the Emergency Manager, has caused this note to be signed in the name of the Issuer by the manual signature of its Emergency Manager and its corporate seal to be hereunto affixed, all as of the Date of Original Issue.

CITY OF FLINT
County of Genesee
State of Michigan

By ______________________________
Gerald W. Ambrose
Its: Emergency Manager

[SEAL]

S:\P. Bade\EM2015\Resolutions\Resolution Emergency Loan 04.08.15.docx

City of Flint, Michigan
Certified Copy

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

Resolution: 150302.1

File Number: 150302.1

Amended Resolution/Approval of Emergency Manager Resolution No. EMA1672015/Approval of Emergency Loan

An Amended Resolution resolving that the Flint City Council, pursuant to Public Act No. 243 and Local Financial Stability and Choice Act No. 436, hereby approves the terms and conditions of the issuance of the Note and the Loan set forth in Emergency Manager Resolution No. EMA1672015 (EXHIBIT A), AND, resolving that all resolutions or parts of resolutions or other proceedings of the City of Flint in conflict herewith shall be and the same hereby are repealed insofar as conflict exists, AND, resolving that this resolution shall take effect immediately upon its adoption by the City Council. [NOTE: Resolution EXHIBIT A title reads: Resolution Approving Submission Of An Application To The Local Emergency Financial Assistance Loan Board Created Pursuant To The Emergency Municipal Loan Act, Requesting An Emergency Loan For The Purpose Of Enabling The City To Meet Its Financial Obligations, Prescribing The Form Of The Note, And Determining Other Matters Relating To The Application, The Loan And Related Documentation To Assure That The Loan May Be Made Under The Most Favorable Conditions For The City.] [NOTE: Resolution amended to add Emergency Manager resolution number AND to acknowledge correction in Exhibit A.]

State of Michigan
County of Genesee

I, Inez M. Brown, hereby certify that the foregoing is a true and complete copy of Resolution No. 150302.1, offered and passed with the following vote by the Flint City Council at a meeting held on 4/13/2015.

The motion was made by Councilperson Mays and seconded by Councilperson Kincaid.

Aye: 8 Councilperson Mays, Councilperson Poplar, Councilperson Nelson, President Freeman, Councilperson Winfrey, Councilperson Galloway, Councilperson VanBuren, Councilperson Kincaid
Absent: 1 Vice President Davis

Inez M. Brown — Inez M. Brown

April 15, 2015 — Date Certified

RESOLUTION NO.: **150302.1**

PRESENTED: April 13, 2015

ADOPTED: April 13, 2015

RESOLUTION APPROVING EMERGENCY MANAGER RESOLUTION NO. EMA1672015, APPROVAL OF EMERGENCY LOAN

BY THE FLINT CITY COUNCIL:

On April 8, 2015, pursuant to Section 12(1)(u) of the Local Financial Stability and Choice Act, Act No. 436, Public Acts of Michigan, 2012, ("Act 436"), Gerald W. Ambrose, the Emergency Manager of the City of Flint (the "Emergency Manager"), filed with this City Council his EM Resolution No. EMA1672015 (the "Resolution") approving submission of an Application to the Local Emergency Financial Assistance Loan Board (the "Emergency Loan Board") for a loan in the amount of not to exceed Seven Million Dollars ($7,000,000), or such part thereof as approved by the Emergency Loan Board (the "Loan"); and

The Resolution provides that (i) the City will issue a Note (the "Note") under Act 243, Public Acts of Michigan, 1980, as amended ("Act 243") in the principal amount of the final amount of the Loan approved by the Emergency Loan Board; (ii) the Note will bear interest at the current rate of 2.09% per annum or such other rate not to exceed 3.0%, as finally approved by the Emergency Loan Board, and payable on the dates provided in the Resolution, or such other dates as approved by the Emergency Loan Board; and (iii) principal payments under the Note shall be payable in not to exceed 15 annual installments on June 1 of each year commencing on June 1, 2016, or on the dates and in the amounts as approved by the Emergency Loan Board; and

Under Act 243, approval of the issuance of the Note and the terms and conditions of the Loan must be provided by the Emergency Loan Board; and

The City Council has reviewed the Resolution and terms and conditions for the issuance of the Note and the Loan; and

The City Council desires to adopt this resolution to indicate its approval of the issuance of the Note and the Loan pursuant to Section 19(1) of Act 436, as a precondition for the Emergency Manager to seek approval of the terms and conditions for the issuance of the Note and the Loan by the Emergency Loan Board.

IT IS RESOLVED by the Flint City Council, pursuant to Act 243 and Act 436, as follows:

Section 1. Pursuant to Section 19(1) of Act 436, the City Council hereby approves the terms and conditions of the issuance of the Note and the Loan as set forth in the Resolution, attached hereto as Exhibit A.

Section 2. All resolutions or parts of resolutions or other proceedings of the City of Flint in conflict herewith shall be and the same hereby are repealed insofar as such conflict exists.

Section 3. This resolution shall take effect immediately upon its adoption by the City Council.

APPROVED AS TO FORM:

Peter M. Bade, City Attorney

APPROVED BY THE FLINT CITY COUNCIL:

APPROVED BY
CITY COUNCIL

[illegible] 1 3 [illegible]

S:\P Bade\Council\Resolutions\Resolution Approving EM Reso Emergency Loan 04 08 15.docx

CITY OF FLINT

OFFICE OF THE EMERGENCY MANAGER

Gerald Ambrose
Emergency Manager

TO: Harlan Goodrich, Department of Treasury

FROM: Gerald Ambrose, Emergency Manager, City of Flint

RE: Proceeds List

DATE: April 20, 2015

Please be advised that the proceeds from the $7 million Emergency Loan will be used to eliminate the accumulated General Fund deficit. Specifically, the funds will be used towards repayment of a cash advance from the Sewer Fund.

3. Emergency Loan Board Order of Approval

RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

NICK A. KHOURI
STATE TREASURER

LOCAL EMERGENCY FINANCIAL ASSISTANCE LOAN BOARD

ORDER 2015-2

ORDER OF APPROVAL OF EMERGENCY LOAN

THE LOCAL EMERGENCY FINANCIAL ASSISTANCE LOAN BOARD, ACTING UPON THE APPLICATION OF

THE CITY OF FLINT
COUNTY OF GENESEE
STATE OF MICHIGAN

A local fiscal emergency exists within the city of Flint (the "City").

A deficit is projected for the City's General Fund in the City's fiscal year ending June 30, 2015.

The Michigan Department of Treasury ("**Treasury**") has acted upon a request by the City to issue tax anticipation notes or revenue sharing notes under the Revised Municipal Finance Act, 2001 PA 34, as amended, MCL 141.2101 to 141.2821.

As of April, 17, 2015, the state equalized value of real and personal property within the City is less than the state equalized valuation of real and personal property within the City in the immediately preceding year.

The City seeks an emergency loan in the amount of $7,000,000.00 to enable the City to meet its financial obligations.

The City has submitted with an application for an emergency loan a five-year plan approved by the emergency manager for the City acting for the City's governing body under the Local Financial Stability and Choice Act, 2012 PA 436, MCL 141.151 to 141.1575 ("**Act 436**"), and acceptable to Treasury that will balance future expenditures with anticipated revenues.

The City has complied with the applicable requirements of the Emergency Municipal Loan Act, 1980 PA 243, as amended, MCL 141.931 to 141.142 ("**Act 243**").

The Local Emergency Financial Assistance Loan Board ("Board") therefore orders the following:

1. **Approval of Emergency Loan.** The Board approves an emergency loan from the State of Michigan to the City in the amount of $7,000,000.00 (the "Emergency Loan").

2. **Loan Terms.** The Emergency Loan will be evidenced by a note with a term not to exceed 15 years. The principal amount outstanding under the emergency loan will bear interest initially at the rate of 2.09% per year, except as otherwise provided in the emergency loan agreement described in section 3. Interest will be computed on the basis of actual number of days elapsed in a calendar year. The City shall make an initial payment of interest only then owing on December 1, 2015. After the initial payment and until the Emergency Loan is repaid, the City shall make a payment of principal and interest then owing on each June 1, and a payment of interest only then owing on each December 1, with a date of final maturity of June 1, 2030. Principal payments shall be made in 15 consecutive annual installments as set forth in schedule 1, unless prepaid in advance of schedule payments.

3. **Emergency Loan Agreement.** The State Treasurer (the "**Treasurer**") shall, on behalf of the Board, enter into an emergency loan agreement with the City, dated April 29, 2015, previously approved by the City (the "**Emergency Loan Agreement**"). The City shall comply with the Emergency Loan Agreement.

4. **Security.** As additional security for the repayment, the City hereby pledges and assigns to the repayment of principal of or interest on the Emergency Loan, the State Treasurer's right to withhold delinquent payments due on the Emergency Loan from both of the following:

(1) state payments owed to the City under the Glenn Steil State Revenue Sharing Act of 1971, 1971 PA 140, as amended, MCL 141.901 to 141.921 ("Act 140"); and

(2) the City's portion of the revenue generated by the local community stabilization share tax levied under the Use Tax Act, 1937 PA 94, as amended, MCL 205.91 to 205.111, and payable by the Michigan Department of Treasury ("Treasury") to the Local Community Stabilization Authority created under the Local Community Stabilization Authority Act, 2014 PA 86, MCL 123.1341 to 123.1362, for distribution to the City and other governmental entities.

5. **Supervision.** The Treasurer shall supervise the City's compliance with this order.

6. **Waiver.** The Board may waive a provision of this order if the City demonstrates good cause for the waiver to the satisfaction of the Board, if permitted under Act 243. No waiver will be effective unless approved by the Board and in writing.

The Board has approved this order at a properly noticed open meeting and the members of the Board are signing the order on the date indicated.

[signatures on following page]

IN WITNESS WHEREOF, the members of the Board, or their designees, have signed and executed this Order of Approval.

LOCAL EMERGENCY FINANCIAL ASSISTANCE LOAN BOARD

By____________________________

Thomas F. Saxton, Chief Deputy State Treasurer
As Designee for Nick A. Khouri, State Treasurer

By____________________________

John Roberts, Budget Director
As Designee for David Behan, Director
Department of Technology, Management and Budget

By____________________________

Michael Zimmer, Director
Department of Licensing and Regulatory Affairs

Date: 4-29-15

Lansing, Michigan

SCHEDULE 1

UNITED STATES OF AMERICA
STATE OF MICHIGAN

CITY OF FLINT

EMERGENCY LOAN NOTE
(General Obligation Limited Tax)
2014-2015 Series I

Date	Principal Amount
June 1, 2016	$390,000.00
June 1, 2017	$410,000.00
June 1, 2018	$420,000.00
June 1, 2019	$430,000.00
June 1, 2020	$440,000.00
June 1, 2021	$445,000.00
June 1, 2022	$455,000.00
June 1, 2023	$465,000.00
June 1, 2024	$475,000.00
June 1, 2025	$485,000.00
June 1, 2026	$495,000.00
June 1, 2027	$505,000.00
June 1, 2028	$515,000.00
June 1, 2029	$530,000.00
June 1, 2030	$540,000.00

BAIRD

BOND DEBT SERVICE

Local Unit of Government
Emergency Loan Note (General Obligation Limited Tax) 2014-15 Series I
15-Year Scenario | $7,000,000 | Interest Daycount Actual/Actual
MMD Rates as of March 17, 2015

Dated Date	04/29/2015
Delivery Date	04/29/2015

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2015			86,577 53	86,577 53	
06/01/2016	390,000	2.090%	73,150 00	463,150 00	
06/30/2016					549,727 53
12/01/2016			69,074 50	69,074 50	
06/01/2017	410,000	2.090%	68,885.25	478,885 25	
06/30/2017					547,959 75
12/01/2017			64,967 51	64,967 51	
06/01/2018	420,000	2.090%	64,612 49	484,612.49	
06/30/2018					549,580 00
12/01/2018			60,566.48	60,566.48	
06/01/2019	430,000	2.090%	60,235.52	490,235.52	
06/30/2019					550,802 00
12/01/2019			56,060.67	56,060 67	
06/01/2020	440,000	2.090%	55,907.50	495,907.50	
06/30/2020					551,968 17
12/01/2020			51,309 50	51,309 50	
06/01/2021	445,000	2 090%	51,168.93	496,168.93	
06/30/2021					547,478 43
12/01/2021			46,787.08	46,787 08	
06/01/2022	455,000	2 090%	46,531.42	501,531 42	
06/30/2022					548,318 50
12/01/2022			42,019 31	42,019.31	
06/01/2023	465,000	2.090%	41,789.69	506,789 69	
06/30/2023					548,809 00
12/01/2023			37,146.74	37,146.74	
06/01/2024	475,000	2 090%	37,045.25	512,045.25	
06/30/2024					549,191 99
12/01/2024			32,081.50	32,081 50	
06/01/2025	485,000	2 090%	31,993.61	516,993.61	
06/30/2025					549,075 11
12/01/2025			27,087 26	27,087.26	
06/01/2026	495,000	2 090%	26,939 24	521,939.24	
06/30/2026					549,026 50
12/01/2026			21,900.34	21,900 34	
06/01/2027	505,000	2.090%	21,780 66	526,780 66	
06/30/2027					548,681 00
12/01/2027			16,608 63	16,608 63	
06/01/2028	515,000	2.090%	16,563.25	531,563 25	
06/30/2028					548,171.88
12/01/2028			11,181.50	11,181.50	
06/01/2029	530,000	2 090%	11,150.87	541,150.87	
06/30/2029					552,332 37
12/01/2029			5,658.46	5,658.46	
06/01/2030	540,000	2 090%	5,627.54	545,627 54	
06/30/2030					551,286.00
	7,000,000	-	1,242,408.23	8,242,408 23	8,242,408 23

Notes:
Robert W Baird & Co. Incorporated is providing this information to you for discussion purposes only in seeking to serve as a financial advisor or municipal advisor to you on a possible issuance of municipal securities Baird is a municipal advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board (MSRB') A financial advisor or municipal advisor is subject to a fiduciary duty, including a duty of care and a duty of loyalty, and is required to act solely in the best interests of the client. See 'Important Disclosures' contained herein.

4. EM Appointment Documentation

STATE OF MICHIGAN
EXECUTIVE OFFICE
LANSING

RICK SNYDER
GOVERNOR

BRIAN CALLEY
LT. GOVERNOR

January 13, 2015

RECEIVED/FILED
MICHIGAN DEPT OF STATE
2015 JAN 13 PM 1:44
OFFICE OF THE GREAT SEAL

The Honorable Ruth Johnson
Secretary of State
Office of the Great Seal
Michigan Department of State
Lansing, Michigan 48909

Dear Secretary Johnson:

Please be advised of the following appointment to office:

Emergency Manager – City of Flint

Gerald W. Ambrose of 1693 Tuttle Road, Mason, Michigan 48854, county of Ingham, succeeding Darnell Earley, is appointed to serve effective January 13, 2015.

Sincerely,

Rick Snyder
Governor

OATH OF OFFICE

RECEIVED/FILED
MICHIGAN DEPT OF STATE
2015 JAN 13 PM 1:44
OFFICE OF THE GREAT SEAL

STATE OF MICHIGAN } SS.
County of Ingham

I do solemnly swear that I will support the Constitution of the United States and the Constitution of this State, and that I will faithfully discharge the duties of the office of

Emergency Manager - City of Flint

according to the best of my ability.

[signature] **
Signature

Gerald W. Ambrose
Name Printed or Typed

Sworn to and subscribed before me this 7th *day of* January, 20 15

[signature] **
Signature

Notary Public **
Title

Carolyn Harden **
Name Printed or Typed

Notary Public, State of Michigan, County of ____________

My Commission Expires ____________

Acting in the County of ____________

CAROLYN HARDEN
NOTARY PUBLIC - STATE OF MICHIGAN
COUNTY OF INGHAM
My Commission Expires Sept. 20, 2017
Acting in the County of Ingham

**When filing with the Secretary of State, original signatures are required.

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

R. KEVIN CLINTON
STATE TREASURER

CONTRACT FOR EMERGENCY MANAGER SERVICES

Rick Snyder, Governor of the State of Michigan (Governor) and the Michigan Department of Treasury retain and appoint Gerald W. Ambrose as the Emergency Manager (Emergency Manager) for the City of Flint (City) under Public Act 436 of 2012, the Local Financial Stability and Choice Act, MCL 141.1541 *et seq*, (the Act).

The Emergency Manager will provide services to the City pursuant to the terms and conditions set forth in this Contract and the Act.

The Emergency Manager's role is to remedy the financial distress of the City by requiring, within available resources, prudent fiscal management and an efficient provision of municipal services by exercising the necessary authority conferred herein to take appropriate action on behalf of the City and its residents. In accepting this appointment, the Emergency Manager agrees to leverage all the Emergency Manager's skills and abilities to accomplish these objectives on behalf of City residents.

