

Cline, Richard (Treasury)

From: Dostine, Patrick (TREASURY)
Sent: Wednesday, October 14, 2015 2:42 PM
To: Byrne, Randall (Treasury); Cline, Richard (Treasury)
Cc: Heimann, Alexandr (TREASURY); Hudson, Deanna (TREASURY)
Subject: Flint Call notes from this morning

Categories: Blue Category

Flint – Oct. 14 – N. Henderson, Mayor Walling, J Freeman, F Headen, Wendy, R. Byrne, E. Cline, P. Dostine

- **Priorities**
 - Henderson bringing two amendments to Oct 14 RTAB: \$2M budget adjustment (money from the Water Fund fund balance) and Agreements needing execution between Flint and DWSD, and Flint and Genesee County.
 - The city anticipates connecting to DWSD in the next few days.
- **Lawsuit**
 - Miller Canfield still representing Flint in both the Kincaid and Shears lawsuits. Henderson repeated again that Flint will need assistance in maintaining Miller Canfield as counsel.
- **Public Safety**
 - Fires are down in Flint. Because of that, Flint no longer qualifies for some grant dollars.
 - Tier1 crimes (homicide, rape, armed robbery) are down in Flint.
 - Chief of Police (and Flint) is participating in Violence Reduction Network (VRN), a Dept. of Justice initiative that provides technical assistance and other in-kind crime prevention assistance to cities with higher than average violent crime.

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STATUS OF FLINT WATER: October 14, 2015

- Flint Receivership Transition Advisory Board meeting today to consider budget amendments to pay for temporary reconnection to the Detroit water system

- Treasury staff from Bureau of Local Government will be meeting with City officials to review overall budget and cash conditions
 - Fund Balance in the General Fund is currently projected at \$4M by June 30, 2016. This is a projected increase of \$1M from FY 2014-2015
 - Fund Balance in the Water Fund is currently projected at \$6M, which is a decline of \$8M due to non-payment of water bills

- Negotiations between the City of Flint, Genesee County and DWSD remain in progress to finalize the necessary agreements for the City to temporarily reconnect to the Detroit water system
 - Preparation of the pipeline to receive water from DWSD is underway. The City believes that a physical connection can be established this week
 - The City has requested clarification if it should begin receiving water from DWSD before the State Legislature takes action on the request \$6M aid package

- Both the Kincaid and Shears lawsuits remain in litigation. Potential losses of \$30M are possible. The City's request to Treasury for financial assistance for outside legal counsel is still pending