instruction/academics and it appears to have made little difference in regards to lack of long-term success. It may be that because school finances are tied so closely to enrollments, that once enrollments begin a downward spiral, even an EM cannot cut enough, or quickly enough, to keep up.

From: Khouri, Nick (TREASURY)
Sent: Monday, February 08, 2016 12:51 PM
To: Headen, Frederick (Treasury) <HeadenF@michigan.gov>; Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Steckelberg, Larry (TREASURY) <SteckelbergL@michigan.gov>
Subject: RE: emergency managers

Thanks Fred

Any schools?

From: Headen, Frederick (Treasury)
Sent: Monday, February 08, 2016 8:29 AM
To: Khouri, Nick (TREASURY) <KhouriN@michigan.gov>; Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Steckelberg, Larry (TREASURY) <SteckelbergL@michigan.gov>
Subject: RE: emergency managers

Here are three possibilities:

1. Village of Three Oaks. The EFM was appointed on December 1, 2008 and exited after only one year. The EFM resolved all financial issues (including cash flow and accounts payable), while working cooperatively with local officials. Indeed, so positive was the working relationship between the EFM and Village officials that for a number of years after the EFM's departure, Village officials invited her back for annual events.

2. City of Detroit. The EM was appointed on March 25, 2013 and was succeeded by a FRC on December 9, 2014, after guiding the City through the largest municipal bankruptcy in U.S. history in only 18 months. In doing so, the EM addressed three primary issues: first, a cash crisis that was projected to reach a cumulative deficit in excess of $100.0 million by June 30, 2013; second, recurring general fund deficits (the City had not experienced a positive year-end fund balance since fiscal year 2004); and third, long-term liabilities, including unfunded actuarial accrued pension liabilities and other post-employment benefits, that exceeded approximately $14 billion as of June 30, 2012.

3. City of Hamtramck. The EM was appointed on July 1, 2013 and was succeeded by an RTAB on December 18, 2014. The EM addressed general fund operating deficits. In addition, unfunded liabilities (pension and other post-employment benefits) posed significant obstacles to long-term fiscal health. Actuarial evaluation had indicated the pension plan had $98.4 million in actuarial accrued liabilities, but only $55.8 million in pension assets (i.e., a funding ratio of only 56.8 percent).

Fred

From: Khouri, Nick (TREASURY)
Sent: Monday, February 08, 2016 7:38 AM
To: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Steckelberg, Larry (TREASURY) <SteckelbergL@michigan.gov>; Headen, Frederick (Treasury) <HeadenF@michigan.gov>
Subject: emergency managers

I'm testifying tomorrow on DPS, and I know the topic of EM's is going to come up

Can you give me one or two great success stories of locals or schools with an EM?

When has it worked really well?

Why?