1. PARTIES, PURPOSE, DUTIES, AND REPORTS

1.1 Parties. The parties to this Contract are the State of Michigan by the Department of Treasury and Gerald W. Ambrose.

1.2 Purpose. The parties to this Contract agree that Gerald W. Ambrose will act as the Emergency Manager for the City. The Emergency Manager's duties and responsibilities are delineated in the Act and include conducting all aspects of the operations of the City and establishing and implementing a written financial plan as required by Section 11 of the Act.

1.3 Duties. The Emergency Manager shall possess all the powers and duties authorized under the Act, including those specifically related to local governments. In addition, the Emergency Manager shall work cooperatively with the Office of the Governor and the State Treasurer. The Emergency Manager agrees to continue to keep these officials informed of major initiatives to be undertaken in furtherance of this Contract before their public announcement. The Emergency Manager shall seek the approval of the State Treasurer before entering into a new collective bargaining agreement.

1.4 Reports. The Emergency Manager shall file quarterly reports with the Department of Treasury beginning on April 15, 2015, for the immediately preceding quarter and shall file the first report required by Section 17 of the Act within six months of the Emergency Manager's appointment and every three months thereafter.

1.5 Communications. The Emergency Manager shall establish and maintain an appropriate protocol for ongoing communications with officials of the City, City residents, and the media. The communications protocol should include a variety of means, including personal interactions.

2. TERM OF CONTRACT

2.1 The Emergency Manager serves at the pleasure of the Governor except as provided in Section 9(3)(d) and Section 9(6)(c) of the Act.

2.2 Effective Date. This contract is effective on Tuesday January 13, 2015.

3. COMPENSATION FOR SERVICES PROVIDED

3.1 Source of Payment. The State shall pay the compensation of the Emergency Manager for all services rendered under this Contract.

3.2 Salary. The Emergency Manager's salary for services rendered under this Contract shall be $180,000.00 per year. If this Contract is terminated after the Emergency Manager has provided services for a portion of the month, the Emergency Manager shall be entitled, for that portion of that month, to $15,000.00 multiplied by the proportion that the number of days of the month for which services were provided bears to the number of days of the whole month.

3.3 Payment for Services. The Emergency Manager shall be paid in installments consistent with the established written policies and procedures of the Michigan Department of Treasury. If requested by the State Treasurer, the Emergency Manager shall provide to the Michigan Department of Treasury additional information regarding services performed pursuant to this Contract.

3.4 Reimbursement for Actual and Necessary Expenses. The actual and necessary expenses of the Emergency Manager, including customary expenses related to travel, meals, and lodging which are incurred in connection with service to the City will be reimbursed by the City. The Emergency Manager shall provide original copies of all receipts for meals, lodging, and travel reimbursement with any request for reimbursement. Any reimbursement for expenses under this contract shall be reviewed and approved in writing by the City's Chief Financial Officer.

4. ADDITIONAL STAFF AND CONSULTANT FEES

4.1 Staff. The Emergency Manager may, as provided in the Act, appoint additional staff as necessary to fulfill the obligations of the Emergency Manager's appointment and duties under this Contract. Payment of compensation for additional staff will be the obligation of the City. While authority to hire additional staff rests with the Emergency Manager, the Emergency Manager agrees to consult with the State Treasurer, or the designee of the State Treasurer, at least 24 hours before extending offers of employment for positions paying $50,000.00, or more, annually. The Emergency Manager shall issue a written employment contract to each individual hired pursuant to this Section, regardless of the compensation paid to that individual. The employment contract issued pursuant to this Section shall, as of the date the individual is hired by the Emergency Manager, prohibit the individual from engaging in any other employment for remuneration without the express written approval of the Emergency Manager. The Emergency Manager agrees to consult with the State Treasurer, or the designee of the State Treasurer, at least 24 hours before approving outside employment for any individual. A breach of this Section shall be a material breach of this Contract.

4.2 Professional Assistance. The Emergency Manager may, as provided in the Act, secure professional assistance as necessary to fulfill the obligations of the Emergency Manager's appointment and duties under this Contract. Payment of compensation for additional professional assistance will be the obligation of the City. The Emergency Manager agrees to consult with the State Treasurer, or the designee of the State Treasurer, at least 24 hours before authorizing professional services contracts of $50,000.00, or more, per engagement or project. If a contract under this Section, or under Section 4.1, has a value of $50,000 or more, the Emergency Manager shall not execute the contract unless the contract is subject to competitive bidding by the Emergency Manager or the Emergency Manager receives prior written approval from the State Treasurer.

4.3 Security. The Emergency Manager will be entitled to receive security protection in connection with the Emergency Manager's duties under this Contract. Security personnel will be retained only upon the approval of the State Treasurer, or the designee of the State Treasurer, and only after consultation with the Director of the Michigan Department of State Police, or the designee of the Director of the Michigan Department of State Police. Payment of compensation for security personnel will be the obligation of the City.

5. REPRESENTATIONS

5.1 Qualifications. By signing this Contract, the Emergency Manager, represents that the Emergency Manager meets the minimum qualifications for appointment set forth in the Act. The Emergency Manager shall perform the duties of that office on a full-time basis, except as otherwise approved by the State Treasurer, and shall not accept any other employment or engage in any other activity for remuneration without the express written approval of the State Treasurer.

5.2 Conflict of Interest. The Emergency Manager represents and warrants that the Emergency Manager has no personal or financial interest, and will not acquire any such interest, that would conflict in any manner or degree with the performance of this Contract.

5.3 Non-competition. The Emergency Manager represents and warrants that the Emergency Manager is not subject to any non-disclosure, non-competition, or similar clause with current or prior clients or employers that will interfere with the performance of this Contract. The State will not be subject to any liability for any such claim.

5.4 Facilities and Personnel. The City will provide the Emergency Manager with proper facilities and personnel to perform the services and work required to be performed pursuant to this Contract.

5.5 Records. The Emergency Manager shall maintain complete records in accordance with generally accepted accounting practices and sound business practices. This requirement applies to all information maintained or stored in the computer system of the Emergency Manager or computer system of the City. The State Treasurer and his designees shall have the right to inspect all records related to this Contract.

5.6 Non-Discrimination.

a) The Emergency Manager shall comply with Public Act 220 of 1976, the Persons with Disabilities Civil Rights Act, MCL 37.1101 *et seq.*, and all applicable federal, State, and local fair employment practices and equal opportunity laws. The Emergency Manager covenants that the Emergency Manager will not discriminate against any employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of a disability that is unrelated to the individual's ability to perform the duties of a particular job or position. The Emergency Manager shall impose this covenant upon every subcontractor that enters into an agreement for the performance of any obligation imposed by this Contract. A breach of this covenant shall be a material breach of this Contract.

b) The Emergency Manager shall comply with Public Act 453 of 1976, the Elliott-Larsen Civil Rights Act, MCL 37.2101 *et seq.*, and all applicable federal, State, and local fair employment practices and equal opportunity laws. The Emergency Manager covenants that the Emergency Manager will not discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, or marital status. The Emergency Manager shall impose this covenant upon every subcontractor that enters into an agreement for the performance of any obligation imposed by this Contract. A breach of this covenant shall be a material breach of this Contract.

5.7 Unfair Labor Practices. The Emergency Manager shall not enter into a contract for the performance of any obligation imposed by this Contract with a subcontractor, manufacturer, or supplier whose name appears in the register prepared pursuant to Public Act 278 of 1980, MCL 423.322, of employers found in contempt of court for failure to correct unfair labor practices. The State may void this Contract if the Emergency Manager, or any subcontractor, manufacturer, or supplier of the Emergency Manager that is a party to a contract for the performance of any obligation imposed by this Contract, appears in the above mentioned register.

5.8 Independent Contractor. The relationship of the Emergency Manager to the State and to the City under this Contract is that of an independent contractor. Except as specifically provided in the Act, no liability, benefits, workers compensation rights or liabilities, insurance rights or liabilities, or any other rights or liabilities arising out of, or related to, a contract for hire, nor employer-employee relationship, shall arise, accrue, or be implied to either party under this Contract or to an agent, subcontractor, or employee of either party under this Contract, as a result of the performance of this Contract.

6. NOTICES

6.1 The State Treasurer is the designee for this Contract unless notice of another designation is provided by the Governor. All notices, correspondence, requests, inquiries, billing statements, and other documents mentioned in this Contract shall be directed to the attention of the State Treasurer, R. Kevin Clinton, and to the following:

For the State:

Michigan Department of Treasury
Office of Legal Affairs
Richard H. Austin Building, 430 West Allegan Street
Lansing, Michigan 48922
Phone: (517) 373-3223

For the Emergency Manager:

Gerald W. Ambrose
Flint City Hall
1101 South Saginaw Street
Flint, Michigan 48502

7. LIMITATION UPON LIABILITY

7.1 The State. The State, the Governor, the State Treasurer, and all other State officials are not liable for any obligation of or claim against the City resulting from actions taken in accordance with the Act or this Contract.

7.2 The Emergency Manager. Pursuant to the Act, in performing this Contract the Emergency Manager is engaging in a governmental function and is immune from liability for any action taken which the Emergency Manager reasonably believes to be within the scope of the Emergency Manager's authority granted by the Act or by this Contract.

8. INSURANCE

8.1 General. The Emergency Manager may procure and maintain, at the expense of the City, health, worker's compensation, general liability, professional liability, and motor vehicle insurance for the Emergency Manager and any employee, agent, appointee, or contractor of the Emergency Manager as may be provided to elected officials, appointed officials, or employees of the City. The insurance procured and maintained by the Emergency Manager may extend to any claim, demand, or lawsuit asserted or costs recovered against the Emergency Manager and any employee, agent, appointee, or contractor of the Emergency Manager to the extent permitted by the Act.

8.2 Post-Contract. If, after the date that the service of the Emergency Manager is concluded, the Emergency Manager or any employee, agent, appointee, or contractor of the Emergency Manager is subject to a claim, demand, or lawsuit arising from an action taken during the service of the Emergency Manager, and not covered by a procured insurance policy, litigation expenses, including but not limited to attorney fees, payments in satisfaction of judgments, and payments made in settlement as specified pursuant to the Act, shall be paid by the City. If such expenses are not paid by the City, they shall be treated as a debt owed to this State pursuant to section 17a(5) of Public Act 140 of 1971, the Glenn Steil State Revenue Sharing Act of 1971, MCL 141.917a.

8.3 Additional Insurance. If the City has purchased, or otherwise obtained, an errors and omissions policy, then the Emergency Manager may choose to be covered under such policy at the expense of the City.

8.4 Payment by City. All insurance required under this Contract shall be acquired at the expense of the City under valid and enforceable policies, issued by insurers of recognized responsibility. The State Treasurer reserves the right to reject as unacceptable any insurer.

9. TERMINATION OF CONTRACT AND APPOINTMENT

9.1 Termination by the State.

a) The State. The Emergency Manager serves at the pleasure of the Governor except as provided in Section 9(3)(d) and Section 9(6)(c) of the Act. The Governor has the power to rescind the appointment and terminate this Contract at any time, and without cause, by issuing a Notice of Termination to the Emergency Manager.

9.2 Termination Process. Upon receipt of a Notice of Termination, and except as otherwise directed, the Emergency Manager shall:

a) Cease work under this Contract upon the date and to the extent specified in the Notice of Termination;

b) Incur no costs beyond the date specified by the Notice of Termination;

c) Submit to the State Treasurer on the date the termination is effective all records, reports and documents as this State shall specify and carry out such directives as the State Treasurer may issue concerning the safeguarding and disposition of files and property; and

d) Submit within 30 calendar days a closing memorandum and final billing, which shall be paid within 30 days.

9.3 Termination by Emergency Manager. The Emergency Manager may terminate this Contract at any time, with or without cause, with 30 days written notice to the State Treasurer. Within 30 days of the Emergency Manager's final day of service, the Emergency Manager shall submit a closing memorandum and final billing, which shall be paid within 30 calendar days.

10. GENERAL PROVISIONS

10.1 Governing Law and Jurisdiction. This Contract shall be subject to, and construed according to, the laws of the State of Michigan, and no action shall be commenced against this State, its agents, or employees for any matter whatsoever arising out of this Contract, in any court other than a Michigan State court.

10.2 No Waiver. A party's failure to insist on the strict performance of this Contract shall not constitute waiver of any breach of the Contract.

10.3 Other Debts. The Emergency Manager represents and warrants that the Emergency Manager is not, and will not become, in arrears on any contract, debt, or other obligation to the State of Michigan, including taxes.

10.4 Invalidity. If any provision of this Contract or its application to any persons or circumstances shall, to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Contract shall not be affected, and each remaining provision of this Contract shall be valid and enforceable to the fullest extent permitted by law.

10.5 Headings. Section headings contained in this Contract are for convenience only and shall not be used to interpret the scope or intent of this Contract.

10.6 Entire Agreement. This Contract represents the entire and exclusive agreement between the parties and supersedes all proposals or other prior agreements, oral or written, and all other communications between the parties.

10.7 Amendment. No Contract amendment will be effective and binding upon the parties to this Contract unless the amendment expressly makes reference to this Contract, is in writing, and is signed by duly authorized representatives of all parties and all the requisite State approvals are obtained.

10.8 Order of Priority. This Contract and the Act shall be read to be consistent one with the other. However, if a conflict is deemed to exist between the terms of this Contract and the Act, the Act shall supersede the terms of this Contract.

10.9 Counterparts. This Contract may be executed in separate counterparts, each of which when executed shall be deemed an original, but all of which when taken together shall constitute one and the same Contract.

IN WITNESS WHEREOF, the Governor and the Emergency Manager have signed and executed this Contract.

STATE OF MICHIGAN

Dated: ______________________ ______________________
Rick Snyder, Governor

Dated: ______________________ ______________________
Gerald W. Ambrose, Emergency Manager

Approved as to form and content pursuant to Section 9(3)(e) of Public Act 436 of 2012, the Local Financial Stability and Choice Act, MCL 141.1541 *et seq.*

Dated: 1/14/15 ______________________
R. Kevin Clinton, State Treasurer

5. EM Order Ratifying Terms of Loan

Execution Copy

RESOLUTION RATIFYING TERMS OF LOAN

BY THE EMERGENCY MANAGER:

RESOLUTION OF THE EMERGENCY MANAGER OF THE CITY OF FLINT, COUNTY OF GENESEE, STATE OF MICHIGAN, APPROVING ISSUANCE OF THE CITY'S EMERGENCY LOAN NOTE (GENERAL OBLIGATION LIMITED TAX) 2014-15 SERIES I, TO THE LOCAL EMERGENCY FINANCIAL ASSISTANCE LOAN BOARD CREATED PURSUANT TO THE EMERGENCY MUNICIPAL LOAN ACT, FOR THE PURPOSE OF ENABLING THE CITY TO MEET ITS FINANCIAL OBLIGATIONS, PRESCRIBING THE FORM OF THE NOTE, PROVIDING FOR THE RIGHTS OF THE HOLDER OF THE NOTE AND ENFORCEMENT THEREOF, RATIFYING THE TERMS OF THE LOAN, DETERMINING OTHER MATTERS RELATING TO THE ISSUANCE OF THE NOTE AND RELATED DOCUMENTATION TO ASSURE THAT THE NOTE IS ISSUED UNDER THE MOST FAVORABLE CONDITIONS FOR THE CITY.

