

Cline, Richard (Treasury)

From: Workman, Wayne (TREASURY)
Sent: Friday, March 13, 2015 4:56 PM
To: Koryzno, Edward (Treasury); Byrne, Randall (Treasury); Cline, Richard (Treasury); Headen, Frederick (Treasury)
Subject: Fwd: City of Flint Emergency Manager Order [MCPS-ACTIVE.FID982479]

FYI

Sent from my iPhone

Begin forwarded message:

From: Gerald Ambrose <gambrose@cityofflint.com>
Date: March 13, 2015 at 4:30:51 PM EDT
To: "Wayne Workman (TREASURY)" <workmanw@michigan.gov>
Subject: Fwd: Re: City of Flint Emergency Manager Order [MCPS-ACTIVE.FID982479]

Here are answers to my questions...

----- Forwarded message -----

From: "Bulger, Harold W., Jr." <bulger@millercanfield.com>
Date: Mar 13, 2015 4:17 PM
Subject: Re: City of Flint Emergency Manager Order [MCPS-ACTIVE.FID982479]
To: "Gerald Ambrose" <gambrose@cityofflint.com>
Cc: "Peter Bade" <pbade@cityofflint.com>, "Danhof, William J." <Danhof@millercanfield.com>

Jerry,

I got some minor comments from Alan Lambert of the AG's Office which I will incorporate in the EM Order on Monday and recirculate it for final sign off. The State Treasurer must approve the Restructuring under 436. John Barton has provided a form of a State Treasurer's Approval letter which I will modify and prepare for this restructuring as well as the memorandum from you to the Treasurer requesting approval. We will also prepare the tax-exemption waivers for the MFA and DEQ. Once these are done I anticipate that you should be able to sign and send the Memorandum and Order to the Treasurer by next Wednesday, if not sooner.

Thanks
Harold

Sent from my iPhone

On Mar 13, 2015, at 3:30 PM, Gerald Ambrose <gambrose@cityofflint.com> wrote:

I have reviewed and it is ok w me. What is the next step? Do I need Treasury approval before enacting. I will query Wayne Workman at Treasury as well...

J

On Mar 11, 2015 3:28 PM, "Peter Bade" <pbade@cityofflint.com> wrote:
Jerry - please see the attached draft.

----- Forwarded message -----

From: **Gerald Ambrose** <gambrose@cityofflint.com>
Date: Mon, Mar 9, 2015 at 7:17 PM
Subject: Fwd: City of Flint Emergency Manager Order [MCPS-ACTIVE.FID982479]
To: Natasha Henderson <nhenderson@cityofflint.com>, Dayne Walling <dwalling@cityofflint.com>
Cc: Peter Bade <PBade@cityofflint.com>

For your thoughts -- Treasury appears willing to allow us to restructure the outstanding DWRFBonds to essentially move the April 2015 principal portion of the debt service payment to the end of the debt service. This would free up about \$2.24 million of cash in the water fund to use for other capital projects.. Time of course is of the essence and we will have to define that (or those) capital improvements. Looking at the existing list of projects, the easy answer is additional miles of pipeline replacement. But I do not know right now if that would be the best answer - and no, it cannot be used to reduce rates:). or to put into the GF and then transfer to the Water Fund:). This is one reason the recommendations from Veolia are needed asap.

This is confidential to you until we have a plan. Peter Bade is reviewing...my only question with the draft is what might be the potential of the bonds losing tax exempt status - what is the likelihood and what would it cost us? I am asking Pete to follow up on that...

J

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From: **Gerald Ambrose** <gambrose@cityofflint.com>
Date: Mon, Mar 9, 2015 at 7:02 PM
Subject: Fwd: City of Flint Emergency Manager Order [MCPS-ACTIVE.FID982479]
To: Peter Bade <PBade@cityofflint.com>

FYI... bottom line is that this will allow us to postpone the April 2015 principal portion of debt service in teh amount of \$2.24 million. This frees up cash which can be used for needed capital improvements...Obviously time is of the essence, given a payment date of April .

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From: **Bulger, Harold W., Jr.** <bulger@millercanfield.com>
Date: Mon, Mar 9, 2015 at 4:48 PM
Subject: City of Flint Emergency Manager Order [MCPS-ACTIVE.FID982479]
To: "Gerald Ambrose (gambrose@cityofflint.com)"