

Putting Detroit on the Right Path

Conditions to Contribution by State of Michigan

► **Money must go to retirees, and no individual predominantly dependent on pension for income will have pension cuts restored as needed to prevent them falling below the poverty line.**

The state's contribution will be deposited directly into the pension funds; by doing that, we ensure it will only be used for the benefit of retirees, without violating IRS rules. An income stabilization program that achieves these goals is a requirement of receiving the State monies. It is reflected several places in the plan, notably in the State Contribution Agreement.

► **Retirees and unions must support the plan of adjustment.**

The plan, notably in the State Contribution Agreement, requires that Classes 10 and 11 (pensioners from both general and uniform services) must vote in favor of the plan as a precondition to State funding.

► **Pension funds must be placed and remain under independent fiduciary management.**

The plan calls for the creation of an Investment Committee for each fund with a supermajority of independent professionals who will have final say over all major financial and investment decisions, reporting, etc. This is reflected many places in the plan, but notably in a Governance Exhibit to the State's Contribution Agreement.

► **DIA will be placed in a public trust with its art collection protected from sale. The art collection needs to be more accessible across the State.**

This is provided for in the Plan of Adjustment, notably in the term sheet from the foundation community and DIA.

► **DIA governance needs to meet best practice standards and include State representation.**

This is provided for in the Plan of Adjustment, notably in the term sheet from the foundation community and DIA.

► **DIA millage must continue to be paid.**

This is provided for in the Plan of Adjustment, notably in the term sheet from the foundation community and DIA.

► **Donors supporting the DIA must make a meaningful and robust contribution commitment to retiree funding over a 20 year period.**

This is reflected several places in the plan, including the foundation community term sheet and the State's Contribution Agreement.

► **The State can have confidence that current suits will end and additional litigation against the State related to the Detroit bankruptcy will not be coming from the parties to this case.**

This is reflected in the Plan of Adjustment, notably in the State Contribution Agreement. Either agreement by parties not to sue or a court order blocking such suits is a precondition of funding from the State.

► **Appropriate post-bankruptcy financial and management oversight practices of the City must be in place.**

Post-bankruptcy governance is discussed in the Plan, and the administration will work with legislative partners and other parties to have this in place.

► **No additional financial commitments will be required of contributing/participating parties.**

This is reflected in a number of places in the Plan, including the State Contribution Agreement and the foundation's term sheet.