WHEREAS, the City of Flint, County of Genesee, State of Michigan (the "City"), a municipal corporation of the State of Michigan (the "State), has been duly created under the provisions of the Home Rule City Act of the State, Act 279, Michigan Public Acts of 1909, as amended ("Act 279"); and

WHEREAS, pursuant to the City Charter, the City may borrow money for any purpose within the scope of its powers, and may issue notes or other evidences of indebtedness therefor; and

WHEREAS, the State has enacted the Revised Municipal Finance Act, Act 34, Michigan Public Acts of 2001, as amended ("Act 34"), relative, inter alia, to the borrowing of money and the issuance of certain debt and securities, providing for tax levies, authorizing the issuance of certain debt and securities and to generally govern municipal finance practices in the State; and

WHEREAS, the City is defined to be a "municipality" under Act 34 that has the power to issue a security such as bonds, notes, contracts, obligations or other similar instruments; and

WHEREAS, pursuant to the provisions of the Local Finance Stability and Choice Act, Act 436, Michigan Public Acts of 2012, as amended ("Act 436"), a financial emergency has been determined to exist in the City and Gerald W. Ambrose has been appointed, pursuant to Act 436, as emergency manager of the City (the "Manager") and is authorized to take certain actions in accordance with Act 436; and

Whereas, pursuant to the provisions of the Emergency Municipal Loan Act, Act 243, Michigan Public Acts of 1980 as amended ("Act 243"), a local fiscal emergency exists in the City; and

WHEREAS, the Manager has determined that there exists a deficit in the City's general fund for the current fiscal year which condition could not reasonably have been adequately provided for in the current fiscal year budget; and

RESOLUTION RATIFYING TERMS OF LOAN

WHEREAS, in a Resolution ordered by the Manager on April 8, 2015, the Manager resolved that it was necessary and in the best interest of the City to request a loan from the Michigan Local Emergency Financial Assistance Loan Board (the "Board") established pursuant to Act 243, in the principal amount of not to exceed Seven Million Dollars ($7,000,000); and

WHEREAS, the Board, at a meeting held on April 29, 2015 approved a loan to the City in the principal amount of Seven Million Dollars ($7,000,000), together with other matters related thereto; and

WHEREAS, it is now necessary for the City to ratify, confirm, and approve the conditions of the said initial loan and other matters related thereto; and

WHEREAS, the City is defined to be a "municipality" under Act 243 which may receive a loan under Act 243; and

WHEREAS, pursuant to Act 34, Act 279, Act 436 and Act 243, the Manager may approve the issuance of municipal securities to finance the deficit and pay necessary operating expenditures of the City; and

WHEREAS, pursuant to Act 436, Act 34 and Act 243, the Manager may order or resolve the issuance of a municipal security which order or resolution shall contain an irrevocable provision for the levying of a tax in order to repay the municipal security from the receipt of such taxes; and

WHEREAS, the Manager desires to make certain determinations for, on behalf of and in the best interest of the City, which determinations by the Manager shall be in writing and included along with all other documentation of the Loan, as hereinafter defined.

NOW, THEREFORE, BE IT RESOLVED by the Emergency Manager of the City of Flint, that:

Section 1. A note of the City designated "Emergency Loan Note (General Obligation Limited Tax) 2014-15 Series I" (the "Note") shall be issued in the principal amount of Seven Million Dollars ($7,000,000) (the "Loan"). The Note shall evidence the obligation of the City to repay the Loan to the State pursuant to the provisions of the Act 243. The Note shall be dated as of the date of delivery thereof to the State of Michigan (April 29, 2015). Principal on the note shall be payable in fifteen (15) consecutive annual installments beginning on June 1, 2016 and ending on the maturity date of June 1, 2030. The Note shall bear interest at the rate of 2.09% per annum, payable semiannually beginning on December 1, 2015 and ending on the maturity date of June 1, 2030. Interest on the Note shall be computed on the basis of a 365-day year and the actual number of days elapsed. A schedule of the amounts of interest and principal payments on the Note is set forth on Schedule A attached hereto. Principal and interest on the Note shall be payable to the office of the State Treasurer of the State.

Section 2. The Note shall be a limited general obligation of the City and the full faith and credit of the City shall be pledged to the payment of the principal of and interest on the Note as and when due. The Note shall be payable out of the general funds of the City, including collection of ad valorem taxes the City may levy on all taxable property within the City within constitutional, statutory and City Charter limitations. As additional security for the payments due and owing under the Note, the City acknowledges the State's statutory right to withhold the amount of all delinquent payments due on the Note from State payments owed to the City under the Glenn Steil State Revenue Sharing Act of 1971, Act 140, Michigan Public Acts of 1971, as amended ("Act 140") and authorizes the State to withhold such funds and apply such funds to the repayment of principal of or interest on the Note which are delinquent according to the Note. The City also authorizes the State to withhold and apply to the repayment of principal of or interest on the Note that are delinquent, the City's portion of the revenue generated by the local community stabilization share tax levied under the Use Tax Act, Act 94, Michigan Public Acts of 1937, as amended ("Act 94"), and payable by the Michigan Department of Treasury ("Treasury") to the Local Community Stabilization Authority created under the Local Community Stabilization Authority Act, Act 86, Michigan Public Act of 2014, as amended ("Act 86"), for distribution to the City and other governmental entities.

Section 3. The Manager and the City Clerk of the City shall execute the Note on behalf of the City, and the City's seal or facsimile thereof shall be imprinted or affixed thereon, and upon receipt of the principal amount of the Loan, the fully executed Note shall be delivered to the Board as agent for the State.

Section 4. The Note shall be in substantially the form attached hereto as Exhibit A.

Section 5. The City also hereby acknowledges the conditions of the Loan and agrees to comply with the requirements of the Board's Order of Approval of Loan (the "Order"). A copy of the Order is attached to this Resolution as Exhibit B.

Section 6. The Manager hereby resolves that the proceeds of the Loan shall be disbursed in accordance with Use of Proceeds of Emergency Loan Table.

Section 7. The Manager is authorized and directed to execute the Emergency Loan Agreement between the City and the Board. The Manager, the City Clerk, the Finance Director, the City Attorney and any other official or employee of the City are hereby authorized and ordered to take such action or execute such other documents and certificates as may be necessary or desirable and in the best interest of the City in connection with the delivery of the Note and the City's receipt of the proceeds of the Loan.

Section 8. This Resolution shall be effective immediately upon execution.

Section 9. All resolutions and parts of resolutions insomuch and insofar as they conflict with the provisions of this Resolution be and the same are hereby rescinded.

CITY OF FLINT

By ______________________

Gerald W. Ambrose
Emergency Manager

Dated: April 29, 2015

RESOLUTION RATIFYING TERMS OF LOAN
SCHEDULE A

EXHIBIT A
FORM OF NOTE

UNITED STATES OF AMERICA
STATE OF MICHIGAN

CITY OF FLINT

EMERGENCY LOAN NOTE
(General Obligation Limited Tax)
FY 2014-2015 Series 1

Registered Owner:	State of Michigan
Principal Amount:	$7,000,000.00 (the "**Principal Amount**")
Date of Original Issue:	April 29, 2015 (the "**Issue Date**")

The City of Flint, a Michigan public body corporate (the "**Issuer**"), acknowledges that it owes and hereby promises to pay the State of Michigan the Principal Amount owed in 15 consecutive annual installments as detailed on schedule 1, unless prepaid as provided in this note, with interest on the unpaid principal balance of this note from the Issue Date or the later date to which interest has been paid, until paid, at the annual rates provided in this note, first payable on December 1, 2015 and biannually on each following June 1 and December 1. Both the principal of and interest on this note are payable at the office of the State Treasurer in Lansing, Michigan, or another place as designated in writing to the Issuer by the State Treasurer.

From the Date of Original Issue specified above until June 1, 2030, this note will bear interest at an annual rate of 2.09%. Interest on this note will be computed on the basis of the actual number of days elapsed in a calendar year.

This note is issued by the Emergency Manager of the Issuer under and in full compliance with Michigan law to evidence the obligation of the Issuer to repay an emergency loan made by the State of Michigan under the Emergency Municipal Loan Act, 1980 PA 243, as amended, MCL 141.931 to 141.942 ("**Act 243**") to enable the Issuer to meet its financial obligations.

The Issuer may pay at any time or times before maturity, without penalty or premium, all or any portion of this note. Prepayments will be credited to principal payments in direct order of maturity.

This note, including the interest on this note, is payable as a first budget obligation from the general funds of the Issuer, and the Issuer is required, if necessary, to levy ad valorem taxes on all taxable property in the Issuer for the payment of the obligations, subject to applicable limitations under Michigan law.

RESOLUTION RATIFYING TERMS OF LOAN
SCHEDULE A

As additional security for payment of the note and if the Issuer is delinquent in paying required principal or interest under this note, the State Treasurer is authorized to withhold all delinquent amounts of principal or interest due on this note from either or both of the following:

(1) payments from the State of Michigan owed to the Issuer under the Glenn Steil State Revenue Sharing Act of 1971, 1971 PA 140, as amended, MCL 141.901 to 141.921; and

(2) the Issuer's portion of the revenue generated by the local community stabilization share tax levied under the Use Tax Act, 1937 PA 94, as amended, MCL 205.91 to 205.111, and payable by the Michigan Department of Treasury to the Local Community Stabilization Authority created under the Local Community Stabilization Authority Act, 2014 PA 86, MCL 123.1341 to 123.1362, for distribution to the Issuer and other governmental entities.

The City hereby consents to an entry of judgment against the City for unpaid amounts owed under this note and enforcement of that judgment under section 6093 of the Revised Judicature Act of 1961, 1961 PA 236, as amended, MCL 600.6093, if the City defaults on the Emergency Loan.

Until this note is paid in full, the Issuer will perform and meet all applicable requirements resulting from the receipt of an emergency loan under Act 243.

The Issuer states that all acts, conditions, and things required by law for the issuance of this note have been completed in a timely manner and that the total indebtedness of the Issuer, including this note, does not any applicable debt limitation.

The Emergency Manager and the City Clerk are signing and the City Clerk is affixing the seal of the Issuer on the date indicated opposite the Emergency Manager's and the City Clerk's signature.

CITY OF FLINT

Date: ______________________ By ______________________
Gerald Ambrose
Emergency Manager

Date: ______________________ By ______________________
Inez M. Brown
City Clerk

[SEAL]

RESOLUTION RATIFYING TERMS OF LOAN
SCHEDULE A

SCHEDULE 1

UNITED STATES OF AMERICA
STATE OF MICHIGAN

CITY OF FLINT

EMERGENCY LOAN NOTE
(General Obligation Limited Tax)
2014-2015 Series I

Date	Principal Amount
June 1, 2016	$390,000.00
June 1, 2017	$410,000.00
June 1, 2018	$420,000.00
June 1, 2019	$430,000.00
June 1, 2020	$440,000.00
June 1, 2021	$445,000.00
June 1, 2022	$455,000.00
June 1, 2023	$465,000.00
June 1, 2024	$475,000.00
June 1, 2025	$485,000.00
June 1, 2026	$495,000.00
June 1, 2027	$505,000.00
June 1, 2028	$515,000.00
June 1, 2029	$530,000.00
June 1, 2030	$540,000.00

RESOLUTION RATIFYING TERMS OF LOAN

EXHIBIT B
ORDER OF APPROVAL OF LOAN

24256700.2\029624-00024

6. Certification of Statutory Compliance

4425 (Rev 04-15)

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

CERTIFICATION OF STATUTORY COMPLIANCE

I, Nick A. Khouri, State Treasurer, hereby certify in conjunction with the City of Flint, County of Genesee, State of Michigan, "Emergency Loan Note (General Obligation Limited Tax) 2014-15 Series I," in the principal amount of seven million dollars ($7,000,000), made under the authority of Public Act 243 of 1980, the Emergency Municipal Loan Act, as amended, that the total of emergency loans made to all municipalities other than school districts does not exceed the amount authorized by Section 3 of the Act.

By____________________________
N. A. Khouri

Date: 4/28/15
Lansing, Michigan

7. Certification of Final Transcript

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

CERTIFICATION OF FINAL TRANSCRIPT

I, Harlan Goodrich, Secretary to the Local Emergency Financial Assistance Loan Board, Bureau of Local Government Services, Michigan Department of Treasury, do hereby certify as follows:

1. That the foregoing is a complete and correct transcript of all relevant proceedings and records on file in the Bureau of Local Government Services relating to the issuance by the City of Flint, County of Genesee, State of Michigan, of its "Emergency Loan Note (General Obligation Limited Tax) 2014-15 Series I," in the principal amount of seven million dollars ($7,000,000), dated April 29, 2015, the same having been compared by me with the originals on file in the Bureau of Local Government Services.

2. That the Local Emergency Financial Assistance Loan Board proceedings of April 29, 2015, have not been vetoed, rescinded, or amended in any manner whatsoever, but are in full force and effect.

3. That, at the time of the taking of the proceedings of the Local Emergency Financial Assistance Loan Board April 29, 2015, the persons named in the proceedings were the duly qualified and acting members of the Board, and that the persons who acted for, or as designees of, any members at the meeting at which the proceedings were taken were duly qualified and authorized to act.

4. That public notice of the meeting of the Local Emergency Financial Assistance Loan Board of April 29, 2015, was given pursuant to and in compliance with Public Act 267 of 1976, the Open Meetings Act, as amended, including in the case of a special meeting or a meeting recessed for more than 36 hours, notice by posting at least 18 hours prior to the time set for the meeting.

IN WITNESS WHEREOF, I have hereunto affixed my signature on the date indicated below.

By Harlan Goodrich
Harlan Goodrich

Date: 4-29-15
Lansing, Michigan

8. Certified Copy of Emergency Municipal Loan Act

LEGISLATIVE
SERVICE
BUREAU
Since 1941

Legal Division
John C. Bollman, Director

March 23, 2015

Mr. Harlan Goodrich
Local Emergency Financial Assistance Loan Board
430 W. Allegan Street
Lansing, MI 48922

Dear Mr Goodrich:

Attached please find one copy of the following act:

Act 243 of 1980, as amended, being § 141.931 et seq. of the *Michigan Compiled Laws*.

The attached copy of this act was generated from *MichLaw*, the computerized database of the *Michigan Compiled Laws*, which database is maintained by the Legislative Service Bureau, a nonpartisan agency of the Michigan Legislature, pursuant to its duty to maintain the official text of the statutes of Michigan. See Act 268 of 1986, being § 4.1101 et seq. of the *Michigan Compiled Laws*, and Const 1963, art 4, sec 36.

The text of the above described act, as set forth in the attached copy, has been verified against the official copy of the act and all amendments thereto as filed with the Secretary of State.

Materials in boldface type on the attached copy, particularly the act heading, M. C. L. numbers, catchlines, history notes, compiler's notes, and related annotations are not part of the statutes as enacted by the Michigan Legislature.

Sincerely,

Marge Martin

Marge Martin, Legal Counsel
Legal Division, Statutory Compiling and
Law Publications Unit
Legislative Service Bureau

ls
Enclosure

Michigan Legislature
124 W. Allegan Street, 3rd Floor • P.O. Box 30036 • Lansing, MI 48909-7536 • (517) 373-9425 • Fax: (517) 373-5642

EMERGENCY MUNICIPAL LOAN ACT
Act 243 of 1980

AN ACT to provide emergency financial assistance for certain political subdivisions of this state; to create a local emergency financial assistance loan board and to prescribe the powers and duties of this board; to prescribe conditions for granting and receiving loans, to prescribe terms and conditions for the repayment of loans, and to allow the limiting of repayment by a county from specified revenue sources; to impose certain requirements and duties on certain state departments, political subdivisions of this state, and officials of this state and political subdivisions of this state; and to prescribe remedies and penalties.

History: 1980, Act 243, Imd Eff. July 24, 1980;—Am. 1980, Act 324, Imd Eff. Dec. 15, 1980;—Am. 1988, Act 198, Imd Eff. June 27, 1988;—Am. 2012, Act 284, Imd. Eff. Aug. 1, 2012.

The People of the State of Michigan enact:

141.931 Definitions.

Sec. 1. As used in this act:

(a) "Board" means the local emergency financial assistance loan board created under section 2.

(b) "Fiscal year" means, unless otherwise provided in this act, the fiscal year of the municipality applying for a loan under this act.

(c) "Income tax collections" means the total collection of a municipality under the city income tax act, 1964 PA 284, MCL 141.501 to 141.787, in any calendar year.

(d) "Income tax revenue growth rate" means the quotient of the following:

(*i*) The numerator is the income tax collections of the municipality for the calendar year immediately preceding the municipality's application for a loan under this act.

(*ii*) The denominator is the income tax collections for the municipality for the calendar year preceding the calendar year used in determining the numerator.

(e) "Municipality" means a county, city, village, or township in this state. For the period beginning on October 1, 2011 and ending on September 30, 2018, municipality also includes a school district in this state.

(f) "Local tax base growth rate" for a municipality means the state equalized valuation of the real and personal property of the municipality for the most recent year for which data is available divided by the state equalized valuation of real and personal property of the municipality for the fifth year preceding the most recent year for which data is available.

(g) "Statewide tax base growth rate" means the total state equalized valuation for real and personal property for the most recent year for which data is available divided by the total state equalized valuation for the fifth year preceding the most recent year for which data is available.

(h) "State equalized valuation of real and personal property of the municipality" means the valuation determined under 1911 PA 44, MCL 209.1 to 209.8, of real and personal property within the municipality plus an amount equal to the state equalized valuation equivalent of certain revenues of the municipality as determined under this subdivision. The state equalized valuation equivalent shall be calculated by dividing the sum of the following amounts by the municipality's millage rate for the fiscal year:

(*i*) The amount levied by the municipality for its own use during the municipality's fiscal year from the specific tax levied under 1974 PA 198, MCL 207.551 to 207.572.

(*ii*) The amount levied by the municipality for its own use during the municipality's fiscal year from the specific tax levied under the commercial redevelopment act, 1978 PA 255, MCL 207.651 to 207.668.

