Pleyte, Beth (Treasury)

From: Barton, John (Treasury)
Sent: Tuesday, May 22, 2012 9:30 AM
To: Saxton, Thomas (Treasury)
Subject: FW: Local Government agenda & Updates

Tom,

Did you plan on having me join the local gov't meeting tomorrow?

I did talk with Brom this morning and I have Andrea looking at how to reconcile the City of Detroit reports from Rick Drumb and E&Y. I am not sure we can actually reconcile them, but we will try. If we cannot, did you want me to work with Rick to figure it out?

I also gave Brom an update on Pontiac schools. I spoke with Paul Bryant and he is working with MDE this morning to get the April and May state aid payments released. The District did submit another draw for the TAN which I left with Beth. Perhaps we can spend a few minutes today reviewing the draw and latest update from the District. Also, I have a call Thursday with the Key Bank, the purchaser of the TAN to discuss the issues. My guess is Key Bank will not provide credit in the future and it will be difficult for the District to secure another TAN.

Andrea and I have a good first draft of projected cash flows for Benton Harbor Schools through August 2013, I am pretty stacked up today, but should be able to have it ready for review sometime tomorrow.

Thank you
John

From: Stibitz, Brom (Treasury)
Sent: Tuesday, May 22, 2012 8:07 AM
To: Barrett, Thomas (Treasury); Dillon, Andy (Treasury); Hichez, Amy (Treasury); Koryzno, Edward (Treasury); Headen, Frederick (Treasury); Saxton, Thomas (Treasury); Fraser, Roger (Treasury); Schafer, Suzanne K. (Treasury); Dempkowski, Angela (Treasury); Buhs, Caleb (Treasury); Stanton, Terry A. (Treasury); Barton, John (Treasury)
Subject: RE: Local Government agenda for Wednesday- Please review

Some suggestions

From: Barrett, Thomas (Treasury)
Sent: Monday, May 21, 2012 4:17 PM
To: Dillon, Andy (Treasury); Hichez, Amy (Treasury); Koryzno, Edward (Treasury); Headen, Frederick (Treasury); Stibitz, Brom (Treasury); Saxton, Thomas (Treasury); Fraser, Roger (Treasury); Schafer, Suzanne K. (Treasury); Dempkowski, Angela (Treasury); Buhs, Caleb (Treasury); Stanton, Terry A. (Treasury); Barton, John (Treasury)
Subject: Local Government agenda for Wednesday- Please review
Importance: High

Please review these items below and advise of any changes ASAP:

Allen Park
City council did not approve the Emergency Loan Application last week and city administrator resigned effective May 31st
Preliminary review tentatively scheduled to begin on May 29

City is required to submit an updated DEP that does not include revenues from the millage, which failed earlier this month

City of Benton Harbor
Charter Amendment plan
Legislator contact- Fred
Millage Issue, Financial Crisis
EM Transition

Benton Harbor Area Schools
Met with the Superintendent and Plante Moran on May 17th to review cash flow and outstanding district liabilities
Updated cash flows to be sent June 1
Indicated the request to borrow 70% of their state school aid is not acceptable
Assessing long- term restructuring of the District's state aid note

City of Dearborn Heights
Deficit elimination plan approved. The plan is a combination of a successful Headlee override and 10% salary reductions.

City of Detroit
Has submitted a new application for borrowing (a continuation of the previous borrowing). Staff is working with the City to obtain all the necessary documents.
Delay in appointing certain positions
Financing issues

Detroit Public Schools
PA-72 concerns, possible removal of academic appointees
District has completed the refinancing of the 2005B bonds
Detroit has indicated a possible need for a proposed cash flow borrowing in August/September
They have been advised of our concerns and that it needs to be documented
School Board status

East Detroit Schools
Continue to monitor cash flow, should be okay through the end of school year

Ecorse
Long term transition plan

Flint
The City is projecting an $18M accumulated deficit for the fiscal year ending June 30, 2012 and has submitted a deficit elimination plan. The City plans to issue $19M in fiscal stabilization bonds over a two year period ($9M in 2012 and $10M in 2013). The city is reducing its workforce by 21% (147 employees) and is projecting a $4M savings from changing health care benefits. The City bluntly states that it cannot eliminate its deficit in the water/sewer fund, i.e. it