

Byrne, Randall (Treasury)

From: Widigan, Robert (TREASURY)
Sent: Tuesday, July 22, 2014 11:41 AM
To: Byrne, Randall (Treasury)
Cc: Porubsky, Carmen (TREASURY)
Subject: July 2014 Section 9 Quarterly Report
Attachments: Flint_Sect9_071514.pdf; July 2014 Quarterly Report.docx

Importance: High

Randy,

Attached is the analysis and recommendations for the City of Flint – July 2014 Section 9 Quarterly Report.

If additional work on this is needed, please let me know.

Thank you,

Robert Widigan | Departmental Analyst | Office of Fiscal Responsibility
State of Michigan | Department of Treasury
430 W. Allegan Street, 3rd Floor | Lansing, MI 48922
(517) 335-2130 | WidiganR@michigan.gov

CONFIDENTIALITY NOTICE: This e-mail, and any attachments, is for the sole use of the intended recipient(s) and may contain information that is confidential and protected from disclosure under the law. Any unauthorized review, use, disclosure, or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail, and delete/destroy all copies of the original message and attachments Thank you.



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

R. KEVIN CLINTON
STATE TREASURER

ANALYSIS REPORT – City of Flint – Section 9 Quarterly Report

DATE: July 18, 2014
TO: Randall Byrne, State Administrative Manager; Office of Fiscal Responsibility
FROM: Robert Widigan, Departmental Analyst; Office of Fiscal Responsibility
SUBJECT: City of Flint – July 2014 Section 9 Quarterly Report

Subject of Analysis:

Review of the Section 9 Quarterly Report submitted by the City of Flint Emergency Manager, Darnell Earley. The report details activities for the period of April 1, 2014 through June 30, 2014.

Analysis:

This report substantially complies with the requirements of the law. The following should be noted:

1. The budget continues to balance, and this fiscal year is expected to close with approximately \$3.8M in revenue over expenses.
2. Cash on hand as of June 30, 2014 is in excess of \$52M.
3. The biennial budget was adopted on June 23, 2014 through EM Order #13.
 - The biennial budget has a fiscal year (FY) 2019 projected total deficit of \$46.4M.
 - Note: the adopted FY 2016 budget has a surplus of \$3M, whereas the City projects a FY 2017 budget deficit of \$9.3M. What is driving this deficit?
4. On June 30, 2014 Judge Tarnow granted the City to permission to modify retiree healthcare as previously requested in a settlement proposal submitted to the Court.
 - The City believes this ruling will have a positive financial impact on the City.

If additional information is desired, please let me know.