History: 1980, Act 243, Imd Eff. July 24, 1980;—Am. 1987, Act 282, Eff. Apr. 11, 1988;—Am. 2007, Act 178, Imd. Eff. Dec. 21, 2007;—Am. 2012, Act 284, Imd. Eff. Aug. 1, 2012.

141.932 Local emergency financial assistance loan board; creation; membership; powers and duties; approval of actions; conducting business at public meeting; staff services.

Sec. 2. (1) There is created a local emergency financial assistance loan board within the department of treasury. This board shall consist of the state treasurer, the director of the department of licensing and regulatory affairs, and the director of the department of technology, management, and budget. Except for budgeting, procurement, and related functions of the board that shall be performed under the direction and supervision of the state treasurer, the board shall exercise its prescribed statutory powers, duties, and functions independently of the department of treasury.

(2) The board has the powers necessary to carry out and effectuate the purposes and provisions of this act, and powers vested in the board under other laws of this state, including, but not limited to, all of the following powers:

(a) To act by an order issued in the name of the board and signed by the members of the board. The signature of the designee of a member, when the designee is acting for his or her principal, has the same force and effect as the signature of the member.

(b) To authorize and make loans; to renegotiate the terms of outstanding loans; and to make, execute, and deliver contracts and other instruments necessary or convenient to the exercise of its powers.

(c) To aid, advise, and consult with a municipality with respect to fiscal questions arising from and relating to its proposed or outstanding loans.

(d) To promulgate rules under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, that it considers necessary.

(e) To examine the books and records of a municipality applying for or receiving a loan under this act for the purpose of ascertaining if the municipality is complying, in relation to a loan under this act, with the requirements of the board, the laws of this state, and the charter, ordinances, and resolutions of the municipality. Additionally, for effectuating this purpose, the board may require sworn statements from any officer or employee of the municipality and may require the municipality to furnish a statement of its financial condition. The board has full power, in furtherance of its investigations, to examine witnesses on oath, to compel the attendance of witnesses, to compel the giving of testimony, and to compel the production of books, papers, and records. Witnesses may be summoned by the board by its process upon the payment of the same fees as are allowed to witnesses attending in the circuit court for the county in which a hearing is held. A person duly subpoenaed under this section who fails to attend or testify at the place named in the subpoena served for that purpose is guilty of a misdemeanor.

(f) To serve notice upon a municipality of an order relating to the municipality issued by the board. A municipality has prima facie notice of and is bound by an order of the board if notice has been served upon it by registered mail addressed to any officer of the municipality upon whom legal process may be served.

(g) To enforce compliance with its orders; with the terms of outstanding loans; with any provision of this act; or, in relation to a loan under this act, with any law of this state or with the charter, ordinances, or resolutions of a municipality that received a loan under this act. As 1 method to enforce compliance, the board may institute appropriate proceedings in the courts of this state, including proceedings for writs of mandamus and injunctions.

(h) To subject a loan to the terms and conditions the board considers necessary to ensure compliance with the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, and to ensure timely repayment of the loan, including, but not limited to, requiring the direct assignment for repayment of a loan of any state money appropriated to the municipality or, for a municipality that is a school district, other revenue or money that may be pledged by a school district under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, or other law.

(i) To provide loan terms specifying conditions and events of default and remedies available upon default by a municipality.

(j) To impose loan terms upon the disbursement of a loan authorized to be made under section 3(2)(b) or (3).

(3) The board shall review each application for a loan from a municipality to determine if the municipality satisfies the requirements of this act. Except for loans authorized under section 3(2) or (3), upon determining those applications that satisfy the application eligibility requirements of section 4 and, for subsequent annual loans, section 8, the board may authorize an annual loan to 1 or more of those eligible applicants upon declaring that a local fiscal emergency exists in the municipality. For loans authorized under section 3(2) or (3), the board may authorize a loan upon determining that the municipality has satisfied the requirements of this act applicable to loans under section 3(2) or (3).

(4) All actions of the board shall be approved by all members of the board. All meetings of the board shall be conducted at a public meeting held in compliance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

(5) Subject to the requirements of this act, the board has the sole authority to determine all of the following:

(a) The amount of a loan.

(b) The rate or rates of interest on a loan.

(c) Any other condition related to a loan including, but not limited to, requiring that the proceeds of a loan be used for specified purposes.

(6) The department of treasury shall provide staff services to the board to carry out this act.

(7) A municipality may do 1 or more of the following:

(a) Borrow money under this act, and issue evidences of indebtedness for repayment of obligations, including, but not limited to, money advanced or previously advanced to a school district or approved or previously approved for advancement to a school district under section 15(2) of the state school aid act of 1979, 1979 PA 94, MCL 388.1615, or money borrowed by the school district under section 1225 of the revised school code, 1976 PA 451, MCL 380.1225.

(b) Enter into a loan agreement with the board.

(c) Issue its notes evidencing the loan.

(d) Assign and convey any revenues allocated to it for repayment of the loan.

(e) Take any other action necessary to receive, secure, or repay a loan under this act.

History: 1980, Act 243, Imd Eff July 24, 1980;—Am 1980, Act 324, Imd. Eff Dec 15, 1980;—Am 1986, Act 6, Imd. Eff Feb. 21, 1986;—Am 1987, Act 282, Eff. Apr 11, 1988;—Am. 1998, Act 528, Imd. Eff. Jan. 12, 1999;—Am. 2012, Act 284, Imd. Eff. Aug. 1, 2012

141.933 Maximum amount of loans in fiscal year; limitations; conditions; revenue for loans; restructuring payments; "county juvenile agency" defined.

Sec. 3. (1) For state fiscal years ending before October 1, 2011, the board may authorize loans under this act to municipalities that total up to $5,000,000.00 in a state fiscal year. For state fiscal years beginning after September 30, 2018, the board may authorize loans under this act to municipalities that total up to $10,000,000.00 in a state fiscal year, but a loan to a single municipality shall not exceed $4,000,000.00 in a state fiscal year. For the period beginning on October 1, 2011 and ending on September 30, 2018, the board may do all of the following:

(a) Authorize loans to municipalities other than school districts that total up to $35,000,000.00 during the period. Loans to a single municipality under this subdivision shall not total more than $20,000,000.00. The board shall not authorize a loan to a municipality under this subdivision until 30 days after the effective date of the amendatory act that added this subdivision.

(b) Authorize loans to municipalities that are school districts that total up to $50,000,000.00 during the period. Loans to a single school district under this subdivision shall not total more than $20,000,000.00.

(2) The board may authorize loans under this act to a county within the following limitations:

(a) In the 1998-99 state fiscal year, the board may authorize loans under this act to a county with a population greater than 1,500,000.

(b) For a state fiscal year in which the block grant appropriated to a county with a population of more than 1,500,000 that is organized under 1966 PA 293, MCL 45.501 to 45.521, and that is a county juvenile agency is less than the amount required to be distributed to that county in that year under the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, the board may authorize a loan to that county in an amount not greater than the difference between the amount of the block grant and the amount required to be distributed to that county for that fiscal year under the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b. The board is not required to authorize loans under this subdivision to a county for more than 1 state fiscal year.

(3) If in a state fiscal year the block grant appropriated to a county other than a county described in subsection (2) that is a county juvenile agency is less than the amount required to be distributed to that county in that year under the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, the board may authorize a loan to that county in an amount not greater than the difference between the amount of the block grant and the amount required to be distributed to that county under the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, in that state fiscal year.

(4) Sections 6(2), 7, and 8 and the conditions listed in section 4(1) do not apply to a loan authorized under subsection (2) or (3).

(5) The proceeds of a loan made under subsection (2) or (3) shall be maintained in a separate account and shall not be commingled with the county's general fund or any other special fund or account.

(6) The state treasurer or his or her designee shall monitor the expenditure of the proceeds of any loan made under subsection (2) or (3).

(7) The proceeds of a loan made under subsection (2) or (3) are subject to the requirements of the county juvenile agency act, 1998 PA 518, MCL 45.621 to 45.631.

(8) Except as otherwise provided in this subsection, revenue for loans made under this act shall be provided from the surplus funds of this state under authorization granted under section 1 of 1855 PA 105, MCL 21.141. Alternatively, for a school district, revenue for a loan made under this act may be provided from money advanced to the school district by this state from money appropriated from the state school aid fund established under section 11 of article IX of the state constitution of 1963 and payable to the school district under the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1896.

(9) After September 30, 2012, the board may restructure payments, but not the outstanding principal balance or interest, on a loan to a municipality under subsection (1) if all of the following apply:

(a) For a municipality that is a school district, in a state fiscal year after the state fiscal year in which the loan to the school district was authorized by the board, the foundation allowance for the school district under the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1896, is less than the foundation allowance for the school district in the state fiscal year in which the loan was authorized.

(b) For a municipality other than a school district, in a state fiscal year after the state fiscal year in which the loan to the municipality was authorized by the board, statutory revenue sharing for the municipality under the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921, combined with any economic vitality incentive program money payable to the municipality is less than the statutory revenue sharing for the municipality combined with any economic vitality incentive program money payable to the municipality in the state fiscal year in which the loan was authorized.

(c) The municipality is in compliance with the terms of the loan and any other requirements applicable to the municipality under this act.

(d) The municipality is in compliance with any requirements relating to a deficit elimination plan under state law.

(e) The municipality is in compliance with any applicable consent agreement or order of an emergency manager under the local government and school district fiscal accountability act, 2011 PA 4, MCL 141.1501 to 141.1531.

(f) For a municipality that is a school district, the school district is in compliance with all requirements for receipt of the foundation allowance and any other requirements applicable to the school district under the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1896.

(g) For a municipality other than a school district, the municipality is in compliance with all conditions for economic vitality incentive program money or statutory revenue sharing or other requirements applicable to the municipality under the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921.

(h) The restructuring of payments complies with applicable law.

(i) The loan has not been sold or transferred under section 6a.

(10) As used in this section, "county juvenile agency" means that term as defined in section 2 of the county juvenile agency act, 1998 PA 518, MCL 45.622.

History: 1980, Act 243, Imd. Eff. July 24, 1980;—Am. 1980, Act 324, Imd. Eff. Dec. 15, 1980;—Am. 1987, Act 282, Eff. Apr. 11, 1988;—Am. 1998, Act 528, Imd. Eff. Jan. 12, 1999;—Am. 2012, Act 284, Imd. Eff. Aug. 1, 2012

141.933a Proceeds of a loan; special assessment.

Sec. 3a. The proceeds of a loan issued under this act to a municipality shall not be used by the municipality to finance any costs associated with a special assessment or special assessment district established after the effective date of the amendatory act that added this section.

History: Add. 2012, Act 284, Imd. Eff. Aug. 1, 2012

141.934 Application for loan; resolution; certification of information and conditions; inspection, copying, or auditing of books and records; applicability of subsection (1).

Sec. 4. (1) If the governing body of a municipality desires to request a loan, it shall provide by resolution for the submission of an application to the board for a loan made under this act. The municipality shall certify and substantiate all of the following information and conditions to be eligible for consideration for a loan authorization by the board:

(a) A deficit for the municipality's general fund is projected for the current fiscal year.

(b) That 1 or both of the following have occurred within the 18 months immediately preceding the loan request:

(*i*) The municipality has issued tax anticipation notes or revenue sharing notes under the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, or for a school district, issued notes under section 1225 of the revised school code, 1976 PA 451, MCL 380.1225.

(*ii*) The department of treasury has acted upon a request by the municipality to issue tax anticipation notes or revenue sharing notes under the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(c) The municipality meets 1 or more of the following conditions:

(*i*) Its income tax revenue growth rate is .90 or less, or the municipality has 2 or more emergency loans outstanding at the time its application is submitted and its income tax revenue growth rate is 1.3 or less.

(*ii*) Its local tax base growth rate is 75% or less of the statewide tax base growth rate.

(*iii*) The state equalized valuation of real and personal property within the municipality at the time the loan application is made is less than the state equalized valuation of real and personal property within the municipality in the immediately preceding year.

(*iv*) The municipality is levying the maximum number of mills it is authorized to levy as approved by the voters and has either of the following:

(A) One or more delinquent special assessments.

(B) Outstanding bonds, notes, or other evidences of indebtedness that were issued in anticipation of a contract obligation with, or an assessment obligation against, another municipality that has 1 or more delinquent special assessments that were levied to satisfy, in whole or in part, the contract or assessment obligation.

(*v*) For a school district, the school district's membership under section 6 of the state school aid act of 1979, 1979 PA 94, MCL 388.1606, at the time the loan application is made has declined over a preceding 3-state-fiscal-year period by a total of 15% or more, as determined by the department of treasury.

(*vi*) The municipality is in receivership or is subject to a consent agreement under the local government and school district fiscal accountability act, 2011 PA 4, MCL 141.1501 to 141.1531, or a successor statute, and loan authorization by the board is necessary to implement a financial and operating plan, a consent agreement, or a continuing operations plan or recovery plan for the municipality under the local government and school district fiscal accountability act, 2011 PA 4, MCL 141.1501 to 141.1531, or a successor statute.

(*vii*) The municipality is a municipality for which a financial emergency has been confirmed to exist and responsibilities for the municipality are vested in an emergency financial manager under former 1990 PA 72 or is a municipality for which a consent agreement, including a plan to address a serious financial problem, is in place for the municipality under former 1990 PA 72. This subparagraph applies only if the local government and school district fiscal accountability act, 2011 PA 4, MCL 141.1501 to 141.1531, is repealed or otherwise not effective and former 1990 PA 72 is again in effect or applicable.

(d) The municipality submits a 5-year plan, that has been approved by the governing body of the municipality, and that will balance future expenditures with anticipated revenues.

(2) If the board determines it necessary, the board may inspect, copy, or audit the books and records of a municipality.

(3) Subsection (1) does not apply to a loan authorized under section 3(2) or (3).

History: 1980, Act 243, Imd. Eff. July 24, 1980;—Am. 1980, Act 324, Imd. Eff. Dec. 15, 1980;—Am. 1983, Act 67, Imd. Eff. May 31, 1983;—Am. 1986, Act 6, Imd. Eff. Feb. 21, 1986;—Am. 1998, Act 528, Imd. Eff. Jan. 12, 1999;—Am. 2002, Act 405, Imd. Eff. June 3, 2002;—Am. 2007, Act 198, Imd. Eff. Dec. 21, 2007;—Am. 2012, Act 284, Imd. Eff. Aug. 1, 2012

141.935 Maximum amount of loans; eligibility.

Sec. 5. Except for a county subject to section 3(2), until September 30, 2011, the board may authorize loans to any 1 municipality in an amount not to exceed $3,000,000.00 in any 1 fiscal year of the municipality. Except for a county subject to section 3(2), a municipality is not eligible to receive loans in more than 5 fiscal years in any 10-year period.

History: 1980, Act 243, Imd. Eff. July 24, 1980;—Am. 1980, Act 324, Imd. Eff. Dec. 15, 1980;—Am. 1987, Act 282, Eff. Apr. 11, 1988;—Am. 2007, Act 198, Imd. Eff. Dec. 21, 2007;—Am. 2012, Act 284, Imd. Eff. Aug. 1, 2012

141.936 Annual rate or rates of interest; fixed rate; rate calculated upon formula; limitation; payment of interest and principal; delinquency; repayment at earlier date or in fewer installments; prohibited conditions; effect of failure to make repayments; loan as general obligation of municipality; exception.

Sec. 6. (1) A loan made under this act shall bear an annual rate or rates of interest, if any, as established by the board under section 2(5). The board may establish interest for a loan under this act either at a rate or rates that are fixed for the term of the loan or, if the formula is approved by the board at the time the loan is made or renegotiated as authorized in section 2, at a rate calculated upon a formula that varies the rate annually. The board may provide that the interest rate or rates for a loan under this act may adjust to an interest rate or rates determined at the time of the sale or transfer by the state treasurer to be sufficient to facilitate the sale of the loans under section 6a. Except for loans sold or transferred under section 6a, if the interest rate for a loan under this act is a single fixed rate, the annual rate of interest for the term of a loan shall not be less than the municipal 10-year rate as determined by the state treasurer. The board may consider a higher interest rate based on both the market interest rates and the risk of the municipality requesting the loan.

(2) Interest payments are due and payable as determined by the board or the state treasurer under section 6a. Repayment of all of the principal shall be made not more than 30 years from the date of issuance determined by the board or state treasurer under section 6a, except as provided in subsection (5). This subsection, sections 7 and 8, and the conditions listed in section 4(1) do not apply to a loan authorized under section 3(2) or (3).

(3) The loan agreement between the board and a county for a loan authorized under section 3(2) or (3) shall establish the schedule for payment of the principal of and interest on the loan, the nature of the

obligation of the county to repay a loan made under this act, and any security for that loan. Payments of principal and interest for a loan authorized by section 3(2) shall be limited to revenues allocated to the county under the health and safety fund act, 1987 PA 264, MCL 141.471 to 141.479, minus those revenues authorized by the board in the loan agreement for use in the payment of other county obligations.

(4) Unless other state appropriations to a municipality are pledged or assigned in an amount sufficient for the municipality to make a required principal or interest payment, if the municipality's payment of required principal or interest is delinquent, the state treasurer may withhold the amount of all delinquent payments that are due on a loan issued under this act from state payments to the municipality under the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921.

(5) Except for loans sold or transferred under section 6a or as otherwise determined by the board, notwithstanding the payment schedules and methods established by this section or by the terms of a loan agreement, a municipality may initiate repayment of all or part of a loan made under this act at an earlier date or may make repayment in fewer installment payments, or both. The board shall not condition either eligibility for consideration for a loan or the grant of a loan under this act on repayment schedules and terms other than those required by subsections (1), (2), (3), and (4). In addition, failure of a municipality to make repayments under terms or a schedule it has instituted under this subsection does not disqualify the municipality from eligibility for consideration for loans in subsequent fiscal years.

(6) A loan issued under this act shall be a general obligation of the municipality except that a loan issued under section 3(2) shall not be a general obligation of the municipality and shall be repaid solely from specific revenues pledged for repayment of the loan.

History: 1980, Act 243, Imd Eff. July 24, 1980;—Am 1980, Act 324, Imd. Eff Dec. 15, 1980;—Am. 1986, Act 6, Imd. Eff Feb. 21, 1986;—Am 1987, Act 282, Eff Apr 11, 1988;—Am 1988, Act 198, Imd Eff June 27, 1988;—Am. 1998, Act 528, Imd Eff. Jan. 12, 1999;—Am 2012, Act 284, Imd Eff Aug 1, 2012

141.936a State treasurer selling or transferring loan; security; interest rate; terms; notice.

Sec. 6a. (1) The state treasurer may sell or transfer a loan under this act and enter into an agreement related to the sale or transfer of the loan. The state treasurer also may assign to the purchaser or transferee of a loan under this act all security pledged for the loan by a municipality. A loan sold or transferred under this section shall be secured in the same manner as a loan under this act not sold or transferred, including, but not limited to, benefiting from the security provided by section 6(4).

(2) The state treasurer may enter into an agreement with the purchaser or transferee of a loan under this act to repurchase the loan at a price and time or upon the occurrence of an event provided in the agreement.

(3) Except as otherwise provided in this subsection, at the time a loan is sold or transferred under this section, the state treasurer may set the interest rate, or method of determining the interest rate, on the loan being sold or transferred, including, but not limited to, a loan made before the effective date of the amendatory act that added this section, at a rate the state treasurer determines necessary and advisable to accomplish the sale or transfer. A rate determined by the state treasurer shall not exceed the maximum rate otherwise authorized by law.

(4) When a loan is sold or transferred under this section, the state treasurer may make changes to the terms of the loan, including a loan made before the effective date of the amendatory act that added this section, as the state treasurer determines necessary and advisable to permit a purchaser or transferee to sell obligations secured by the loans as tax-exempt under federal law, including, but not limited to, modifying redemption provisions, principal amortization, and interest and principal payment dates of the loan. The state treasurer also may require a municipality to make certain covenants the state treasurer determines necessary or advisable relating to the tax-exempt status of the obligations of a purchaser or transferee.

(5) At any time, the state treasurer may require a municipality to enter into an agreement with a purchaser or transferee of a loan regarding continuing disclosure obligations under federal law or any other matters the state treasurer determines are necessary and advisable. The state treasurer may require entry into an agreement with a recipient of a loan issued before the effective date of the amendatory act that added this section.

(6) If a loan is sold or transferred under this section, the state treasurer shall notify all of the following that the loan was sold or transferred:

(a) Governor.

(b) Senate majority leader.

(c) Senate minority leader.

(d) Speaker of the house of representatives.

(e) House minority leader.

(f) Senate fiscal agency.

(g) House fiscal agency.

History: Add. 2012, Act 284, Imd Eff. Aug. 1, 2012

141.937 Duties of municipality receiving loan; definitions; exception.

Sec. 7. (1) A municipality that receives a loan under this act shall perform all of the following:

(a) Except as otherwise provided in this subdivision, employ a full-time professional administrator or contract with a person with expertise in municipal finance and administration to direct or participate directly in the management of the municipality's operations until otherwise ordered by the board. If the municipality is in receivership under the local government and school district fiscal accountability act, 2011 PA 4, MCL 141.1501 to 141.1531, or a successor statute, compensate the emergency manager for the municipality and reimburse the emergency manager's actual and necessary expenses as provided under section 15(5)(e) of the local government and school district fiscal accountability act, 2011 PA 4, MCL 141.1515, or a successor statute. If the municipality is under a consent agreement as provided under the local government and school district fiscal accountability act, 2011 PA 4, MCL 141.1501 to 141.1531, or a successor statute, compensate those officials who are required to be compensated under the consent agreement with the municipality and reimburse those officials' actual and necessary expenses as provided under the consent agreement.

(b) If the local government and school district fiscal accountability act, 2011 PA 4, MCL 141.1501 to 141.1531, is repealed or otherwise not effective and former 1990 PA 72 is again in effect or applicable and an emergency financial manager is in place for the municipality under former 1990 PA 72, compensate the emergency financial manager and reimburse the emergency financial manager's actual and necessary expenses. If the local government and school district fiscal accountability act, 2011 PA 4, MCL 141.1501 to 141.1531, is repealed or otherwise not effective and former 1990 PA 72 is again in effect or applicable and a consent agreement is in place for the municipality under former 1990 PA 72, compensate those officials who are required to be compensated under the consent agreement with the municipality and reimburse those officials' actual and necessary expenses as provided under the consent agreement.

(c) Not more than 6 months after receiving a loan and semiannually after that date for the period the loan is outstanding, submit to the board an evaluation of the performance of the municipality against the 5-year plan submitted under section 4(1).

(d) Submit all of the following to the board on a quarterly basis:

(*i*) A statement of actual revenues received in the last quarter and in the current fiscal year to date.

(*ii*) A statement of total revenues estimated to be received by the municipality in the current fiscal year.

(*iii*) A statement of expenditures made and encumbrances entered into by the municipality in the last quarter and in the current fiscal year to date.

(*iv*) A statement of revenues that were estimated to be received and expenditures that were estimated to be made during the current fiscal year and through the end of the last quarter.

(*v*) A balance sheet indicating whether total estimated expenditures for the current fiscal year and for the last quarter exceed the total estimated revenues for the current fiscal year and for the last quarter, respectively.

(e) Submit the general appropriations act of the municipality, and any amendments to that act, adopted under the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, or any equivalent report as may be required by the board if the municipality is not required to adopt a general appropriations act.

(f) Submit any budget change in the current fiscal year or any amendment to the general appropriations act of the municipality for the current fiscal year to the board before adoption.

(g) Submit any budget for the ensuing fiscal year or the general appropriations act of the municipality for the ensuing fiscal year to the board before adoption.

(h) Certify that the municipality has fully complied with all statutory requirements concerning use of the uniform chart of accounts and audits.

(2) If the state treasurer determines that a municipality is not in compliance with all of the requirements under subsection (1) and with the 5-year plan submitted under section 4(1), the state treasurer may modify the terms of the loan to require a higher interest rate or to accelerate the repayment of the loan.

(3) As used in this section, "expenditure" and "revenue" mean those terms as defined in sections 2c and 2d of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.422c and 141.422d.

(4) Subsection (1) does not apply to a loan authorized under section 3(2) or (3).

History: 1980, Act 243, Imd Eff July 24, 1980;—Am. 1980, Act 324, Imd. Eff. Dec 15, 1980;—Am. 1986, Act 6, Imd Eff Feb 21, 1986;—Am. 1998, Act 528, Imd. Eff Jan 12, 1999;—Am. 2012, Act 284, Imd. Eff Aug 1, 2012

141.938 Additional eligibility requirements; exception.

Sec. 8. (1) In addition to the requirements of section 4, to be eligible for consideration for a fiscal year loan under this act after having qualified for and received the first or any subsequent fiscal year loan under this act, a municipality shall satisfy all of the following requirements:

(a) Fulfilled the requirements of section 7.

(b) Submitted a progress report to the board detailing the steps that have been taken to achieve the long-range plan submitted pursuant to section 4(1) and the management measures that have been taken to improve fiscal management of the municipality.

(c) Satisfy the board that reasonable progress has been made to resolve any federal discrimination suit pending against the municipality.

(2) Subsection (1) does not apply to a loan authorized under section 3(2) or (3).

History: 1980, Act 243, Imd Eff July 24, 1980;—Am 1980, Act 324, Imd Eff Dec 15, 1980;—Am. 1986, Act 6, Imd Eff. Feb 21, 1986;—Am. 1998, Act 528, Imd Eff Jan 12, 1999

141.939 Annual report; evaluation of loan program; recommendations.

Sec. 9. The board shall report annually to the governor and the legislature on which municipalities have applied for loans under the program, which municipalities have received loans, the amount of each loan, and the conditions under which each loan was made. Five years after the effective date of this act, the board shall submit to the governor and the legislature an evaluation of the loan program with recommendations for its continuance or discontinuance.

History: 1980, Act 243, Imd. Eff. July 24, 1980

141.940 Repealed. 1980, Act 324, Imd. Eff. Dec. 15, 1980.

Compiler's note: The repealed section pertained to local emergency financial assistance loan fund

141.941 Short title.

Sec. 11. This act may be known and may be cited as the "emergency municipal loan act".

History: 1980, Act 243, Imd Eff July 24, 1980

141.942 Conditional effective date.

Sec. 12. This act shall not take effect unless the following Senate Bills of the 1980 regular session of the legislature are enacted into law:

(a) Senate Bill No. 1192.

(b) Senate Bill No. 1193.

History: 1980, Act 243, Imd. Eff July 24, 1980

Compiler's note: Senate Bill No 1192, referred to in this section, was approved by the Governor on July 24, 1980, and became P A. 1980, No 242, Imd Eff July 24, 1980 Senate Bill No 1193, also referred to in this section, was approved by the Governor on July 24, 1980, and became P A 1980, No 241, Imd Eff July 24, 1980.

9. Emergency Loan Agreement

EMERGENCY LOAN AGREEMENT

This emergency loan agreement is dated April 29, 2015, and is between the LOCAL EMERGENCY FINANCIAL ASSISTANCE LOAN BOARD, a Michigan state board (the "**Board**"), and the CITY OF FLINT, a Michigan public body corporate (the "**City**").

A financial emergency currently exists within the City under the Local Financial Stability and Choice Act, 2012 PA 436, MCL 141.151 to 141.1575 ("**Act 436**").

To assist in the resolution of its financial emergency, on behalf of the City and with the approval of the City's governing body (the "**City Council**"), the emergency manager of the City appointed under section 9 of Act 436 (the "**Emergency Manager**") asked for an emergency loan from the State of Michigan in the amount of $7,000,000.00 (the "**Emergency Loan**") under the Emergency Municipal Loan Act, 1980 PA 243, as amended MCL 141.931 to 141.942 ("**Act 243**").

The parties acknowledge that the Emergency Loan is necessary and in the best interests of the City.

The parties therefore agree as follows:

1. **Emergency Loan Terms.** (a) The Board shall authorize a loan from the State of Michigan to the City, and the City shall borrow from the State of Michigan, $7,000,000.00, with the proceeds payable to the City on April 29, 2015. The Emergency Loan is a general obligation of the City.

(b) The principal amount outstanding under the Emergency Loan will bear interest at the rate of 2.09% per year, except as provided in section 15(a). Interest will be computed on the basis of actual number of days elapsed in a calendar year.

(c) The City shall issue notes evidencing the Emergency Loan, with the notes substantially in the form as attachment A (the "**Note**"). The Note will be for a term of up to 15 years.

2. **Repayment.** (a) The City shall make an initial payment of interest only then owing on December 1, 2015. After the initial payment and until the Emergency Loan is repaid, the City shall make a payment of principal and interest then owing on each June 1, and a payment of interest only then owing on each December 1, with a date of final maturity of June 1, 2030.

(b) As additional security for the repayment, the City hereby pledges and assigns to the repayment of principal of or interest on the Emergency Loan, the State Treasurer's right to withhold delinquent payments due on the Emergency Loan from both of the following:

(1) state payments owed to the City under the Glenn Steil State Revenue Sharing Act of 1971, 1971 PA 140, as amended, MCL 141.901 to 141.921 ("**Act 140**"); and

(2) the City's portion of the revenue generated by the local community stabilization share tax levied under the Use Tax Act, 1937 PA 94, as amended, MCL 205.91 to 205.111, and payable by the Michigan Department of Treasury ("**Treasury**") to the Local Community Stabilization Authority created under the Local Community Stabilization Authority Act, 2014 PA 86, MCL 123.1341 to 123.1362, for distribution to the City and other governmental entities.

3. **Loan Proceeds.** (a) The City shall use the proceeds of the Emergency loan to reduce the City's general fund deficit by first using the proceeds to repay a cash advance from the City's sewer fund, and then using any remaining proceeds in a manner consistent with the two-year budget for the City imposed by the Emergency Manager.

(b) As required by section 3a of Act 243, the City shall not use the proceeds of the Emergency Loan to finance any costs associated with a special assessment or a special assessment district established after August 1, 2012.

4. **City Certifications.** The City states all of the following:

(1) that a deficit is projected for the City's general fund in the City's fiscal year ending June 30, 2015;

(2) that Treasury has acted upon a request by the City to issue tax anticipation notes or revenue sharing notes under the Revised Municipal Finance Act, 2001 PA 34, as amended, MCL 141.2101 to 141.282 (**"Act 34"**);

(3) that as of April 17, 2015, the state equalized value of real and personal property within the City is less than the state equalized valuation of real and personal property within the City in the immediately preceding year; and

(4) that the City has fully complied with all statutory requirements concerning use of the uniform chart of accounts and audits.

5. **Five-Year Plan.** (a) The Board acknowledges that the City has submitted a five-year plan that has been approved by the Emergency Manager exercising the powers of the City Council under Act 436 and that will balance future City expenditures with anticipated City revenues (the **"Five-Year Plan"**).

(b) Each year after 2015, before the adoption of a new budget for a fiscal year for the City, the City shall update the Five-Year Plan for a new five-year period. Each Five-Year Plan must balance future City expenditures with anticipated City revenues.

(c) By September 30, 2015, and by each following March 31 and September 30, the City shall submit to the Board an evaluation of the City's performance against the original Five-Year Plan and the Five-Year Plan then effective.

6. **Professional Assistance.** (a) As required by section 7(1)(a) of Act 243, the City shall employ a full-time professional administrator or contract with a person with expertise in municipal finance and administration to direct or participate directly in the management of the City's operations until otherwise ordered by the Board.

(b) The parties acknowledge that the position of city administrator created by Order No. 3 issued by the Emergency Manager on April 10, 2015 (the **"City Administrator"**) satisfies the requirements of section 6(a).

(c) If a vacancy in the position of City Administrator occurs, the City shall fill the vacancy within 120 days, with the approval of a receivership transition advisory board for the City if a receivership transition advisory board is in place for the City under section 23 of Act 436, or the approval of the State Treasurer if no receivership transition advisory board is in place. A vacancy must be filled with an individual that meets qualifications included in a job description adopted by a receivership transition advisory for the City, if a receivership transition advisory board is in place for the City under section 23 of Act 436, or the by the State Treasurer if no receivership transition advisory board is in place. To identify qualified candidates to potentially fill a vacancy in the position of City Administrator, the City shall use a professionally recognized search firm approved by a receivership transition advisory board for the City if a receivership transition advisory board is in place for the City under section 23 of Act 436, or by the State Treasurer if no receivership transition advisory board is in place. The City may not terminate the City Administrator without the prior approval of a receivership transition advisory board for the City, if a receivership transition advisory board is in place for the City under section 23 of Act 436, or the State Treasurer if no receivership transition advisory board is in place.

7. **Reports.** (a) Beginning on September 30, 2015, and on each following December 31, March 31, June 30, and September 30, the City shall submit to the Board, in a form prescribed by the State Treasurer, all of the following:

(1) a statement of actual Revenues received by the City in the previous quarter and in the current fiscal year to date;

(2) a statement of total Revenues estimated to be received by the City in the current fiscal year;

(3) a statement of Expenditures made and encumbrances entered into by the City in the previous quarter and in the current fiscal year to date;

(4) a statement of Revenues that were estimated to be received and Expenditures that were estimated to be made by the City during the current fiscal year and through the end of the last quarter; and

(5) a balance sheet indicating whether total estimated City Expenditures for the current fiscal year and for the last quarter exceed the total estimated City Revenues for the current fiscal year and for the last quarter, respectively.

