

**City of Flint
Receivership Transition Advisory Board Agenda**

**Wednesday – January 10, 2018
2:00 PM**

Richard H. Austin Building
Treasury Board Room – 1st Floor
430 W. Allegan St.
Lansing, Michigan 48922

I. CALL TO ORDER

- A. Roll Call
- B. Approval of Agenda
- C. Approval of RTAB Minutes of December 20, 2017 (attachment #1)

II. UNFINISHED BUSINESS

None

III. NEW BUSINESS

- A. RTAB Resolution #2018-1 (attachment #2)

IV. PUBLIC COMMENT

V. ADJOURNMENT

PROPOSED

1

1 CITY OF FLINT
2 RECEIVERSHIP TRANSITION ADVISORY BOARD MEETING
3 WEDNESDAY, DECEMBER 20, 2017
4 2:00 P.M.

5
6 Special Meeting before the RTAB Board at
7 Richard H. Austin Building, State Treasurer Board Room,
8 1st Floor, 430 W. Allegan Street, Lansing, Michigan, on
9 Wednesday, December 20, 2017.

10

11 BOARD MEMBERS PRESENT:

12 Frederick Headen - The Chairperson
13 Joel Ferguson (by phone)
14 David Tarver (by phone)
15 Paul Newman (by phone)

16 FROM THE CITY:

17 City Attorney, Angela Wheeler
18 CFO, Hughey Newsome

19 OTHERS PRESENT:

20 R. Eric Cline

21 REPORTED BY: Mona Storm, CSR# 4460

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1 Lansing, Michigan

2 Wednesday, December 20, 2017

3 2:07 p.m.

4 THE CHAIRPERSON: Let's call the meeting to
5 order.

6 First item is roll call. Let the record
7 reflect that we do have all four members present;
8 myself here; Mr. Ferguson, Mr. Newman and Mr. Tarver
9 participating by conference call.

10 We will, for the moment, go past approval
11 of the agenda item and move on to Item C, which is
12 the approval of RTAB meeting minutes.

13 First is from November 17th of 2017. Is
14 there a motion that those RTAB meeting and minutes
15 be approved?

16 MR. TARVER: So move.

17 THE CHAIRPERSON: Is there support?

18 MR. NEWMAN: Support, support.

19 THE CHAIRPERSON: Any discussion?

20 If not, those in favor, please say "aye".

21 BOARD MEMBERS: Aye.

22 THE CHAIRPERSON: Opposed?

23 Motion is adopted.

24 Next would be the RTAB meeting minutes of
25 November 29th. They are Attachment T. Is there a

1 motion that those minutes be approved?

2 MR. NEWMAN: Move approval.

3 THE CHAIRPERSON: Is there support?

4 MR. FERGUSON: Support.

5 THE CHAIRPERSON: Is there any discussion?

6 Hearing none, those in favor please say

7 "aye".

8 BOARD MEMBERS: Aye.

9 THE CHAIRPERSON: Opposed?

10 Motion is adopted.

11 We will move on to -- there's no

12 Unfinished Business.

13 We'll move on to New Business. We do have

14 here with us this afternoon CFO Newsome and City

15 Attorney Wheeler.

16 Do either one of you have anything to

17 report on behalf of the Mayor?

18 MR. NEWSOME: Yes. And I'm not sure if the

19 respective members of the Board received the letter.

20 THE CHAIRPERSON: They did not.

21 MR. NEWSOME: Okay. All right. So I did

22 want to make sure that the record reflected that

23 there have -- there was a letter distributed by --

24 or signed by the Mayor, Mayor Weaver, that the -- I

25 think the Chair has received and I'm sure that will

1 be distributed to the Board in the appropriate
2 timing.

3 And what -- what that discussion -- that
4 discussion could be added to the agenda the next
5 time the Board meets, really, around, you know, the
6 City -- you know, the City's -- the City's request
7 to review the role of the RTAB, going into the
8 next -- into the next calendar year.

