

Byrne, Randall (Treasury)

From: Headen, Frederick (Treasury)
Sent: Thursday, May 29, 2014 3:50 PM
To: Peter Bade; Workman, Wayne (TREASURY); Byrne, Randall (Treasury); Headen, Frederick (Treasury); Darnell Earley
Subject: RE: Memo re Alternative Proposal for Sale of Water Transmission Main

Pete:

Thanks for the summary. Section 19(2) of the Act is unambiguous in its requirement that a local governing body that disapproves an emergency manager proposal shall submit an alternative within 7 days. However, rather than pursue a mandamus action to compel compliance where a local governing body fails, or refuses, to submit an alternative, the Department of Treasury has taken the position that it will deem as an approval by a local governing body under Section 19(1) any instance in which the local governing body disapproves an emergency manager's proposal but fails, or refuses, to submit an alternative as required by the Act.

Fred

From: Peter Bade [mailto:pbade@cityofflint.com]
Sent: Wednesday, May 28, 2014 4:15 PM
To: Workman, Wayne (TREASURY); Byrne, Randall (Treasury); Headen, Frederick (Treasury); Darnell Earley
Subject: Memo re Alternative Proposal for Sale of Water Transmission Main

In follow-up to our meeting this morning, attached is my memorandum regarding this matter.

If you have any further questions, please let me know.

--
Peter M. Bade
Chief Legal Officer
City of Flint
p 810 766 7146
f 810 232 2114



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

R. KEVIN CLINTON
STATE TREASURER

May 30, 2014

Darnell Earley, Emergency Manager
City of Flint
1101 South Saginaw Street
Flint, MI 48502

Mr. Earley:

This letter serves as a notice of my approval to sell the 72" (inch) pipeline and appurtenances from the DWSD connection at Potter and Baxter Roads; west of the proposed 36" (inch) KWA connection at Center and Pierson Roads for \$3,987,700 to Genesee County Water & Waste.

Because the sale is referenced in the F&O Plan, no approval is necessary under Sections 12(1)(r) and 15(1) as the plan is considered adequate. However, 12(3) requires Treasurer approval for contracts over \$50,000 because the sale was not competitively bid. In addition, Section 19 requires that this sale must be submitted to the City Council to approve or deny. The Flint City Council failed to take action on the matter by the required date; therefore, the proposed action is considered to be approved.

State Treasurer Approval:

I, R. Kevin Clinton, State Treasurer for the State of Michigan, pursuant to the authority assigned by Public Act 436 of 2012, do hereby:

☒ Approve Submitted Recommendation

☐ Deny Submitted Recommendation

Sincerely,

R. Kevin Clinton, State Treasurer
Michigan Department of Treasury

6/2/14

Date