

Koryzno, Edward (Treasury)

From: Dempkowski, Angela (Treasury)
Sent: Wednesday, March 18, 2015 8:14 AM
To: Koryzno, Edward (Treasury)
Subject: Gov Memo
Attachments: March Memo FINAL DRAFT.docx

Here it is



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Thank you



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

RICK SNYDER
GOVERNOR

R. KEVIN CLINTON
STATE TREASURER

DATE: March 17, 2015
TO: Rick Snyder, Governor
FROM: R. Kevin Clinton, Treasurer
SUBJECT: Status of Financially Stressed Local Governments

EMERGENCY MANAGER

Flint

Emergency Manager: Gerald Ambrose

Appointed: January 13, 2015

Anticipated Exit: April 2015

Recent Developments

- The City was awarded \$2M through the Financially Distressed Cities, Villages, and Townships Grant Program. These funds will be used to enhance the City's water system through improved waste management, leak detection, and pipe assessments.
- An EM Order is being prepared that will restructure Water System Revenue Bonds Series 1999 through 2002 and the Michigan Finance Authority. This would postpone principal payments and free up \$2.2M, allowing the City to further improve its water system.
- The Michigan Department of Environmental Quality (MDEQ) Testing Lab provided results to the City of Flint showing that the total trihalomethanes (TTHM) levels for the month of February are well within the Environmental Protection Agency (EPA) guidelines for safe water. However, because EPA regulations require that the four month average for all testing sites be within guidelines, the City is still considered to be non-compliant by the MDEQ.
- The City hired Veolia North America to provide a preliminary analysis of the City's water system. On February 18, 2015, Veolia North America presented a preliminary report to the City's Public Works Committee. Recommendations included water plant improvements, distribution system improvements, new policies and procedures, and better communication with customers. The estimated costs of implementing Veolia's recommendations will be determined after the second phase of the study is complete.
- An International City/County Management Association (ICMA) comprehensive public safety study has been completed, and was presented to the City Council on January 22, 2015. Several recommendations for both police and fire are currently being reviewed by the City. Of the 16 major recommendations for public safety, the following four are most crucial: