

Byrne, Randall (Treasury)

From: Dempkowski, Angela (Treasury)
Sent: Wednesday, March 18, 2015 2:00 PM
To: Byrne, Randall (Treasury)
Subject: RE: Bullets for Wayne's meeting with the Governor
Attachments: DRAFT Agenda for W Workman.docx

Randy: This looks good the way you have it set up. I just added a title.

Angela Dempkowski
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From: Byrne, Randall (Treasury)
Sent: Wednesday, March 18, 2015 1:56 PM
To: Dempkowski, Angela (Treasury)
Subject: Bullets for Wayne's meeting with the Governor

Angela:

This is the list of bullet points. Please put this into an agenda format for me. The title of the meeting is, "Local Government Update Agenda", March 30, 2015, 11:15 a.m. Please return to me, I will have to change some of the content of the bullets.

Thanks,
Randy,



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March 30, 2015
Meeting with Governor
Agenda

EMERGENCY MANAGER (EM)

Flint

- Deficit Elimination Plan: Emergency Manager (EM) Gerry Ambrose is preparing an E-Loan application that would provide a \$6M E-loan to assist in eliminating the City's \$9M General Fund deficit by June 30, 2015.
- The Michigan Department of Environmental Quality (MDEQ) Testing Lab has provided results to the City of Flint showing that test results for total trihalomethanes (TTHM) levels for the month of February are well within 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 out of compliance by the MDEQ.
- 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 and leak detection and pipe assessments.
- EM Ambrose's exit from the City is tentatively scheduled for April 2015; however, to ensure water quality for the residents and eliminate current water issues, the EM's exit date should be delayed until July 2015.
- An EM Order is being prepared that would restructure Water System Revenue Bonds Series 1999 thru 2002 with the Michigan Finance Authority. This would postpone principal payments and free up \$2.24M, allowing the City to further improve its water distribution system.

Lincoln Park

- FY 15 is projected to conclude with a \$500k deficit, which may be offset by the one-time proceeds from the sale of a cellular tower, expected revenues of \$900K.
- Pensions are poorly funded; police and fire pension is 31% funded while the general employees' pension is 22% funded. Retiree healthcare is funded on a pay as you go basis.
- Emergency Manager Coulter's plan to fund pensions to the 60% level by 2035 requires significant reductions to retiree healthcare. The current annual cost of \$4.1M will be reduced to \$600k, via section 12(1)(k) collective bargaining agreement (CBA) modification.
- An additional police and fire pension millage has been placed on the May 5 ballot. If passed by the electorate, this would raise 6 mills (\$3M) for pension funding and other uses.

FINANCIAL REVIEW COMMISSION (FRC)