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For Immediate Release

EM Updates Council, Requests support for Emergency Loan and District Court Consolidation; Adjusts Salaries for Mayor and Council

Flint, Michigan – April 13, 2015 – By letter to City Council issued today, Emergency Manager Jerry Ambrose congratulated City Council for their recent actions committing to restoring and maintaining the City’s financial solvency. Mr. Ambrose stated that recent actions to adopt a series of ordinances requiring commitment to establishing appropriate financial reserves and an improved planning and budgeting process indicate that the Council understands the need to restore and maintain Flint’s financial solvency. “While there is much yet to do, these are positive steps in the right direction,” said Mr. Ambrose. “The ongoing challenge will be to adhere to the requirements the City Council has adopted themselves.”

Mr. Ambrose’s letter also reiterated the priority issues currently facing the City – developing a long range financial plan, beginning with the upcoming FY16 and FY17 budget; continuing to address concerns with water safety, quality and affordability; and stabilizing resources for public safety. “These are clearly the top priority issues, and ones which require the cooperation of all if they are to be successfully addressed,” stated Mr. Ambrose. “Unfortunately, resources are extremely limited, and we must make decisions which address the most critical issues in a financially sound manner – and that often means we cannot do everything everybody wants.”

Some of the ingredients of restoring Flint’s financial solvency on a sustainable basis, according to Mr. Ambrose, include obtaining a \$7 million loan to finance the accumulated General Fund deficit and approving the consolidation of the 67th and 68th District Courts. Both issues are pending before City Council and Mr. Ambrose is hopeful for a quick positive response. “The terms and conditions offered with this loan equate to a good deal for the City and will enable it to begin to more quickly rebuild its financial solvency. Approving the court consolidation will reduce City expenses by \$8.4 million over the next 10 years and will help to provide some stability in funding other public safety services.”

Mr. Ambrose also presented Council with actions he is taking to continue the progress towards transition, including an updated purchasing ordinance and an order officially defining the role of the new City

Administrator as the chief administrative officer for the City. "Moving the City forward in today's environment requires professional managers, clear responsibilities, and modern practices," said Ambrose. "These actions move in that direction, and hopefully move the Council forward in truly becoming the governing body of the City, focused on policies and accountability for moving the City forward based on its vision, mission, and goals."

Recognizing the increasing role of the Mayor and Council as the City transitions to home rule with oversight by a Receivership Transition Advisory Board, Mr. Ambrose announced that he is reestablishing the salaries for Mayor and Council at the levels in place before the City was most recently placed into state receivership. He noted that Council meetings are now held twice per month, with committee meetings held once per month, and the Mayor is now much more engaged in a Chief Executive role. Continued receipt of the re-established salaries, however, will be contingent upon attainment of certain training levels. These training levels were established in prior orders of the Emergency Manager, and Councilmembers will have until November 1, 2015 to obtain it, or their salary will be reduced to the current level.

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