(b) For purposes of this section 7 and section 8, "**Expenditure**" and "**Revenue**" mean those terms as defined in sections 2c and 2d of the Uniform Budgeting and Accounting Act, 1968 PA 2, as amended, MCL 141.421 to 141.440a ("**Budget Act**").

8. **Budget.** (a) The City shall adopt and adhere to a budget for each City fiscal year consistent with applicable law and the ordinances described in section 13 (collectively the "**Fiscal Stability Ordinances**") and in fiscal years 2015-2016 and 2016-2017 the two-year budget for the City imposed by the Emergency Manager. If a receivership transition advisory board is in place for the City, each City budget and any City budget amendment must be approved by the receivership transition advisory board. Each budget must comply with all of the following:

(1) be prepared, presented, and adopted in compliance with the Budget Act and 1963 (Ex Sess) PA 43, as amended, MCL 141.411 to 141.415; and

(2) be based upon a forecast of monthly cash demands necessary to satisfy the Expenditures authorized in the budget, with an appropriation not being a mandate to spend.

(b) If a shortfall in anticipated Revenue occurs in any City fund, the City shall reduce budgeted Expenditures in the adopted annual budget on a timely basis as provided under the Budget

Act and, the Fiscal Stability Ordinances, and any applicable orders of the Emergency Manager, so that the City may close the fiscal year with a balanced budget. For purposes of this section 8(b), "**a timely basis**" means the time period necessary to adjust budgeted Expenditures or budgeted Revenues, or both, so as to preclude an Expenditure being made for which adequate Revenues are unavailable or are projected to be unavailable.

(c) The City shall not close a fiscal year with an operating deficit in any fund according to the uniform minimum standards of and guidelines for financial accounting and reporting standards for state and local governments issued by the Government Accounting Standards Board ("**GASB**"), including GASB's hierarchy of generally accepted accounting principles for state and local governments ("**Generally Accepted Accounting Principles**"), unless both of the following occur:

(1) the fund in which the operating deficit occurred had a sufficient beginning balance to offset the deficit consistent with the Budget Act; and

(2) the financial statements of the City indicate that the sufficient beginning balance fairly represents the financial position of the City according to an independent auditor in a qualified or unqualified opinion using Generally Accepted Accounting Principles and the professional standards and guidance included in government accounting standards issued by the Comptroller General of the United States ("**Generally Accepted Government Auditing Standards**").

(d) The City shall do all of the following:

(1) submit to the Board the general appropriations act of the City and any amendments adopted under the Budget Act;

(2) submit to the Board before adoption any budget change in its 2015-2016 fiscal year or any amendment to the general appropriations act of the City for the 2015-2016 fiscal year; and

(3) submit to the Board before adoption any budget for a City fiscal year after the 2015-2016 fiscal year or the general appropriations act of the City for a fiscal year after the 2015-2016 fiscal year.

9. **Audits.** (a) For each City fiscal year ending after the effective date of this agreement, the City shall retain, with the approval of the State Treasurer, a recognized independent certified public accounting firm to perform an annual audit of the City (an "**Independent Auditor**"). The parties acknowledge that the City has retained an Independent Auditor as of the effective date of this agreement and the Independent Auditor retained by the City is hereby approved by the State Treasurer. If the City fails to retain an Independent Auditor in compliance with this section 9(a) or the annual audit required under this section 9 is not completed, the State Treasurer shall conduct the audit or appoint a firm to perform the audit, with the cost paid by City. The City may continue to retain the auditor under contract with the City to perform an annual audit of the City on the effective date of this agreement for the remainder of the City's agreement with that auditor, but that agreement may not be renewed or extended without the approval of the State Treasurer.

(b) The annual audit required under this section 9 shall:

(1) comply with Generally Accepted Government Auditing Standards;

(2) include an opinion as to whether the City's financial statements for the fiscal year were prepared in accordance with Generally Accepted Accounting Principles;

(3) state whether the audit of the City's financial statements was made in accordance with Generally Accepted Government Accounting Standards and accordingly included tests of the City's accounting records and other auditing procedures as considered necessary under the circumstances;

(4) disclose any fiscal irregularities, including defalcations, misfeasance, nonfeasance, or malfeasance identified by the Independent Auditor;

(5) note the nature and extent of any variations from Generally Accepted Accounting Principles reflected in the City's financial statements; and

(6) comply with the requirements of the Budget Act and other applicable law.

(c) The Independent Auditor shall prepare a report of the auditing procedures applied in each annual audit using Treasury Form 496 or any successor form.

(d) The City shall require the Independent Auditor to transmit upon completion a copy of the annual audit and the audit procedures report required under section 9(c) to the City Council and the State Treasurer.

(e) The City shall make available for inspection and duplication all records required by the Independent Auditor to perform the annual audit required under this section. The City shall make its officers and employees available to, and shall cooperate with, the Independent Auditor to facilitate timely completion of the annual audit by the Independent Auditor.

10. **Retirement System Obligations.** The City shall do all of the following:

(1) comply with the Municipal Employees Retirement Act of 1984, 1984 PA 427, as amended, MCL 38.1501 to 38.1555, (the "**Retirement Act**");

(2) make timely payments to the Michigan Employees Retirement System ("**MERS**") created by former 1945 PA 135 and continued and restated under the Retirement Act; and

(3) fully satisfy all City obligations to MERS under the Retirement Act and any agreement between the City and MERS.

11. **Water and Sewers.** (a) The City shall not decrease rates the City charges for water or sewer services without the prior written approval of the State Treasurer or a prior written determination by the State Treasurer that the City's water and sewer system are financially stable.

(b) The City shall not terminate its participation in the Karegnondi Water Authority (the "**KWA**") before the KWA water supply system, including the pipeline being constructed by the KWA from Lake Huron to the City, is operational with all required regulatory approvals effective. The City also shall comply with the KWA financing contract between the City, Genesee County, and the State of Michigan dated August 1, 2013.

(c) The City shall not enter into an agreement with the Detroit Water and Sewerage Department, or any successor entity, including the Great Lakes Water Authority, without the prior written approval of the State Treasurer.

12. **District Court Consolidation.** The City shall implement the memorandum of understanding with Genesee County dated April 13, 2015 providing for the consolidation of the 67th District Court and the 68th District Court beginning on January 2, 2016, consistent with section 8134(4) of the Revised Judicature Act of 1961, 1961 PA 236, as amended, MCL 600.8134(4). The City shall take all action necessary to approve and implement the consolidation described in this section 12.

13. **Fiscal Stability Ordinances.** The City shall comply with City Ordinances 3851 to 3856 each adopted March 1, 2015, and City Ordinance 3866, adopted on April 24, 2015.

14. **Emergency Manager Orders.** The City shall comply with each provision of an order issued by the Emergency Manager that remains effective, including an order issued on or after April 29, 2015.

15. **Noncompliance; Remedies.** (a) Consistent with section 7(2) of Act 243, if the State Treasurer determines that the City is not in compliance with sections 5(c), 6, 7, or 8(c), the State Treasurer may modify the terms of the Emergency Loan to require a higher interest rate or to accelerate the repayment of the loan. If the State Treasurer determines that the City is otherwise not in compliance with this agreement, the City hereby consents to withholding by the State Treasurer of some or all of the state payments otherwise owed to the City under Act 140 until the State Treasurer determines that the City is in compliance with this agreement.

(b) If the City does not pay principal or interest, or both, when due under the Note, the State Treasurer may declare all amounts under the Note to be due and payable immediately, without notice or demand. The City hereby waives presentment, demand, notice of dishonor, protest, and notice of non-payment with respect to the Note.

16. **Due Dates.** If a due date under this agreement falls on a Saturday, Sunday, or legal holiday, then the due date will be the next day that is not a Saturday, Sunday, or legal holiday.

17. **Governing Law.** The laws of the State of Michigan, without giving effect to its principles of conflicts of law, govern all adversarial proceedings arising out of this agreement.

18. **Entire Agreement.** This agreement constitutes the entire understanding between the parties as to the Emergency Loan and supersedes all other agreements, whether written or oral, between the parties.

19. **Non-assignment.** No party may assign any of that party's rights or delegate any of that party's obligations under this agreement without the prior written consent of the other party. Any purported assignment or delegation in breach of this section 19 will be void.

20. **End Date.** This agreement ends upon the repayment in full by the City of all amounts due under this agreement.

21. **Modification; Waiver.** No amendment to this agreement will be effective unless it is in writing and signed by the parties. Unless prohibited by Act 243, the State Treasurer may waive a provision of this agreement not relating to the payment of principal and interest on the Emergency Loan if the State Treasurer determines that the City demonstrates good cause for the waiver. No waiver of satisfaction of a condition or failure to comply with an obligation under this agreement will be effective

unless it is in writing and signed by the State Treasurer, and no such waiver will constitute a waiver of satisfaction of any other condition or failure to comply with any other obligation.

22. **Severability.** If any provision of this agreement is held to be unenforceable, then that provision is to be construed either by modifying it to the minimum extent necessary to make it enforceable (if permitted by law) or disregarding it (if not). If an unenforceable provision is modified or disregarded under this section 22, the rest of the agreement is to remain in effect as written, and the unenforceable provision is to remain as written in any circumstances other than those in which the provision is held to be unenforceable.

23. **Counterparts.** If the parties sign this agreement in several counterparts, each will be deemed an original but all counterparts together with will constitute one instrument.

The parties are signing this agreement on the date stated in the introductory clause.

LOCAL EMERGENCY FINANCIAL ASSISTANCE LOAN BOARD

By: ______________________
N. A. Khouri
State Treasurer

CITY OF FLINT

By: ______________________
Gerald Ambrose
Emergency Manager

ATTACHMENT A
NOTE

UNITED STATES OF AMERICA
STATE OF MICHIGAN

CITY OF FLINT

EMERGENCY LOAN NOTE
(General Obligation Limited Tax)
FY 2014-2015 Series 1

Registered Owner:	State of Michigan
Principal Amount:	$7,000,000.00 (the "**Principal Amount**")
Date of Original Issue:	April 29, 2015 (the "**Issue Date**")

The City of Flint, a Michigan public body corporate (the "**Issuer**"), acknowledges that it owes and hereby promises to pay the State of Michigan the Principal Amount owed in 15 consecutive annual installments as detailed on schedule 1, unless prepaid as provided in this note, with interest on the unpaid principal balance of this note from the Issue Date or the later date to which interest has been paid, until paid, at the annual rates provided in this note, first payable on December 1, 2015 and biannually on each following June 1 and December 1. Both the principal of and interest on this note are payable at the office of the State Treasurer in Lansing, Michigan, or another place as designated in writing to the Issuer by the State Treasurer.

From the Date of Original Issue specified above until June 1, 2030, this note will bear interest at an annual rate of 2.09%. Interest on this note will be computed on the basis of the actual number of days elapsed in a calendar year.

This note is issued by the Emergency Manager of the Issuer under and in full compliance with Michigan law to evidence the obligation of the Issuer to repay an emergency loan made by the State of Michigan under the Emergency Municipal Loan Act, 1980 PA 243, as amended, MCL 141.931 to 141.942 ("**Act 243**") to enable the Issuer to meet its financial obligations.

The Issuer may pay at any time or times before maturity, without penalty or premium, all or any portion of this note. Prepayments will be credited to principal payments in direct order of maturity.

This note, including the interest on this note, is payable as a first budget obligation from the general funds of the Issuer, and the Issuer is required, if necessary, to levy ad valorem taxes on all taxable property in the Issuer for the payment of the obligations, subject to applicable limitations under Michigan law.

As additional security for payment of the note and if the Issuer is delinquent in paying required principal or interest under this note, the State Treasurer is authorized to withhold all delinquent amounts of principal or interest due on this note from either or both of the following:

(1) payments from the State of Michigan owed to the Issuer under the Glenn Steil State Revenue Sharing Act of 1971, 1971 PA 140, as amended, MCL 141.901 to 141.921; and

(2) the Issuer's portion of the revenue generated by the local community stabilization share tax levied under the Use Tax Act, 1937 PA 94, as amended, MCL 205.91 to 205.111, and payable by the Michigan Department of Treasury to the Local Community Stabilization Authority created under the Local Community Stabilization Authority Act, 2014 PA 86, MCL 123.1341 to 123.1362, for distribution to the Issuer and other governmental entities.

The City hereby consents to an entry of judgment against the City for unpaid amounts owed under this note and enforcement of that judgment under section 6093 of the Revised Judicature Act of 1961, 1961 PA 236, as amended, MCL 600.6093, if the City defaults on the Emergency Loan.

Until this note is paid in full, the Issuer will perform and meet all applicable requirements resulting from the receipt of an emergency loan under Act 243.

The Issuer states that all acts, conditions, and things required by law for the issuance of this note have been completed in a timely manner and that the total indebtedness of the Issuer, including this note, does not have any applicable debt limitation.

The Emergency Manager and the City Clerk are signing and the City Clerk is affixing the seal of the Issuer on the date indicated opposite the Emergency Manager's and the City Clerk's signature.

CITY OF FLINT

Date: ____________________ By ____________________
Gerald Ambrose
Emergency Manager

Date: ____________________ By ____________________
Inez M. Brown
City Clerk

[SEAL]

SCHEDULE 1

UNITED STATES OF AMERICA
STATE OF MICHIGAN

CITY OF FLINT

EMERGENCY LOAN NOTE
(General Obligation Limited Tax)
2014-2015 Series I

Date	Principal Amount
June 1, 2016	$390,000.00
June 1, 2017	$410,000.00
June 1, 2018	$420,000.00
June 1, 2019	$430,000.00
June 1, 2020	$440,000.00
June 1, 2021	$445,000.00
June 1, 2022	$455,000.00
June 1, 2023	$465,000.00
June 1, 2024	$475,000.00
June 1, 2025	$485,000.00
June 1, 2026	$495,000.00
June 1, 2027	$505,000.00
June 1, 2028	$515,000.00
June 1, 2029	$530,000.00
June 1, 2030	$540,000.00

10. Certification of City Charter

<u>CERTIFICATE REGARDING CITY CHARTER</u>

I, Inez M. Brown, do hereby certify that I am the duly qualified and appointed City Clerk of the City of Flint, County of Genesee, State of Michigan, and that the Charter of the City of Flint has not been amended, modified, or rescinded since May 3, 2011 and is in full force and effect as of the date hereof.

City of Flint
County of Genesee
State of Michigan

Inez M. Brown

Inez M. Brown
City Clerk

Dated: April 29, 2015

11. Copy of Note

SPECIMEN

R-1
UNITED STATES OF AMERICA
STATE OF MICHIGAN

CITY OF FLINT

EMERGENCY LOAN NOTE
(General Obligation Limited Tax)
FY 2014-2015 Series I

Registered Owner: State of Michigan

Principal Amount: $7,000,000.00 (the "**Principal Amount**")

Date of Original Issue: April 29, 2015 (the "**Issue Date**")

The City of Flint, a Michigan public body corporate (the "**Issuer**"), acknowledges that it owes and hereby promises to pay the State of Michigan the Principal Amount owed in 15 consecutive annual installments as detailed on schedule 1, unless prepaid as provided in this note, with interest on the unpaid principal balance of this note from the Issue Date or the later date to which interest has been paid, until paid, at the annual rates provided in this note, first payable on December 1, 2015 and biannually on each following June 1 and December 1. Both the principal of and interest on this note are payable at the office of the State Treasurer in Lansing, Michigan, or another place as designated in writing to the Issuer by the State Treasurer.

From the Date of Original Issue specified above until June 1, 2030, this note will bear interest at an annual rate of 2.09%. Interest on this note will be computed on the basis of the actual number of days elapsed in a calendar year.

This note is issued by the Emergency Manager of the Issuer under and in full compliance with Michigan law to evidence the obligation of the Issuer to repay an emergency loan made by the State of Michigan under the Emergency Municipal Loan Act, 1980 PA 243, as amended, MCL 141.931 to 141.942 ("**Act 243**") to enable the Issuer to meet its financial obligations.

The Issuer may pay at any time or times before maturity, without penalty or premium, all or any portion of this note. Prepayments will be credited to principal payments in direct order of maturity.

SPECIMEN

This note, including the interest on this note, is payable as a first budget obligation from the general funds of the Issuer, and the Issuer is required, if necessary, to levy ad valorem taxes on all taxable property in the Issuer for the payment of the obligations, subject to applicable limitations under Michigan law.

As additional security for payment of the note and if the Issuer is delinquent in paying required principal or interest under this note, the State Treasurer is authorized to withhold all delinquent amounts of principal or interest due on this note from either or both of the following:

(1) payments from the State of Michigan owed to the Issuer under the Glenn Steil State Revenue Sharing Act of 1971, 1971 PA 140, as amended, MCL 141.901 to 141.921; and

(2) the Issuer's portion of the revenue generated by the local community stabilization share tax levied under the Use Tax Act, 1937 PA 94, as amended, MCL 205.91 to 205.111, and payable by the Michigan Department of Treasury to the Local Community Stabilization Authority created under the Local Community Stabilization Authority Act, 2014 PA 86, MCL 123.1341 to 123.1362, for distribution to the Issuer and other governmental entities.

