Cline, Richard (Treasury)

From: Beverly Walker-Griffea <b.walkergriffea@mcc.edu>
Sent: Thursday, December 17, 2015 6:12 PM
To: Headen, Frederick (Treasury)
Subject: Fwd: RTAB Questions from Earlier today

Below are my questions for the City Manager. Thank you. Beverly

1. The City Administrator in her email proposes using $7,287,125 of Fund Balance in the water fund to offset the balance projected decrease in the revenue. The latest "budget to actual" report provided shows the Fund Balance in the water fund to be $4,937,210. Will there be an amendment showing where the remaining $2,349,915 will be taken from?

2. The last budget to actual report provided to RTAB (Month Ended October 31, 2015) the 590 Sewer Fund shows a "YTD Balance" at 10/31/15 of $2,480,146 in the "Charges for Services" line item. If I annualize this, the total would be $7,440,438. The budget amendment of a $5,941,475 reduction in that budget line item adjusts the total budgeted amount to be $24,493,240. In what months from November 2015 through June 2015 will there be an acceleration of service for fee revenue that will allow us to achieve the amended budget?

3. The same concern for the Water Fund as well.

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Pleyte, Beth (Treasury)

From:	Connors, Paul (Treasury)
Sent:	Friday, December 18, 2015 3:35 PM
To:	Storberg, Ann Marie (TREASURY); Headen, Frederick (Treasury); Saxton, Thomas (Treasury); Frayer, Shelbi (TREASURY)
Subject:	Fwd: Professional Liability claim
Attachments:	image001.png; ATT00001.htm; ACE - Extended Reporting Period 1 yr.pdf; ATT00002.htm; ERP terms and conditions.pdf; ATT00003.htm; Michigan Emergency Manager Act.pdf; ATT00004.htm

Sounds like Darnell having trouble getting coverage going forward due to Flint water

Sent from my iPhone

Begin forwarded message:

> **From:** "Steven Smith" <Steven.Smith@Meadowbrook.com>
> **To:** "'Darnell Earley'" <darnell.earley@detroitk12.org>
> **Cc:** "John Clark" <jclark@gmhlaw.com>, "Dave N Sheeran" <Dave.Sheeran@Meadowbrook.com>, "Cathy Weil" <Cathy.Weil@Meadowbrook.com>, "Connors, Paul (Treasury)" <ConnorsP@michigan.gov>
> **Subject: RE: Professional Liability claim**
>
> Darnell;
>
> Attached is the policy that was requested. With respects to the renewal here is where we stand.
>
> The current carrier ACE has non-renewed the first layer of coverage (initial $1M) and the market is turning with respects to covering any prior acts before the renewal. The excess carrier Ironshore is also unwilling to renew the second layer ($2M). Both have stated the Flint water situation is making them uncomfortable to continue offering coverage at any price. (You will have the option to purchase extended reporting which I will describe later in a paragraph below)
>
> With the City of Flint making National headlines the marketplace is tightening up and unwilling to offer coverage with any prior acts. This means we cannot purchase a policy at this point that will cover any potential claim (act) that will provide coverage prior to 12/18/2015. We are searching the marketplace for a carrier that will consider writing a new policy going forward only. That will be the most cost effective way to go, albeit you will have potential exposure for a prior act. But remember it is our understanding that PA 436 (attached) affords protection for you if you are unable to procure a policy.
>
> Our marketing was also delayed in this endeavor as during these efforts it came to our attention the current DPS broker, who we believe is AON, was searching for coverage thus blocking certain markets for us to approach. That further delays the process when two brokers are going to the same carriers. We do not know what the outcomes from that research yielded but it is preventing us from accessing those declinations or proposals. On top of this we do not know the parameters discussed with the carriers by the AON? Were they looking for prior acts or a policy just going forward? This could make a significant difference in what carriers will think or be willing to offer.
>
> We would respectfully ask you to consider one broker to obtain the coverage for you as the insurance industry becomes muddled and slow with more than one broker going to the same carrier(s). Only one broker is going to get a proposal or declination and the other will have to ask for a release from you to