



STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

JOHN D. CHERRY, JR.
LT. GOVERNOR

EXECUTIVE ORDER
No. 2006 - 1

REVOKING DECLARATION OF FINANCIAL EMERGENCY
FOR CITY OF FLINT

WHEREAS, Section 1 of Article V of the Michigan Constitution of 1963 vests the executive power of the State of Michigan in the Governor;

WHEREAS, Section 8 of Article V of the Michigan Constitution of 1963 provides that the Governor shall take care that the laws be faithfully executed;

WHEREAS, Section 15 of the Local Government Fiscal Responsibility Act, 1990 PA 72, MCL 141.1215, authorizes the Governor, based on a report issued by a review team, to determine the existence of a local government financial emergency in a city, village, township, county, an authority established by law, or a public utility owned by a city, village, township, or county;

WHEREAS, on May 22, 2002, Governor John M. Engler first determined that a local government financial emergency existed in the City of Flint, Genesee County;

WHEREAS, on July 2, 2002, Governor Engler confirmed his earlier determination that a local government financial emergency existed in the City of Flint because no satisfactory plan existed to resolve a serious financial problem;

WHEREAS, the Local Emergency Financial Assistance Loan Board created under Section 2 of the Emergency Municipal Loan Act, 1980 PA 243, MCL 143.942, was assigned responsibility for the management of the local government financial emergency in the City of Flint as provided by Section 18 of the Local Government Fiscal Responsibility Act, 1990 PA 72, MCL 141.1218;

WHEREAS, the Local Emergency Financial Assistance Loan Board has recommended that the conditions have been satisfied for revoking the determination of a local government financial emergency in the City of Flint;

WHEREAS, the State Treasurer also has recommended that the declaration of a local government financial emergency in the City of Flint be revoked;

WHEREAS, an audited financial report submitted to the Department of Treasury by the City of Flint reports a \$6.1 million general fund surplus for the city's most recently completed fiscal year;

WHEREAS, under Section 25 of the Local Government Fiscal Responsibility Act, 1990 PA 72, MCL 141.1225, the Governor may determine that the conditions for revoking the declaration of a financial emergency have been met after receiving a recommendation from the Local Emergency Financial Assistance Loan Board;

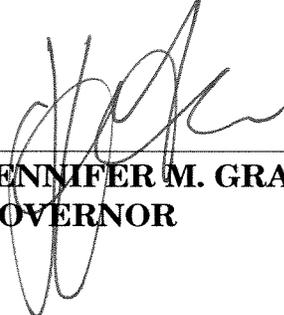
NOW, THEREFORE, I, Jennifer M. Granholm, Governor of the State of Michigan, by virtue of the power and authority vested in me by the Michigan Constitution of 1963 and Michigan law, order the following:

- A. The declaration of a financial emergency in the City of Flint is revoked, as the conditions for revoking the declaration have been met.
- B. Copies of this Order shall be transmitted to the City Clerk for the City of Flint and to the members of the Local Emergency Financial Assistance Loan Board.

This Order is effective upon filing.

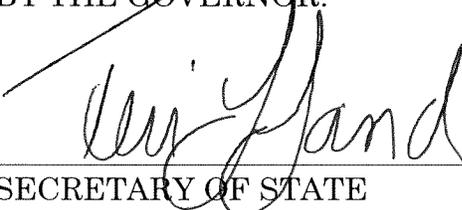


Given under my hand and the Great Seal of the State of Michigan this 20th day of January in the year of our Lord, two thousand and six.



JENNIFER M. GRANHOLM
GOVERNOR

BY THE GOVERNOR:



SECRETARY OF STATE

FILED WITH SECRETARY OF STATE

ON 1-20-06 AT 10:42 AM