The City hereby consents to an entry of judgment against the City for unpaid amounts owed under this note and enforcement of that judgment under section 6093 of the Revised Judicature Act of 1961, 1961 PA 236, as amended, MCL 600.6093, if the City defaults on the Emergency Loan.

Until this note is paid in full, the Issuer will perform and meet all applicable requirements resulting from the receipt of an emergency loan under Act 243.

The Issuer states that all acts, conditions, and things required by law for the issuance of this note have been completed in a timely manner and that the total indebtedness of the Issuer, including this note, does not any applicable debt limitation.

NUMBER

SPECIMEN

The Emergency Manager and the City Clerk are signing and the City Clerk is affixing the seal of the Issuer on the date indicated opposite the Emergency Manager's and the City Clerk's signature.

CITY OF FLINT

Date: ____________________ By ______________________________
Gerald Ambrose
Emergency Manager

Date: ____________________ By ______________________________
Inez M. Brown
City Clerk

[SEAL]

NUMBER

SPECIMEN

SCHEDULE 1

UNITED STATES OF AMERICA
STATE OF MICHIGAN

CITY OF FLINT

EMERGENCY LOAN NOTE
(General Obligation Limited Tax)
2014-2015 Series I

Date	Principal Amount
June 1, 2016	$390,000.00
June 1, 2017	$410,000.00
June 1, 2018	$420,000.00
June 1, 2019	$430,000.00
June 1, 2020	$440,000.00
June 1, 2021	$445,000.00
June 1, 2022	$455,000.00
June 1, 2023	$465,000.00
June 1, 2024	$475,000.00
June 1, 2025	$485,000.00
June 1, 2026	$495,000.00
June 1, 2027	$505,000.00
June 1, 2028	$515,000.00
June 1, 2029	$530,000.00
June 1, 2030	$540,000.00

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R-1
UNITED STATES OF AMERICA
STATE OF MICHIGAN

CITY OF FLINT

EMERGENCY LOAN NOTE
(General Obligation Limited Tax)
FY 2014-2015 Series I

Registered Owner: State of Michigan

Principal Amount: $7,000,000.00 (the "**Principal Amount**")

Date of Original Issue: April 29, 2015 (the "**Issue Date**")

The City of Flint, a Michigan public body corporate (the "**Issuer**"), acknowledges that it owes and hereby promises to pay the State of Michigan the Principal Amount owed in 15 consecutive annual installments as detailed on schedule 1, unless prepaid as provided in this note, with interest on the unpaid principal balance of this note from the Issue Date or the later date to which interest has been paid, until paid, at the annual rates provided in this note, first payable on December 1, 2015 and biannually on each following June 1 and December 1. Both the principal of and interest on this note are payable at the office of the State Treasurer in Lansing, Michigan, or another place as designated in writing to the Issuer by the State Treasurer.

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(2) the Issuer's portion of the revenue generated by the local community stabilization share tax levied under the Use Tax Act, 1937 PA 94, as amended, MCL 205.91 to 205.111, and payable by the Michigan Department of Treasury to the Local Community Stabilization Authority created under the Local Community Stabilization Authority Act, 2014 PA 86, MCL 123.1341 to 123.1362, for distribution to the Issuer and other governmental entities.

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Until this note is paid in full, the Issuer will perform and meet all applicable requirements resulting from the receipt of an emergency loan under Act 243.

The Issuer states that all acts, conditions, and things required by law for the issuance of this note have been completed in a timely manner and that the total indebtedness of the Issuer, including this note, does not any applicable debt limitation.

The Emergency Manager and the City Clerk are signing and the City Clerk is affixing the seal of the Issuer on the date indicated opposite the Emergency Manager's and the City Clerk's signature.

CITY OF FLINT

Date: April 29, 2015 By [signature]
Gerald Ambrose
Emergency Manager

Date: April 29, 2015 By Inez M. Brown
Inez M. Brown
City Clerk

[SEAL]

SCHEDULE 1

UNITED STATES OF AMERICA
STATE OF MICHIGAN

CITY OF FLINT

EMERGENCY LOAN NOTE
(General Obligation Limited Tax)
2014-2015 Series I

Date	**Principal Amount**
June 1, 2016	$390,000.00
June 1, 2017	$410,000.00
June 1, 2018	$420,000.00
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June 1, 2025	$485,000.00
June 1, 2026	$495,000.00
June 1, 2027	$505,000.00
June 1, 2028	$515,000.00
June 1, 2029	$530,000.00
June 1, 2030	$540,000.00

24268599.2\029624-00024

BAIRD

BOND DEBT SERVICE

Local Unit of Government
Emergency Loan Note (General Obligation Limited Tax) 2014-15 Series I
15-Year Scenario | $7,000,000 | Interest Daycount Actual/Actual
MMD Rates as of March 17, 2015

Dated Date	04/29/2015
Delivery Date	04/29/2015

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2015			86,577.53	86,577.53	
06/01/2016	390,000	2.090%	73,150.00	463,150.00	
06/30/2016					549,727.53
12/01/2016			69,074.50	69,074.50	
06/01/2017	410,000	2.090%	68,885.25	478,885.25	
06/30/2017					547,959.75
12/01/2017			64,967.51	64,967.51	
06/01/2018	420,000	2.090%	64,612.49	484,612.49	
06/30/2018					549,580.00
12/01/2018			60,566.48	60,566.48	
06/01/2019	430,000	2.090%	60,235.52	490,235.52	
06/30/2019					550,802.00
12/01/2019			56,060.67	56,060.67	
06/01/2020	440,000	2.090%	55,907.50	495,907.50	
06/30/2020					551,968.17
12/01/2020			51,309.50	51,309.50	
06/01/2021	445,000	2.090%	51,168.93	496,168.93	
06/30/2021					547,478.43
12/01/2021			46,787.08	46,787.08	
06/01/2022	455,000	2.090%	46,531.42	501,531.42	
06/30/2022					548,318.50
12/01/2022			42,019.31	42,019.31	
06/01/2023	465,000	2.090%	41,789.69	506,789.69	
06/30/2023					548,809.00
12/01/2023			37,146.74	37,146.74	
06/01/2024	475,000	2.090%	37,045.25	512,045.25	
06/30/2024					549,191.99
12/01/2024			32,081.50	32,081.50	
06/01/2025	485,000	2.090%	31,993.61	516,993.61	
06/30/2025					549,075.11
12/01/2025			27,087.26	27,087.26	
06/01/2026	495,000	2.090%	26,939.24	521,939.24	
06/30/2026					549,026.50
12/01/2026			21,900.34	21,900.34	
06/01/2027	505,000	2.090%	21,780.66	526,780.66	
06/30/2027					548,681.00
12/01/2027			16,608.63	16,608.63	
06/01/2028	515,000	2.090%	16,563.25	531,563.25	
06/30/2028					548,171.88
12/01/2028			11,181.50	11,181.50	
06/01/2029	530,000	2.090%	11,150.87	541,150.87	
06/30/2029					552,332.37
12/01/2029			5,658.46	5,658.46	
06/01/2030	540,000	2.090%	5,627.54	545,627.54	
06/30/2030					551,286.00
	7,000,000		1,242,408.23	8,242,408.23	8,242,408.23

Notes
Robert W. Baird & Co. Incorporated is providing this information to you for discussion purposes only in seeking to serve as a financial advisor or municipal advisor to you on a possible issuance of municipal securities. Baird is a municipal advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board ('MSRB'). A financial advisor or municipal advisor is subject to a fiduciary duty, including a duty of care and a duty of loyalty, and is required to act solely in the best interests of the client. See 'Important Disclosures' contained herein.

12. Certification of Non-Litigation/Signature Identification

NON-LITIGATION AND
SIGNATURE IDENTIFICATION CERTIFICATE

STATE OF MICHIGAN
COUNTY OF Genesee

We hereby certify that we are the duly qualified and acting officers of the City of Flint, in the County and State aforesaid (the "Issuer"), as herein indicated, that the seal hereto affixed is the official seal of the Issuer; that we, did officially sign the $7,000,000 Emergency Loan Note (General Obligation Limited Tax), 2014-15 Series I, dated April 29, 2015, and delivered herewith (the "Note"); that we are on the date hereof the officers having authority to execute and deliver the Note; that there is no litigation of any nature pending for the purpose of restraining or enjoining the issuance of the Note, nor directly affecting the proceedings or authority by which the Note is issued, the legality of the purpose for which the note is issued, or the validity of the Note, and that neither the corporate existence nor the boundaries of the Issuer nor the title of the present officers of the Issuer to their respective offices is being contested to the best of our respective knowledge and information; that to the best of our respective knowledge there is no litigation pending indirectly or collaterally affecting any of the foregoing, and that none of the proceedings heretofore taken to authorize the issuance of the Note and to provide security therefor have been repealed, revoked or rescinded.

Dated: April 29, 2015

SIGNATURE	TITLE
Gerald Ambrose	Emergency Manager
Inez M. Brown	City Clerk

[SEAL]

STATE OF MICHIGAN)
)ss.
COUNTY OF INGHAM)

On this ___ day of April , 2015, before me appeared the Emergency Manager and the City Clerk of the City of Flint, County of Genesee, State of Michigan, to me personally known, who, by me duly sworn, say they have executed the Certificate and I acknowledge their signatures as true and genuine.

Penny L. Ducat
Notary Public, State of Michigan, County of Ingham
My Commission Expires: Nov 30, 2017

PENNY L. DUCAT
Notary Public, State of Michigan
County of Clinton
My Commission Expires Nov 30, 2017
Acting in the County of Ingham

13. Certification of Receipt of Loan

<u>CERTIFICATE OF LOAN RECEIPT</u>

I hereby certify that I am the duly qualified and acting Emergency Manager of the City of Flint, County of Genesee, State of Michigan, and I further certify and acknowledge that the City has received on the date hereof the proceeds of the Emergency Loan Note (General Obligation Limited Tax) 2014-15 Series I from the State of Michigan in the amount of Seven Million Dollars ($7,000,000).

City of Flint
County of Genesee
State of Michigan

Gerald Ambrose
Emergency Manager

Dated: April 29, 2015

14. Certification of Non-Litigation of City Attorney

NON-LITIGATION CERTIFICATE OF CITY ATTORNEY

STATE OF MICHIGAN
COUNTY OF GENESEE

I HEREBY CERTIFY that I am the City Attorney for the City of Flint (the "City"), in the County and State aforesaid; that on date even herewith, the City issued and delivered its Emergency Loan Note (General Obligation Limited Tax) 2014-15 Series I (the "Note") in the principal amount of Seven Million Dollars ($7,000,000), dated as of the date of delivery thereof; that no litigation of any nature is pending for the purpose of restraining or enjoining the issuance of the Note or the levy and collection of taxes sufficient to pay the principal and interest thereof, nor directly affecting the proceedings or authority by which the Note is issued, the legality of the purpose for which the Note is issued, or the validity of the Note, and that neither the corporate existence nor the boundaries of the City is being contested to the best of my knowledge and information; that to the best of my knowledge there is no litigation pending indirectly or collaterally affecting any of the foregoing, and that none of the proceedings heretofore taken to authorize the issuance of the Note and to provide security therefor has been repealed, revoked or rescinded.

Peter M. Bade
Chief Legal Officer
City of Flint

Dated: April 29, 2015

15. Certification of City Clerk Incumbency

CITY CLERK'S CERTIFICATE OF INCUMBENCY

The undersigned, being the duly qualified and appointed Clerk of the City of Flint, County of Genesee, State of Michigan (the "City"), hereby certifies that the seal hereto affixed is the official seal of the City; that the City did officially authorize, issue and, through its Emergency Manager and City Clerk, did execute the City's Emergency Loan Note (General Obligation Limited Tax) 2014-15 Series I, in the principal amount of Seven Million Dollars ($7,000,000), dated as of the date of delivery thereof (the "Note"); that the undersigned has examined the official files, records and resolutions of the City and accordingly certifies that:

1. The following named individuals and their respective offices are the present Emergency Manager and the City Clerk of the City.

NAME	TITLE
Gerald Ambrose	Emergency Manager
Inez M. Brown	City Clerk

2. Resolutions of the Emergency Manager, dated April 8, 2015 and April 29, 2015, with respect to the Note, were duly adopted, are valid and effective, and none of the proceedings heretofore taken by the City to authorize and issue the Note and to provide security therefor have been repealed, revoked or rescinded.

City of Flint
County of Genesee
State of Michigan

Inez M. Brown

Inez M. Brown
City Clerk

[SEAL]

Dated: April 29, 2015

16. Legal opinion of Miller Canfield

Founded in 1852
by Sidney Davy Miller

MILLER CANFIELD

Miller, Canfield, Paddock and Stone, P.L.C.
150 West Jefferson, Suite 2500
Detroit, Michigan 48226
TEL (313) 963-6420
FAX (313) 496-7500
www.millercanfield.com

MICHIGAN: Ann Arbor
Detroit • Grand Rapids
Kalamazoo • Lansing • Troy
FLORIDA: Tampa
ILLINOIS: Chicago
NEW YORK: New York
OHIO: Cincinnati
CANADA: Toronto • Windsor
CHINA: Shanghai
MEXICO: Monterrey
POLAND: Gdynia
Warsaw • Wroclaw

April 29, 2015

City of Flint
County of Genesee
State of Michigan

We have examined the transcript of proceedings relating to the issuance by the City of Flint, County of Genesee, State of Michigan (the "City"), of a note in the principal amount of $7,000,000, designated Emergency Loan Note (General Obligation Limited Tax) 2014-15 Series I (the "Note"), for the purpose described in the Note. The Note is dated as of April 29, 2015, is payable as to principal and interest, and is subject to payment prior to maturity in the manner, at the prices and at the times specified in the Note and the Loan Agreement, as hereinafter defined. The Note was authorized by the Emergency Manager of the City (the "Emergency Manager"), on behalf of the City pursuant to resolutions executed by the Emergency Manager on April 8, 2015 and April 29, 2015 under the authority granted to the Emergency Manager pursuant to Act 436, Public Acts of Michigan, 2012, and an Order of the Local Emergency Financial Assistance Loan Board dated April 29, 2015. In connection with the issuance of the Note, the City and the Local Emergency Financial Assistance Loan Board have entered into an Emergency Loan Agreement, dated April 29, 2015 (the "Loan Agreement").

We have also examined the Note as executed.

As to questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Loan Agreement has been duly authorized and executed by the City and is a legal, valid and binding obligation of the City.

2. The Note has been duly authorized and executed by the City and is a legal, valid and binding general obligation of the City.

3. All taxable property within the boundaries of the City is subject to taxation for payment of the Note, subject to applicable constitutional, statutory and charter tax rate limitations.

The rights or remedies of noteholders and the enforceability of the Note and the Loan Agreement may be affected by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally, now existing or hereafter enacted, and by the application of general principles of equity, including those relating to equitable subordination.

This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Very truly yours,

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

By: ______________________
Harold W. Bulger, Jr.

24268780 2\029624-00024

17. LETTER FROM OFFICE OF ATTORNEY GENERAL

STATE OF MICHIGAN
DEPARTMENT OF ATTORNEY GENERAL

P.O. Box 30754
Lansing, Michigan 48909

BILL SCHUETTE
ATTORNEY GENERAL

April 29, 2015

Nick A. Khouri, State Treasurer
Austin Building
430 West Allegan St.
Lansing, MI 48922

Dear Mr. Khouri:

Re: City of Flint, Genesee County, Michigan, Emergency Loan Note (General Obligation Limited Tax) 2014-15 Series I

We have caused to be examined certified copies of the proceedings (the "Closing Transcript") and other documents relating to the issuance by the City of Flint, Genesee County, Michigan, of its note designated "Emergency Loan Note (General Obligation Limited Tax) 2014-15 Series I." Said note is in the denomination of Seven Million Dollars ($7,000,000), dated April 29, 2015, bearing interest at the rate of 2.09% per annum. The accrued interest on the note shall be paid first on December 1, 2015 and semi-annually on each June 1st and December 1st thereafter. The principal balance on the note shall be paid first on June 1, 2016 and thereafter shall be paid in 15 consecutive annual installments on June 1st of the years 2016 through 2030. In the event that an installment for the principal amount or interest due on May 1st or November 1st in any year falls on a Saturday, Sunday or any day in which banks in Michigan are generally not open, such payment shall be due on the next succeeding business day. The City has the right to pay all or part of the principal and accrued interest on the note at any time prior to maturity without penalty or premium. Prepayments shall be credited to principal payments in direct order of maturity.

