Steckelberg, Larry (TREASURY)

From:	Jody Lundquist <jlundquist@cityofflint.com>
Sent:	Friday, February 12, 2016 11:42 AM
To:	Steckelberg, Larry (TREASURY)
Cc:	Khouri, Nick (TREASURY); Albert Mooney; Amanda Trujillo; Natasha Henderson; Doug Bingaman; Dawn Steele; Saxton, Thomas (Treasury); Vaughn, Cary J. (Treasury)
Subject:	Top Q&A for review
Attachments:	Draft City of Flint 24 Month Cash Flows Water & Sewer Funds v02092016.4.xlsx

Larry,

I think it was a productive meeting this morning. My team will continue to keep you informed as conversations progress with BS&A re: design of the "Credit Generator".

The City's next steps are:
1. Work with Treasury to draft Top Q&A for review and approval by State officials and Mayor.
2. Develop technical implementation plan with assistance from BS&A, Yeo & Yeo, State Treasury, and City staff
3. Provide implementation cost estimate to State
4. Review legal implications of implementation strategy with Counsel
5. Develop comprehensive communication plan

Top Q&A:
1. Time line for implementation - application of credits to customer accounts and reimbursement to City dependent upon policy decisions by State/Mayor and development of software program
2. How credits will be disbursed - Determine whether credits will be applied to total bill (more immediate customer relief, benefits sewer fund cash as well) vs. applied only to water billing (keeps water and sewer separate and maintains habit of monthly payment) → city may object - need to discuss w/ Mayor
3. Determination of how water penalties will be relieved - relief of penalties not included in State's initial estimate for relief
4. Application of residential relief to commercial accounts for multi-unit housing customers - Ability to ensure that potential relief is passed from owner to tenants is an issue. Redistribution from 20% relief to 65% relief will put further strain on the ability of $30 million to cover relief amount and time period covered
5. Inactive accounts - how will inactive accounts be addressed if credit amount is greater than any other amount potentially due to the City?

The question of inactive accounts also begs the question of accounts closed while a credit is still active on the account. For instance, if the credit is to be applied to water charges only, someone could close their account with a credit still due. After applying the remaining credit to the total balance owed (water AND sewer), would the customer then be due a refund? If so, what control or policy will be put in place such that someone doesn't come in and close their account to qualify for a refund and then immediately open a new account? Amanda/Al please brainstorm. 60 day delay?

Our next meeting will discuss the 24 month cash flow and to review/finalize the Q&A list for presentation to the State and Mayor's office for their approval before proceeding with finalizing the Credit Generator's parameters.

I have reattached the 24 month cash flow for ease of reference. I have noted that of the total cash balance shown, $5,848,116 is a restricted cash balance in compliance with the Revenue Bond Act (Act 94 of 1933). Reducing the beginning cash balance for the restricted amount immediately impacts the City's ongoing cash position. As distribution of the appropriation from the State to City is coordinated, I cannot reiterate often enough how dire the need is to provide support as quickly as possible. We are dedicated on our end to ensuring all procedures and policies are in place to provide the State with any requisite information and documentation to make it happen.

As always, please feel free to contact me with any questions or for additional information.

Have a great weekend.

Jody N. Lundquist
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