

Byrne, Randall (Treasury)

From: Byrne, Randall (Treasury)
Sent: Thursday, October 01, 2015 8:12 AM
To: Schafer, Suzanne K. (Treasury) (SchaferS7@michigan.gov)
Subject: Meeting this morning
Attachments: Meeting with Suzanne October 1.docx

Suzanne:

Please note the Flint section, there are some new developments that we should discuss.

Thanks,
Randy



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Weekly Critical Issues —October 1, 2015

- **Allen Park**— City Council has appointed Mark Kibby as City Administrator. We have several names for serving on the RTAB that are getting vetted by the Governor's Office. A discussion list will be prepared as to where each could serve. The tender offer has been extended, at this time, approximately 30% of bondholders have agreed.
- **Benton Harbor**-The lawsuit with the former Public Safety Director and two former employees is a major issue for the City. Darwin has indicated that it will cost the City \$1.7M to settle these three cases. They are only partially insured. I have advised Darwin to seek the City Commission's approval for the Finance Director's Search. The cost is \$10,000 for the MML Proposal. If approved, it won't begin until late October. The Assistant City Manager position will be reduced to part-time due to commuting distance. A job posting for this position has been advertised.
- **Ecorse**—they received and filed the Memo from Treasury. The City indicated that if they were to agree to have River Rouge provide fire protection or if they were to go to a paid part-time department the pension liability costs would spike. Their five year financial plan will need to be reviewed once again. We need to determine who will serve on the RTAB position after Joyce leaves.
- **Flint** — Lawsuit on water rates and the lead issues have Flint in a crisis mode. The media was reporting that the Finance Director indicated is projecting that the Water and Sewer Fund will have a \$14M deficit at year end. I have asked for a copy of the budget report and a copy of the cash flow analysis. Natasha has sent me a revised cost from Miller Canfield to represent the City in the Shears and Kincaid cases. Treasury is determining the level of support, if any, to provide the City in this matter. I informed Natasha this morning that the legal representation is still being "discussed".
- **Hamtramck**-We have several names for the RTAB position to replace Cathy. Segal will develop a work plan for phase 3 of the pension study. The City has hired Alan Young for audit services but that decision was rejected by the RTAB. Katrina wants to reorganize staff. Overtime last month was \$60K, we are asking her to get quotes for a police study. Treasury will pay \$25,000 for the study. Eric and I will be meeting with individual members of the City Council in October.
- **Highland Park**-The City hired a collection firm to collect the past due water and sewer bills. Hiring a collection firm is a requirement of the loan agreement. Cathy has indicated that the OPEB savings of approximately \$750K will be implemented by October 1. The City has purchased \$300,000 of new water meters as part to the FDCVT grant award and are installing them. The City Council conditionally approved the DWSD agreement but no word from DWSD or Great Lakes Water Authority. Regular billing of water and sewer customers has begun. The plans for the demolition of the High School Building are being reviewed. I expect the project will be let for bids soon.
- **Lincoln Park**-Brad is placing a PA 345 request on the November Ballot seeking approval of 6 mills to fund the City's pension system. Some of the City Council members are supporting the millage request. Brad has prepared a four month plan which is being updated. His exit will be in the