

I understand the argument you are making.

However, I wish to note that the Order 20, Section a (6) specifically states that the State Treasurer must approve any budget amendments to the two-year budget, which the City is operating under.

I am preparing all of the paperwork to send to the State Treasurer on the assumption that the RTAB will approve this and recommend approval to the State Treasurer.

If that occurs, I can have it submitted today.

Regardless of the final determination on this, we will be prepared to act on either outcome.

I just wanted to point out the Final Order provision prior to the meeting.

If you wish to discuss further, let me know.

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From: Workman, Wayne (TREASURY)
Sent: Wednesday, October 14, 2015 8:40 AM
To: Cline, Richard (Treasury) <cliner1@michigan.gov>
Subject: FW: Flint Budget Amendment
Importance: High

Wayne L. Workman
Deputy State Treasurer
Michigan Department of Treasury

From: Headen, Frederick (Treasury)
Sent: Wednesday, October 14, 2015 8:33 AM
To: Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>
Cc: Schafer, Suzanne K. (Treasury) <SchaferS7@michigan.gov>; Byrne, Randall (Treasury) <ByrneR1@michigan.gov>; Stanton, Terry A. (Treasury) <StantonT@michigan.gov>; Lamphier, Wendy (Treasury) <LAMPHIERW@michigan.gov>
Subject: Flint Budget Amendment
Importance: High

Wayne:

Yesterday, Terry asked me the question whether the Flint resolution authorizing the use of \$2.0 million of fund balance is subject to State Treasurer's approval after receiving RTAB approval? I believe Terry's question was triggered by the City's Administrator indicating that such dual approval is required.

Act 436 does not require approval by both an RTAB and the State Treasurer of an amendment to an EM's two-year budget. What the Act does require is approval by the State Treasurer if receivership *has been* terminated, or RTAB approval under § 23(5)(c) of the Act if receivership *has not* been terminated. I base my conclusion on § 21 of the Act, which provides as follows:

(1) Before the termination of receivership and the completion of the emergency manager's term, or if a transition advisory board is appointed under section 23, then before the transition advisory board is appointed, the emergency manager shall adopt and implement a 2-year budget, including all contractual and employment agreements, for the local government commencing with the termination of receivership.

(2) After the completion of the emergency manager's term *and the termination of receivership*, the governing body of the local government shall not amend the 2-year budget adopted under subsection (1) without the approval of the state treasurer, and shall not revise any order or ordinance implemented by the emergency manager during his or her term prior to 1 year after the termination of receivership. Emphasis supplied.

This is the answer I will provide at the RTAB meeting today if the question is posed. So, I wanted to make sure we all are on the same page regarding this. That said, I am aware of nothing in the Act that would preclude the State Treasurer from adding his imprimatur to a budget amendment after RTAB disposition if he wished to do so.

Fred