

Dempkowski, Angela (Treasury)

From: Workman, Wayne (TREASURY)
Sent: Tuesday, June 16, 2015 1:25 PM
To: Stanton, Terry A. (Treasury)
Subject: FW: Michigan Report, Friday, June 12, 2015
Attachments: RE: COA Kincaid v. Flint

Flint water case

Wayne L. Workman
Deputy State Treasurer
Michigan Department of Treasury

From: Headen, Frederick (Treasury)
Sent: Monday, June 15, 2015 3:12 PM
To: Workman, Wayne (TREASURY); Khouri, Nick (TREASURY)
Cc: Saxton, Thomas (Treasury)
Subject: RE: Michigan Report, Friday, June 12, 2015

FYI; see related attachment.

From: Workman, Wayne (TREASURY)
Sent: Monday, June 15, 2015 11:22 AM
To: Headen, Frederick (Treasury); Khouri, Nick (TREASURY)
Cc: Saxton, Thomas (Treasury)
Subject: RE: Michigan Report, Friday, June 12, 2015

Thank you

Wayne L. Workman
Deputy State Treasurer
Michigan Department of Treasury

From: Headen, Frederick (Treasury)
Sent: Monday, June 15, 2015 10:50 AM
To: Workman, Wayne (TREASURY); Khouri, Nick (TREASURY)
Cc: Saxton, Thomas (Treasury)
Subject: RE: Michigan Report, Friday, June 12, 2015

Wayne:

The Court of Appeals drew a distinction between two actions taken by Mike Brown: first, the ratification by him of water and sewer rate increases proposed by the then City Finance Director ("Townsend") and second, the initiation and implementation by Mike himself of separate, additional water and sewer rate increases. The Court struck down only the former action; it left the latter action in place.

The Court concluded that the water and sewer rate increases proposed by Townsend violated charter provisions requiring "notice and publication to its residents thirty days prior and by not waiting to implement those rates

until July 1 of the next fiscal year.” The Court also concluded that nothing in Act 4, under which Mike acted, nor in subsequently enacted Act 436, authorized an Emergency Manager to simply *ratify* the actions of someone else (i.e., Townsend).

Had Mike initiated and implemented the initial set of water and sewer rate increases on his own, the outcome would have been different. “[H]owever, [the statute] d[id] not support the action taken by the EM to expressly ratify and confirm the increases recommended by Townsend.”

As a bottom line, this decisions appears to have limited impact upon the authority of Emergency Managers.

Fred

From: Workman, Wayne (TREASURY)
Sent: Saturday, June 13, 2015 3:54 PM
To: Khouri, Nick (TREASURY)
Cc: Saxton, Thomas (Treasury); Headen, Frederick (Treasury)
Subject: Re: Michigan Report, Friday, June 12, 2015

My first impression is that the EM could raise rates, but he not follow the correct process. Fred, please weigh in with your thoughts.

Sent from my iPhone

On Jun 13, 2015, at 12:59 PM, Khouri, Nick (TREASURY) <KhouriN@michigan.gov> wrote:

Wayne

What's the practical impact of the courts decision on the EM and flint water?

If it stands, does it significantly reduce a EM's powers?

Sent from my iPad

Begin forwarded message:

From: Gongwer News Service <gongwerreports@gongwer.com>
Date: June 12, 2015 at 6:56:47 PM EDT
To: <khourin@michigan.gov>
Subject: Michigan Report, Friday, June 12, 2015