9 And so I did want to bring that to the
10 Board's attention. And, again, that, assuming that
11 that letter will be distributed and could be added
12 to the agenda for discussion in the next meeting.

13 THE CHAIRPERSON: Thank you.

14 The -- the letter that Mr. Newsome is
15 referring to, I've not read that. I got it about
16 five minutes ago. I think this probably came to my
17 old address, e-mail address, here at Treasury. So I
18 have not actually seen the letter yet.

19 After today's meeting, we'll distribute
20 the letter out to everyone so that you have an
21 opportunity to read it. And I'm sure it's something
22 that we will consider at our next regularly-scheduled
23 meeting on, I believe, January 10th.

24 MR. FERGUSON: Okay.

25 THE CHAIRPERSON: We have next the approval

1 of resolutions and ordinances from City Council
2 meetings. We'll begin with the Special City Council
3 meeting of November 17th. Mr. Cline?

4 MR. CLINE: This was a series of meetings
5 that the City Council held while discussing,
6 principally, the contract with the Great Lakes Water
7 Authority. There was actually no action that
8 occurred during this meeting so we note it for the
9 sake of completeness but no action by the Board is
10 necessary for this.

11 THE CHAIRPERSON: That, then, brings us to
12 the Special City Council meeting from November 20th.
13 I assume the same situation obtained there.

14 MR. CLINE: Actually, the -- there were two
15 resolutions adopted pertaining to the Great Lakes
16 Water Authority contract, which the Board has already
17 addressed. So those items have been disposed of.

18 THE CHAIRPERSON: And the Regular City
19 Council meeting of November 21st?

20 MR. CLINE: Same -- same situation; that
21 pertains to the water contract and that has been
22 dealt with as well.

23 THE CHAIRPERSON: That brings us to
24 resolutions from the Regular City Council meeting of
25 November 27th.

1 MR. CLINE: All right. We have
2 Resolution 562, which was a public hearing on an
3 annual report.

4 We have Resolution 566, which is to
5 appoint Vicki VanBuren to the City Board of Review.

6 Resolution 565, which is a contract -- or
7 is with AIS Construction, to lease three backhoes,
8 in the amount of \$46,000 per year over five -- or
9 four or five years.

10 Resolution 570, which is a budget
11 amendment to the water infrastructure fund, in the
12 amount of \$8 million, regarding grant funds, the use
13 of grant funds for the water replacement project.

14 I have Resolution 571, which is a budget
15 amendment, again in the water fund, in the amount of
16 \$680,000. These are federal funds to use for the
17 corrosion control study.

18 Resolution 572, which is the acceptance of
19 donated federal equipment, which is a MaxxPro
20 armored vehicle. This is considered by the City as
21 a \$685,000 asset.

22 We have Resolution 568, which is a
23 contract with AECOM for Phase IV of the service line
24 replacement project. This contract is \$5.054
25 million.

1 You have Resolution 569, which is a change
2 order with Arcadis for water engineering services,
3 in the amount of \$680,000.

4 THE CHAIRPERSON: Is there a motion that
5 Resolutions 565, 566, 568, 569, 570, 571 and 572 be
6 approved?

7 MR. TARVER: So move.

8 MR. NEWMAN: Move approval.

9 MR. FERGUSON: Support.

10 THE CHAIRPERSON: Motion's been made and
11 seconded. Any discussion?

12 If not, those --

13 MR. TARVER: I have a question regarding
14 the donation of this military vehicle.

15 I understand you just gave the value
16 \$685,000. What is the anticipated annual maintenance
17 cost on that vehicle?

18 THE CHAIRPERSON: Mr. Newsome?

19 MR. NEWSOME: The annual maintenance on
20 that cost, I don't have it right in front of me,
21 unfortunately. But I will say that we have checked
22 the budget and it is within the maintenance budget of
23 the fleet -- of the fleet fund.

