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Sent: Monday, February 08, 2016 7:38 AM
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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?

Emergency Manager Accomplishments

Receivership Communities – Emergency Manager Option
Source: Emergency Manager Exit Letters

Allen Park – Exit Date - September 24, 2014

- The city's structural and cumulative deficits were eliminated and FY14 ended with a positive General Fund balance of $3.2M.
- Employment contracts and/or Emergency Manager (EM) Orders were in place with all bargaining units. Additional cost savings had resulted from the implementation of a 10% reduction in pay for active employees, the elimination of vacant positions, the consolidation of healthcare plans from five to two), an increase in co-pays and deductibles, and the implementation of other pension related changes. These savings amounted to approximately $54M.
- The establishment of the Allen Park Advisory Committee to assist with engaging the community and the development of a Visionary and Strategic Plan.

Benton Harbor – Exit Date - March 10, 2014

- The city's structural and cumulative deficits were eliminated and FY14 ended with a positive General Fund balance of $2.3M.
- The city met its recommended pension contribution during FY14 for the first time in 10 years.
- Through the use of Data Driven Policing, crime had fallen while arrests and closure rates had increased.

Ecorse – Exit Date - April 26, 2013

- The city eliminated a $14.6M cumulative deficit and a $5M structural deficit. Also, the city reduced operating costs by $4.3M and increased revenue by $2.3M.
- The city reorganized several city departments to combine the Police and Fire departments into a Public Safety Department, and privatizing Emergency Medical Services. Included in the reorganization plans are the Public Works Department, the Controller's Office, and the Building Department.
- The city worked with State Legislature to develop special legislation that allowed the city to re-enter the bond market to borrow money to pay off outstanding judgment levies against the city. The special legislation increased the city's bond rating from a "junk" rating to an "A" rating.

Flint – Exit Date - April 28, 2015

- The Water Fund deficit was addressed and the Water Fund is solvent but not at the level indicated by city policy.
- The $7M General Fund deficit was eliminated by June 30, 2015, through a loan authorized by the Emergency Loan Board.
- Long-term liability costs had been reduced significantly. Approximately, $850M in OPEB liabilities have been reduced to $240M, and new employees were given a contribution towards future healthcare costs at retirement instead of the promise of retiree healthcare.