Goodrich, Harlan G. (Treasury)

From: Massaron, David P. <Massaron@MillerCanfield.com>
Sent: Tuesday, February 25, 2014 4:12 PM
To: Goodrich, Harlan G. (Treasury)
Cc: Dimov, Sylvia; Gerald Ambrose
Subject: Letter for Treasury
Attachments: KWA Qualifying Ltr.PDF

Harlan,
We hope this works for Application Approval purposes. Please let us know if you need anything else with respect to the application.

Thanks very much,
-Dave

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CITY OF FLINT

OFFICE OF THE EMERGENCY MANAGER

Darnell Earley, ICMA-CM, MPA
Emergency Manager

Suzanne Schafer, Administrator
Local Audit and Finance Division
Michigan Department of Treasury
P.O. Box 30728
Lansing, MI 48909-3227

Re: FLINT CITY (252040)
Qualifying Statement

Dear Ms. Schafer,

We are in receipt of your letter dated February 21, 2014 denying authorization to issue municipal securities without further approval from the Department of Treasury.

As you know, the City of Flint is currently in receivership pursuant to Act 436, and operating under the control of an Emergency Manager since December 2011. Much progress has been made to reduce the City's accumulated deficit and to restore Flint to long term financial solvency. We are currently working with Treasury to finalize a Deficit Elimination Plan which will not only eliminate the deficit but begin to establish an appropriate level of reserves. The securities issued within the past five years pursuant to the Fiscal Stabilization Act were done prior to the City being placed under the control of an Emergency Manager.

The request to issue securities at this time is in conjunction with the City's partnership with Genesee County and others to construct a new source of water supply for the City and the region. This is being accomplished through the newly created Karegnondi Water Authority, of which the City of Flint is a member. The result of this project will be a new source of water for the region at a cost which is significantly less than the current costs. It is an important component of restoring the City of Flint to financial solvency.

Treasury approval of Flint's request to issue municipal securities for this purpose is requested.

Thank you and please contact me if you have any questions.

Sincerely,

Darnell Earley

Darnell Earley, ICMA-CM, MPA
Emergency Manager