

Cline, Richard (Treasury)

From: Cline, Richard (Treasury) <cliner1@michigan.gov>
Sent: Thursday, January 17, 2013 3:28 PM
To: Cline, Richard (Treasury)
Subject: City of Flint

Importance: Low

EMERGENCY MANAGER CITY
EFM ED KURTZ
CITY ADMINISTRATOR MIKE BROWN
GF DEFICIT - \$19.1-MILLION
WATER FUND DEFICIT - \$8.8-MILLION

01-17-13: Q4 2012 EFM report analyzed.

- **EFM Reports – Q4-2012; Q1; Q2; Q3; Q4.**
- **Outstanding Issues.**
 - The **\$19-million GF deficit** needs to be monitored to ensure that projected declines occur in FY 2013
 - The **\$8-million Water Fund deficit** needs to be monitored given the issues related to the water system.
 - The level of **Tax Revenue** needs to be monitored given its apparent tenuous levels.
 - **Overtime** in the **Fire Department** is excessive and needs to be monitored.
 - The status of **ongoing litigation** should be monitored. **Also, I find no record of receiving any quarterly litigation reports.**
 - Monitoring should be conducted to ensure the anticipated **DEP** is filed in a timely manner.
 - The **OPEB** debt needs to be monitored.
 - The development of a **5-year Strategic Plan** and multi-year budgets is a positive step. This process should be monitored and it is possible that the OFR could also assist.
 - Monitoring of the **Bank Reconciliation** process should occur to ensure improvement.
 - Monitoring of the **MERS** transition should be monitored to ensure no additional issues develop.
 - Regarding **Unplanned Transfers Out:**
 - 2 of the 7 transfers were **over \$1-million.**
 - 6 of the 7 transfers were **over \$100,000**
 - **Sanitation** required a transfer of **\$1.8-million**. It is unclear what the reasons were or how this will be corrected moving forward.
 - **Building Safety** required a transfer of **\$1.1-million**. It is unclear what the reasons were or how this will be corrected moving forward.
 - Regarding **Departmental Over-Expenditures:**
 - 2 of the 7 departments overspent by **over \$2-million.**
 - 5 of the 7 departments overspent by **over \$300,000.**
 - **Public Safety** overspent by **\$6-million.**
 - **Community Development** overspent by **\$2-million.**
 - **Transportation** and **Parks & Recreation** overspent by nearly \$1-million each; **\$922,669** and **\$871,250** respectively

01-15-13: Received Q4 EFM Report.

- EFM Reports – Q4 2012; Q1; Q2; Q3; Q4