The documentation for this loan is consistent with and demonstrates compliance with the statutory authority for the making of this loan by the Local Emergency Financial Assistance Loan Board pursuant to the Emergency Municipal Loan Act, 1980 PA 243, as amended, MCL 141.931 *et seq*. When you are satisfied with the documents in the Closing Transcript, the loan proceeds can be transmitted by the Department of Treasury to the City of Flint to complete the closing of this loan.

Sincerely,

Bill Schuette
Attorney General

Shenique A. Moss

Shenique A. Moss
Assistant Attorney General
Finance Division

18. CERTIFICATION OF FINAL TRANSCRIPT BY CITY

FINAL TRANSCRIPT CERTIFICATE OF CITY

The undersigned, being the duly qualified and elected City Clerk of the City of Flint, County of Genesee, State of Michigan, hereby certifies that:

1. The documents described and contained in the foregoing transcript relating to the issuance by the City of its Emergency Loan Note (General Obligation Limited Tax) 2014-15 Series I, dated as of the date of delivery thereof, in the principal amount of $7,000,000, insofar as the same constitute proceedings, records and other documents of the City, are true copies of the originals or certified copies thereof and have not been amended, modified or supplemented except as therein permitted and as set forth in the foregoing transcript, and remain in full force and effect without change as of the date hereof.

2. At the times of the taking of the various proceedings and execution of the various records and documents by the City, which are contained in the foregoing transcript, the persons named therein (including the undersigned) as being officers of the City were such duly designated, qualified and acting officers.

City of Flint
County of Genesee
State of Michigan

Inez M. Brown
Inez M. Brown
City Clerk

Dated: April 29, 2015

Agenda for Call on BS&A Utility Billing (UB) Software Modifications

February 18, 2016

Discussion with Matt Harris, BS&A Utility Billing program manager and Ryan Klein on design, testing, and implementation issues for the customization work.

Topics to be covered by MI Treasury - Update on the legislative framework in the bill.

Topics to be covered by BS&A - Update on the development of the 3 primary program changes:

1) Creating the utility to move Pre-Ruling Balances from the Certification subscreen back to the History subscreen. (Proposal dated 02-15-16)
   mostly ready - — in testing —
   Issues: Managing the 1,046 payment records

2) Creating the utility to transfer back from the 2015 Summer Tax Roll the delinquent unpaid UB amounts back to the History subscreen.

   Issues: Managing the 50+ payment records
   Follow Up: Run the Export Delq. Utility Bills To Tax using Delq. Item Codes for sewer charges.

3) Create the credit generator for Utility Bills to provide the water relief, revise the billing program to assign credits, and provide for reporting and GL requirements.

   Issues: Managing the credit buckets, including the penalty buckets; design of program to be water specific in terms of applying credit bucket amounts for active accounts; risks of designing work flows where the legislation does not pair up with the BS&A code used for our anticipated program; definition on relief for Commercial accounts with residential usage (apartments, mobile home parks) and need for flexibility in routine to categorize relief buckets as "apply to accounts" versus "apply to common bucket with a defined batch number"; capacity to design for DHS stipends of $114 per customer for two years of grants; capacity to design for other assistance providers; establishing hierarchy of applying relief in credit buckets to other non-water balances.

Miscellaneous

SRF $2m
Reimb from state

$2m for distressed cities

2.18.2016

Bond payments for KWA –
We see the 2016 payment of $7 million. Is this a yearly payment? Once each year?
The copy from last Friday from the *Jones & Henry Engineers* shows a $690,000 payment for FY 2015. This does not show on the cash flow. Why?

Upcoming bond sale –
What and when? What does that do to the bond payment?

How many gallons of usage is the cash flow based on?
Is the usage number for 2017 (1.6 million) the expected final number or is there reduced payment or usage – GM water usage – in 2015 numbers (the 2017 numbers look reduced)? Will GM come back.
The cash flow takes into account the GM exit. Jody does not know about when or if they will reenter the system.

What is the contractual obligation for Detroit water? When does that end? What needs to be negotiated? Start/stop date – runs through?
GLWA payments of $1.3 million after June 2016 is speculative. There is no contract.
$12 million for FY 2016 is in escrow. The actual amount of outflows could be more or less depending on what happens with the water.
true up

Is there a cost for testing and treating water for KWA? Does not show on cash flow.

$10+2 million escrow

4 mos @ 75%

~~Growth~~
consumption flat?
transition, backup, & treatment

SRF
Credit in effect
Debt rate on
capital cost incl transaction fees
DWSD fees
Consumption forecast on GM
Consumption flat?
Flow at $30m?

Also Sewer

2/18/16

Is the assumption that the consumption for the water remains constant throughout the cash flow period? Yes Consistent usage.

Please clarify GLWA fees. $10 million and $2 million in escrow? Is the $10 million already spent (in October of 2015)? outflow to escrow Account

Bond payments for KWA –
We see the 2016 payment of $7 million. Is this a yearly payment? Once each year?
The copy from last Friday from the *Jones & Henry Engineers* shows a $690,000 payment for FY 2015. This does not show on the cash flow. Why?
Would you please give me the amortization schedule for the bond payments to KWA?
Contract may agree to monthly payment

Upcoming bond sale –
What and when? What does that do to the bond payment?
That would increase it. No date set

How many gallons of usage is the cash flow based on?
Is the usage number for 2017 (1.6 million) the expected final number or is there reduced payment or usage – GM water usage – in 2015 numbers (the 2017 numbers look reduced)? Will GM come back?
The cash flow takes into account the GM exit. Jody does not know about when or if they will reenter the system.

What is the contractual obligation for Detroit water? When does that end? What needs to be negotiated? Start/stop date – runs through?
GLWA payments of $1.3 million after June 2016 is speculative. There is no contract.
$12 million for FY 2016 is in escrow. The actual amount of outflows could be more or less depending on what happens with the water.

Is there a cost for testing and treating water for KWA? Does not show on cash flow.
You mentioned that the testing and treating of KWA water is in the line item, Capital Improvements. Which line is that on your cash flow? If it is in the cash flow, do I understand you correctly that you know of no additional costs for this? – Baked into the other numbers
Transition, backup, and treatment fees baked in? Jody not privy to that.

Does the "Transfers to Debt Service Fund" line item take into account the restructuring of DWRF loans? We have a yearly amount of $1.8 million. Is that what this line is? Monthly. State. Already baked in

Aug '16 $993k correct?
May '16 starting 26 pay periods

Vaughn, Cary J. (Treasury)

From: Jody Lundquist <jlundquist@cityofflint.com>
Sent: Thursday, February 18, 2016 10:45 AM
To: Vaughn, Cary J. (Treasury)
Subject: Fwd: Flint Cash Flow Questions

Please see below in response to #5. As I stated during our conversation yesterday, I am unaware of additional testing and treating costs beyond those included in the City's adopted capital improvements budget and as described in the most recent LAN contract change order.

Thanks,

Jody N. Lundquist
Chief Financial Officer
City of Flint
1101 S. Saginaw Street, 2nd Floor
Flint, MI 48502
jlundquist@cityofflint.com
(810) 237-2441

---------- Forwarded message ----------
From: **Dawn Steele** <dsteele@cityofflint.com>
Date: Thu, Feb 18, 2016 at 10:34 AM
Subject: Re: Flint Cash Flow Questions
To: Jody Lundquist <jlundquist@cityofflint.com>

It is under capital improvement on bs&a $4,123,906 and on your cash flow as follows:

contractual services 2,293,580
equipment operation 942,866
repairs and maintenance 887,460

On Wed, Feb 17, 2016 at 5:29 PM, Jody Lundquist <jlundquist@cityofflint.com> wrote:
In follow up to my previous email, please assist in responding to 1,2&5. I will handle the others.

Thanks for all you do. I hope you know how much it's appreciated!

---------- Forwarded message ----------
From: **Vaughn, Cary J. (Treasury)** <VaughnC2@michigan.gov>
Date: Wednesday, February 17, 2016
Subject: Flint Cash Flow Questions
To: "Jody N. Lundquist (jlundquist@cityofflint.com)" <jlundquist@cityofflint.com>

Jody,

I have a few follow up questions to our conversation that I would appreciate your assistance on when you are able.

1. Would you please give me the amortization schedule for the bond payments to KWA?

2. The report from *Jones & Henry* showed a "KWA Capital Cost" of $6.9 million in FY 2017 and 2018 which is shown on the cash flow. However, there is $690,000 for the FY 2016 that does not show or is this on a different line?

3. There is an upcoming bond sale. What does that do to your bond payment line?

4. Does the "Transfers to Debt Service Fund" line item take into account the restructuring of DWRF loans? We have a yearly amount of $1.8 million. Is that what this line is?

5. You mentioned that the testing and treating of KWA water is in the line item, *Capital Improvements*. Which line is that on your cash flow? If it is in the cash flow, do I understand you correctly that you know of no additional costs for this?

Feel free to reply or give me a call. As you know, we are looking to get these items taken care of prior to your meeting with the Treasurer tomorrow at 3:00.

Thanks for your help!

cary

--
Sent from Gmail Mobile

--
Thank you.

Dawn R. Steele
Deputy Finance Director
City of Flint
(810) 766-7266 ext 2309

Osborne, Ken (TREASURY)

From:	Osborne, Ken (TREASURY)
Sent:	Thursday, February 18, 2016 1:48 PM
To:	Steckelberg, Larry (TREASURY)
Cc:	Dempkowski, Angela (Treasury)
Subject:	RE: Request for Larry Steckelberg
Attachments:	2015-SCVBH-0136-9338.PDF

Larry,

Attached is the most recent version of the bill. The House passed it today. The Senate has already adjourned, but I would suspect they will approve it next week.

No major changes from prior versions of the language Rep. Poleski had been working on. It allows for a credit at a rate determined by the Treasurer not to exceed 65% for residential customers and 20% for commercial customers.

Time period is from April 2014 until the billing period containing the date of the expiration of the disaster declaration as described in SCR 23, which is April 14, unless a subsequent resolution is approved extending it.

From: Dempkowski, Angela (Treasury)
Sent: Thursday, February 18, 2016 1:08 PM
To: Osborne, Ken (TREASURY) <OsborneK1@michigan.gov>
Cc: Steckelberg, Larry (TREASURY) <SteckelbergL@michigan.gov>
Subject: Request for Larry Steckelberg

Ken: Larry would like you to provide him with the latest information that you have regarding the flint water relief appropriation. He has a 2 pm meeting in Flint and was hoping you could email this information to him by then. Thank you.

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

HOUSE SUBSTITUTE FOR

SENATE BILL NO. 136

A bill to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2016; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for various state departments and agencies to supplement appropriations for the fiscal year ending September 30, 2016, from the following funds:

APPROPRIATION SUMMARY

GROSS APPROPRIATION	$	30,000,000
Total interdepartmental grants and intradepartmental transfers		0

ADJUSTED GROSS APPROPRIATION	$	30,000,000
Total federal revenues		0
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	30,000,000

Sec. 102. DEPARTMENT OF TREASURY

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	$	30,000,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	30,000,000
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	30,000,000

(2) GRANTS

Flint declaration of emergency	$	30,000,000
GROSS APPROPRIATION	$	30,000,000
Appropriated from:		
State general fund/general purpose	$	30,000,000

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending from state resources in this appropriation act for the fiscal year ending September 30, 2016 is $30,000,000.00 and state appropriations paid to local units of government are $0.

Sec. 202. The appropriations authorized under this act are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

DEPARTMENT OF TREASURY

Sec. 301. (1) From the funds appropriated in part 1 for the Flint declaration of emergency, up to $30,000,000.00 shall be allocated to reimburse the water enterprise fund of the city of Flint in an amount equal to credits posted to its customers' accounts in accordance with section 302.

(2) The department shall report quarterly to the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget director on the distribution of the funds allocated pursuant to part 1.

Sec. 302. (1) There shall be no administrative charges, from any entity, removed or expended from the appropriations in part 1.

(2) There shall be no expenditures from the funds appropriated in part 1 without specific authorization by the state treasurer.

(3) All unexpended funds from the appropriations in part 1, as of September 30, 2016, shall lapse to the general fund.

Senate Bill No. 136 as amended February 17, 2016

(4) The credit to a water customer's account shall be equal to the following:

(a) For a residential customer, an amount determined by the state treasurer not to exceed 65% of the amount billed for water from the beginning of the billing period containing April 30, 2014 to the end of the billing period containing the date upon which the declaration of disaster, as described in Senate Concurrent Resolution No. 23 [or a successor concurrent resolution] of the 98TH Legislature, expires.

(b) For all other customers, an amount determined by the state treasurer not to exceed 20% of the amount billed for water from the beginning of the billing period containing April 30, 2014 to the end of the billing period containing the date upon which the declaration of disaster, as described in Senate Concurrent Resolution No. 23 [or a successor concurrent resolution] of the 98th Legislature, expires.

(5) Credits for sewer services are not to be reimbursed under this section or section 301.

(6) The amount of the credits calculated under subsection (4) shall reflect rates consistent with the rates paid at the time of billing.

(7) The state treasurer, or his or her designee, and the auditor general may audit transactions provided for under this section and section 301 at their discretion.

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

February 19, 2016

FOR IMMEDIATE RELEASE
www.michigan.gov/treasury

Contact: Terry Stanton, Treasury
(517) 335-2167
Dave Murray, Governor
(517) 335-6397

Gov. Snyder announces grants for distressed municipalities

$5.4 million awarded for service and quality of life projects

Gov. Rick Snyder will award $5.4 million to eleven municipalities to help fund various improvement projects, including water system and public safety enhancements as well as technology upgrades through the Financially Distressed Cities, Villages, and Townships (FDCVT) grant program. Snyder previously announced a $2 million award for the City of Flint.

Municipalities are eligible to apply for a FDCVT grant if they are experiencing one or more conditions indicative of "probable financial stress," as defined by Public Act 436 of 2012, the Local Financial Stability and Choice Act.

"The municipalities that applied for and have now been approved for this special funding are among those that have faced significant financial challenges in recent years," Snyder said. "These grants will go a long way to ensure these cities can improve the public services their residents expect and deserve."

Under the grant program, funding may be used to pay for specific projects, services, or strategies that move a city, village, or township toward financial stability. There was $5 million appropriated for the program with a $400,000 carryover from the previous fiscal year. The FDCVT program has a $2 million cap, per local unit.

The following communities will receive funding this year, with projects and amounts noted (alphabetical order):

Local Unit	Project Description	Amount
City of Allen Park	Provide an emergency generator for public safety.	$270,187
City of Benton Harbor	Public safety enhancement through replacement and upgrade of police camera system.	$25,000
City of Benton Harbor	Water system enhancement through water main replacements.	$400,000
City of Ecorse	Public safety enhancement through police body cameras.	$30,000
City of Flint	Water system enhancement through reconnection to Detroit Water and Sewer Department.	$2,000,000

City of Hamtramck	Public safety enhancement through replacement and upgrade of police camera system.	$90,000
City of Highland Park	Water system enhancement through maintenance to water system.	$1,505,000
City of Inkster	Public safety enhancement through deployment of a community relations police officer.	$244,968
City of Inkster	Public safety enhancement through replacement and upgrade of police and fire radios.	$318,993
City of Inkster	Public safety enhancement through fleet replacement of police vehicles.	$218,367
City of Lincoln Park	Public safety enhancement through replacement and upgrade of fire technology.	$21,000
City of Melvindale	Public safety enhancement through fleet replacement of police vehicles and replacement and upgrade of technology.	$94,800
City of River Rouge	Public safety enhancement of dispatch and jail services.	$171,833
City of Wayne	Public safety enhancement through fleet replacement of police vehicle.	$25,389

All appropriated funding has been spent. No future rounds will occur in FY 2016.

####

Vaughn, Cary J. (Treasury)

From: Vaughn, Cary J. (Treasury)
Sent: Friday, February 19, 2016 9.16 AM
To: Jody N Lundquist (jlundquist@cityofflint.com)
Subject: KWA

Follow Up Flag: Follow up
Flag Status: Flagged

Jody,
Would you please email me your contractual agreements and debt amortization schedules that the city has with KWA? Also include any agreements with the county related to KWA and the city including any debt agreements. I am looking for support for any future payment obligations that the city may have with KWA and the county related to the Water fund.
Thanks
cary

* What sticks (cash analysis)
SLF loan - remove
* KWA debt schedule (contract) all treatment & costs

Memo - highlights subject to change
* Backup cost for water supply

Bullets
Attached updated we have after following mtg w/ gov is a revised cash flow reflects we have attempted to reflect 4 major : 1 2 3 4

* 4 months of credits double check

Given that is Jody's last day before vacation we have not been able to run analysis. will change over time (cautions)