

Hudson, Deanna (TREASURY)

From: Heimann, Alexandr (TREASURY)
Sent: Thursday, October 29, 2015 10:09 AM
To: Cline, Richard (Treasury); Hudson, Deanna (TREASURY)
Subject: RE: Materials for November 12th RTAB Meeting

Eric/Deanna,

I started looking at revenue v expenditure document that you'd sent us, and here is my feedback:

FLINT Financial Review – 9/30/15 Budget to Actual

10/29/15

Overall:

- **No cash flow document** - We have not been furnished with a cash flow and projections, so we might be missing some critical information. So far (9/30/15), the cash flow can be inferred to be in OK shape, they have collected \$41M for the year, and only have spent \$30M in total.
- **Other Grants Fund deficit in amended budget** - There is one item in the budget that is budgeted to be about a \$1.9M deficit, in the "Other Grants Fund" fund, I am not sure why this is, my guess is that there are funds from other year's that are being carried over into this one, but I would like to be sure:

2015-16 Amended Budget

Fund Items	Revenues	Expenditure	Net
Fund 101 - General Fund	\$51,399,548.00	\$51,399,546.00	\$2.00
Fund 202 - Major Street Fund	\$8,622,714.00	\$8,622,713.00	\$1.00
Fund 203 - Local Street Fund	\$3,637,757.00	\$3,637,757.00	\$0.00
Fund 205 - Public Safety	\$6,181,948.00	\$6,181,948.00	\$0.00
Fund 207 - Police Fund	\$1,323,944.00	\$1,323,944.00	\$0.00
Fund 208 - Park/Recreation Fund	\$406,971.00	\$406,971.00	\$0.00
Fund 219 - Street Light	\$2,824,204.00	\$2,824,203.00	\$1.00
Fund 226 - Rubbish Collection Fund	\$4,829,508.00	\$4,829,502.00	\$1.00
Fund 265 - Drug Law Enforcement Fund	\$172,174.00	\$172,174.00	\$0.00
Fund 274 - HUD CDBG, ESG, & HOME GRANTS	\$8,532,130.00	\$8,091,647.00	\$440,483.00
Fund 296 - Other Grants Fund	\$5,249,245.00	\$7,127,170.00	-\$1,877,925.00
Fund 402 - Public Improvement Fund	\$2,828,967.00	\$2,828,967.00	\$0.00
Fund 542 - Building Inspection Fund	\$1,966,717.00	\$1,966,716.00	\$1.00
Fund 590 - Sewer Fund	\$32,337,768.00	\$32,347,768.00	-\$10,000.00
Fund 591 - Water Fund	\$37,055,802.00	\$35,980,087.00	\$1,075,715.00
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Grand Total	\$167,369,392.00	\$167,741,113.00	-\$371,721.00

Water and Sewer

- **Does not include \$ for new deal with DWSD** - This budget and the expenses does not appear to include the \$12M revenues or expenditures associated with transferring back to the Detroit Water and Sewerage System
- **Water fund and Sewer fund projecting major deficits, possibly higher than estimated** - In trying to replicate N. Henderson's estimate of an \$11M revenue shortfall for the Water fund and the Sewer fund I am not as optimistic. A lot can happen in a month, so this being a month behind might be the cause of the difference of opinion, but as of 9/30/15, they were only collecting about 65% of their "Charges for services rendered". If we project that out for the year, we are looking at a much larger deficit than \$11M (p. 13-14):

Revenues	Sum of 2015-16 Adopted Budget	Collected	Projected collection
Fund 590- Sewer Fund (TOTAL)	\$ 32,337,768.00	\$ 5,186,513.00	\$
Charges for service rendered	\$ 30,434,895.00	\$ 5,184,142.00	\$
Drawings from fund balance	\$ 1,091,873.00	\$ -	\$
Interest and dividend income	\$ -	\$ -	\$
Other revenues	\$ 11,000.00	\$ 2,371.00	\$
Transfers in	\$ 800,000.00	\$ -	\$
Fund 591- Water Fund (TOTAL)	\$ 37,055,802.00	\$ 5,547,970.00	\$
Charges for service rendered	\$ 36,943,802.00	\$ 5,475,780.00	\$
Drawings from fund balance	\$ -	\$ -	\$
Fines and forfeitures	\$ -	\$ 416.00	\$
Gain on sale of fixed assets	\$ 100,000.00	\$ 58,400.00	\$
Interest and dividend income	\$ -	\$ -	\$
Other revenues	\$ 12,000.00	\$ 13,374.00	\$

Alexandr Heimann
Municipal Analyst
Local Government Financial Services Division
Michigan Department of Treasury
Office (517) 373-2434

From: Cline, Richard (Treasury)
Sent: Wednesday, October 28, 2015 3:43 PM
To: Hudson, Deanna (TREASURY) <HudsonD4@michigan.gov>; Heimann, Alexandr (TREASURY) <HeimannA@michigan.gov>
Subject: FW: Materials for November 12th RTAB Meeting

Deanna/Alex:

Attached is a packet from the City of Flint for the upcoming RTAB meeting.

I am not sure if this will be their only submission, however, it is a start.

For this packet, please begin to review the materials and note any thoughts, concerns, or items that need follow-up.

Be prepared to discuss your observations.

If you wish to discuss the "packet analysis" process, let me know.

Regards,

Eric Cline | Department Manager | State of Michigan
Michigan Department of Treasury | Local Government Financial Services Division | Fiscal Responsibility Section
430 W. Allegan Street, 3rd Floor | Lansing, MI 48922
Lansing Office (517) 338-2078 | Cell Phone (517) 243-8450 | Traverse City Office (231) 922-5228
E-mail cliner1@michigan.gov

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