Koryzno, Edward (Treasury)

From: Workman, Wayne (TREASURY)
Sent: Wednesday, August 28, 2013 6:21 PM
To: Dillon, Andy (Treasury); Saxton, Thomas (Treasury); Stibitz, Brom (Treasury); Gelisse, Ashley (TREASURY); Stanton, Terry A. (Treasury)
Cc: Koryzno, Edward (Treasury)
Subject: Fwd: Flint Update

Latest update. Public safety and will be discussed at Tuesday session

Sent from my iPhone

Begin forwarded message:

> **From:** "Koryzno, Edward (Treasury)" <KoryznoE@michigan.gov>
> **Date:** August 28, 2013, 6:01:25 PM EDT
> **To:** "Workman, Wayne (TREASURY)" <WorkmanW@michigan.gov>
> **Subject: Flint Update**
>
> Below are the highlights from my conversation today with Mike Brown.
>
> Hurley Hospital Board appointments – Mike will send future appoints to Treasury for approval
>
> MOU w/ MSP and Itemized law enforcement "to do" list provided to Treasury
>
> Final FY 13 budget expected to reduce the $19M structural deficit to $16M. Reasons for success are controlled expenses, better than expected experience in health care cost, overall cash position improved from $15M to $40M at end of FY13 due to delayed h2O/sewer capital projects, retiree health care savings, fringe benefits costs were below estimates by $5-$6M, public safety millage (2 levies) resulted in $5M and increased fund balance in road fund of $1M.
>
> Mike is considering a 4 point plan for inclusion in the model contract. City's healthcare consultant Cornerstone is evaluating it. 1) Currently city adopted the hard cap under PA 152, city costs are below hard cap and no premiums are paid by employees. Employees do pay significant co-pays. He is considering adopting 80/20 option; 2) Would inform non vested employees not guaranteed retiree healthcare; 3) Vested employees would get retiree healthcare, but those who retire after 1/14 will be told the premium share for pre 65 will be limited to the same premium share of post 65 employees. Setting date of 1/14 would allow implementing collective bargaining agreements during 10/13 and it is expected employees will retire and new employees hired will have no healthcare; 4) effective 1/14 new police & fire employees will be moved to the hybrid plan (1.75 defined benefit multiplier and city matches a defined contribution up to 5%, the total combined limit for both is 10% . Partial cost estimate is due week of 9/9/13.
>
> Mike is concerned about the ability of the city to deliver water by next April because DWSD will stop providing water and their plant needs upgrades. The City will have to make $11M in improvements to the water plant to provide city residents with water until the city connects to KWA. The city has $28M in outstanding water bonds and they inquired about the state's willingness to divert payment for 3 years, in order to spend bond debt payments on the $11M of capital improvement necessary for using the water plant and connect to KWA.

Let me know if you need any additional information on these items.

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