

Pleyte, Beth (Treasury)

From: Barrett, Thomas (Treasury)
Sent: Tuesday, March 26, 2013 4:54 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 action items 3-26
Attachments: Local Government agenda 3-26.pdf

Below are the action items from today's meeting:

Andy raised the idea of restructuring some of Detroit's debts by creating a lock-box type of structure. Anyone with suggestions should raise them.

Wayne county jail conditions- Suzanne is checking. Roger is going to do a soft inquiry.

Allen Park TAN amount and DEP details- Suzanne.

Ecorse- Roger is going to talk to the mayor about the possibility of a TAB.

How is the TAB established under the new law? Fred, Roger and Ed are going to determine the appropriate steps.

Highland Park EM appointment- Fred is asking the AG's office for an opinion of how to proceed.

EM resources- Ed is going to begin a statement of work for services to assist newly appointed EMs to transition into their new position.

Lincoln Park- Ed and Roger are going to look for a qualified city manager who can steer them in the proper direction.

Wayne County- Suzanne is looking at who is on the authority board.

Also, I am going to send out a tutorial with how to use the new program we will be using for our agendas. Attached is a draft of an example we created in the new system. Any feedback is appreciated.

Department of Treasury

Weekly Local Government meeting

City	Owner	Status	Comments
1. General discussion points	Tom Barrett	R	Governor's Monthly Memo update Real estate transfer tax Act 72: Have all cities submitted their requirement since the switch to PA 72? Wayne County DTRF Cities that require Pension and OPEB analysis - We have received 11 actuarial reports from Benton Harbor, Ecorse, Flint, Highland Park, Harper Woods, Inkster, Muskegon Heights, Pontiac, River Rouge, Taylor and Wayne County. Detroit and Hamtramck have not submitted information and a follow up letter will be sent. (ek 1/7/13) Dashboard Software-Purchase order has been issued 2/12
City of Benton Harbor	Ed Koryzno	R	Tony is making reductions to the FY 2013 budget by laying off 12 people, changing attorney firms and removing Plante Moran. He is preparing the FY 2014 budget with a goal of reducing it by another \$500K. He will send a draft budget for our review by the end of this week. (ek 3/26) Tony Saunders is prepared to hold a special millage election in May. City council passed a resolution of approval at their meeting of 2/19/13. (ek 2/26) Tony has received a revenue sharing advance last week for the months of April and June. The most recent emergency loan has been withdrawn. Tony wants to evaluate the near-term needs before a loan app is finalized and anticipates submitting a new request during July. (ek 3/12)
City of Detroit	Andy Dillon	R	Ed Plawecki is under contract with P.I.E. to provide his services in Detroit. Roger and Ed met with Chris Gannon and Danielle Benedettini of Conway MacKenzie to discuss strategy regarding the PDD. Chris will meet with Kate Beebe who evaluated the PDD operation and prepared alternative reorganization strategies. (ek 2/26)
City of Flint	Roger Fraser	R	Ed Kurtz believes participation in the KWA is in the best interests of Flint. Short-term transition costs have been an issue up to this point and a strategy has been developed to address the \$7 million cost which include selling a 72" water main to Genesee County and buying a 72" water main from DWSD. Staff report and recommendations were submitted last week. (rf 2.26) The City Commission voted 7-1 at their 3/25 meeting to approve a resolution to participate in the KWA project. (ek 3/26) Ed Kurtz has been told that the Genesee County Drain Commission will send out bids to engineering firms on March 22 to size the KWA pipeline and that is the absolute deadline for Flint to participate. (ek 3/12) The Genesee County Drain Commissioner opened bids on 2/25/13 for the KWA intake construction in Lake Huron. The low bid was \$24,622,000, about \$3,000,000 less than the Tucker Young estimate in the study performed for Treasury. The County authorized the borrowing of \$35,000,000 for the project. It is now estimated that the total cost with engineering, legal and contingencies will be less than \$31,000,000.(ek2/27) City has submitted a DEP. The DEP projects \$1.5M in savings over next five years due to budget cuts but have not identified the source of cuts. Will provide more detail as they go through the 2014 budget process. The rest of the DEP relies on an emergency loan for \$12M. No application has been filed yet. (ss 2/12)
City of Inkster	Ed Koryzno	R	City Council, at their 3/18 meeting appointed Mark Stuhldreher as the Interim City Manager on a 4/3 vote while they search for a permanent manager. Council also amended their budget to account for \$600,000+ less in General Fund revenues.(ek 3/26) City Council terminated Ron Wolkowicz last week as city manager, but has retained him as Public Works and Recreation Director. Mark Stuhldreher has expressed concern that council may be reluctant to implement his recommended \$700,000 of budget reductions. A cash flow projection reveals that the general fund cash levels will be low at the end of June unless reductions are made. Ed will be meeting with city council and Mark Stuhldreher to reiterate the need for budget reductions and to hire a professional city manager. OFR also working with Mark to develop a list of projects to provide operational support to him. O700 (ek 3/12)