

Putting Detroit on the Right Path

Ensuring Success after Bankruptcy



The City of Detroit will benefit from continued oversight following bankruptcy, helping to:

- ▶ Ensure long-term fiscal stability
- ▶ Protect against imprudent financial decision-making or improper practices going forward
- ▶ Give credit markets confidence regarding the City's future
- ▶ Safeguard the intent and benefit of the Grand Bargain

The oversight is expected to take three forms:

- 1) Following the model of New York's Municipal Advisory Committee, an advisory oversight board will be established of qualified individuals to: review the City's budget, including revenue and expenditures; monitoring financing; and measuring performance against the Plan of Adjustment.
- 2) The federal bankruptcy court will retain jurisdiction over the post-emergence bankruptcy case and may establish its own monitoring and reporting function for the City to confirm adherence to the Plan of Adjustment
- 3) The capital markets will play an important role going forward on requiring prudent fiscal practices as the City rebuilds its credit rating and capacity to issue municipal bonds at competitive rates