

Workman, Wayne (TREASURY)

From: Byrne, Randall (Treasury)
Sent: Thursday, October 01, 2015 4:02 PM
To: Schafer, Suzanne K. (Treasury); Workman, Wayne (TREASURY)
Cc: Saxton, Thomas (Treasury)
Subject: FW: Memo Regarding Water Sewer Fund Balance.pdf
Attachments: Memo Regarding Water Sewer Fund Balance.pdf

Follow Up Flag: Flag for follow up
Flag Status: Flagged

Wayne and Suzanne:

I received this memo from Natasha regarding the status of Flint's Water/Sewer Fund Balance.

Randy

From: Natasha Henderson [mailto:nhenderson@cityofflint.com]
Sent: Thursday, October 01, 2015 2:18 PM
To: Byrne, Randall (Treasury) ; Scorsone, Eric ; Koryzno, Edward (Treasury)
Subject: Memo Regarding Water Sewer Fund Balance.pdf

Thanks,

Natasha L. Henderson, City Administrator
City of Flint, Michigan
@Samsung Galaxy Note 4



Dayne Walling
Mayor

CITY OF FLINT, MICHIGAN

Department of Finance

Natasha L. Henderson
City Administrator

Jody N. Lundquist
Finance Director

Dawn Steele
Deputy Finance Director

DATE: October 1, 2015

TO: Natasha Henderson, City Administrator

FROM: Jody Lundquist, Chief Financial Officer

RE: Review of Water/Sewer Funds' Fund Balance

On August 7, 2015 Genesee County District Court Judge Archie Hayman issued a Preliminary Injunction Order (the "Order") against the City of Flint (the "City"). As a result of the Order, the City anticipated an immediate and devastating impact on the financial stability of the Water and Sewer Funds if a stay was not quickly granted by the Michigan Supreme Court Appellate Court. Indeed, the City's request was denied and the financial impact of the Court order has been reviewed through the fiscal year ending June 30, 2016.

Upon issuance of the Order, the City was immediately enjoined from charging and collecting water and sewer rates that include the September 16, 2011 35% rate increases and disconnecting water service for its delinquent water and sewer customers wherein the delinquency arose between September 16, 2011 and the date of the Order. This immediately resulted in a decrease in cash collections on outstanding and current water bills and a decrease in total billed revenue.

At August 7, 2015 the City had \$8,024,558.65 in outstanding accounts receivable (or unpaid bills). As of September 25, 2015, the City's outstanding accounts receivable had grown to \$10,313,020.61. This clearly indicates that all outstanding accounts due and payable as of the date of the court order remain unpaid. With an