

Hudson, Deanna (TREASURY)

From: Hudson, Deanna (TREASURY)
Sent: Wednesday, October 14, 2015 10:48 AM
To: Cline, Richard (Treasury)
Subject: Budget Amendment EM Memo
Attachments: Budget Amendment EM Order Memo to State Treasurer 10-13-15.docx; Flint Agenda-City-Council-10-12-15.pdf; ResolutionsRTABOctober14.pdf

Eric,

Attached is the memo and supporting documents for the State Treasurer. Please advise if you would like any adjustments.

Thank you,
Deanna Hudson
Local Government Financial Services Division
Michigan Department of Treasury
Office (517) 241-3581



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DATE: October 14, 2015
TO: Nick A. Khouri, State Treasurer
FROM: Wayne Workman, Deputy State Treasurer
SUBJECT: Flint RTAB Budget Amendment Recommendations

The Flint Receivership Transition Advisory Board (RTAB) has recommended approval of two budget amendments to the City's adopted two-year budget. Final approval will require amendment to Emergency Manager Order 7 of 2015, which adopted the FY 2015-2016 and FY 2016-2017 biennial budgets. This Order was adopted by the Flint Emergency Manager on April 28, 2015.

The first budget amendment increases the Water and Sewer revenue by \$10 million to reflect the pledge of \$6 million from the State of Michigan and \$4 million from the C. S. Mott Foundation to allow for the expenditures from those funds to facilitate the switch back to the Detroit Water and Sewerage Department (DWSD). The second amendment is a \$2 million commitment by the City of Flint of budgeted Use of Water Fund to assist in covering the estimated \$12 million cost to purchase water through DWSD.

When the Governor appointed the City of Flint RTAB on April 29, 2015, the RTAB was thereby authorized to recommend amendments, modifications, repeal, or the termination of any Emergency Manager order, subject to final approval by the State Treasurer.

Attached for review is a budget resolution and City Council agenda from October 12, 2015, a memorandum from the City Administrator regarding the budget amendment to increase the water and sewer budget by \$12 million and to allow for the expenditures from those funds to facilitate the switch back to the DWSD water supply. Approval of these amendments is being requested.

If additional information is desired, please let me know.

Attachments