24 MR. TARVER: But it would be hard to know
25 if it fits within the budget or not if we don't know

1 what the -- what the cost is.

2 MR. NEWSOME: Okay. Understood. Give me a
3 couple minutes, I will get that for you.

4 MR. TARVER: Okay.

5 THE CHAIRPERSON: We have a motion made and
6 pending, it's been seconded. If there's no
7 objection, we will temporarily move on to
8 Resolution 573.

9 Mr. Cline?

10 MR. CLINE: Resolution 573 is a collective
11 bargaining agreement between the City of Flint and
12 the Flint Police Officers Association. You have an
13 analysis, a detailed breakdown of the contract. And
14 the key points that were provided, just as a quick
15 summary:

16 This agreement is retroactive back to
17 July 1st of 2017, which is the start of the City's
18 fiscal year.

19 The contract appears to provide for an
20 additional cost to the City in the amount of
21 \$264,000 in wages and benefits and a projected cost
22 of \$3.4 million in additional MERS contributions
23 over the life of the contract.

24 There's also a budget amendment that was
25 presented to the City Council. As part of this, I

1 did note that the amount was for \$115,000, which is
2 only a portion of the projected cost. But I do not
3 know if the City's budget has sufficient funds to
4 cover the balance of that. So I don't know if
5 there's any specific questions related to this.

6 THE CHAIRPERSON: I will ask for a motion
7 regarding this resolution, just for discussion
8 purposes. Is there a motion that this resolution be
9 approved?

10 MR. TARVER: So move.

11 THE CHAIRPERSON: Is there support?

12 MR. NEWMAN: Support.

13 THE CHAIRPERSON: So now a series of
14 questions, if you will. And we'll return to the
15 other item, the maintenance item, in a moment.

16 MR. NEWSOME: Sure.

17 THE CHAIRPERSON: With regards to this, the
18 \$3.4 million in projected additional cost to MERS?

19 MR. NEWSOME: Uh-huh.

20 THE CHAIRPERSON: That is over what period
21 of time; is it over the two-year life of the
22 contract or is it over some longer period of time?

23 MR. NEWSOME: It's going to be over the
24 two-year life of the contract. However, the thing
25 that's important to note is that the budget

1 amendment will not include anything related to the
2 direct -- to the DB -- to the MERS DB plan. The
3 reason is because the -- because of the actuarial,
4 the time of the actuarial report and all the
5 variables that go into that formula, we don't
6 anticipate any uptick from the additional costs that
7 will be related to the DB plans until, really,
8 calendar '20.

9 We will get that actuarial report which
10 will be reflective of this rating as well as, you
11 know, obviously, a number of other factors,
12 including, obviously, life expectancy of the retired
13 pool as it exists, the -- you know, the -- the
14 return on the assets in the pool, et cetera, et
15 cetera. So, because of that, we did not budget
16 anything directly related to the MERS payment.

17 As you know, the City is -- has already
18 projected a \$20.7 million MERS payment and then
19 another one of up to 24 million for the next -- for
20 the next -- next year.

21 So, with that being said, we are going --
22 we -- our plan is to wait to see what the actuarial
23 report reflects, in terms of needs for additional
24 payment and that's the reason it's not reflected in
25 the budget amendment.

1 THE CHAIRPERSON: So my questions are
2 basically -- I mean, there are two sets of costs
3 here, as the memo pointed out, and as Mr. Cline did.
4 One is the wage and benefit cost of about \$264,000.
5 The other is the pension or the OPEB cost of
6 3.4 million.

7 MR. NEWSOME: Uh-huh.

8 THE CHAIRPERSON: And the questions that I
9 have regarding both of these is basically, how does
10 the City pay for these? I think I forwarded
11 something that your predecessor, Mr. Sabuda, had
12 provided to the Board back in February of this
13 year --

14 MR. NEWSOME: Uh-huh.

15 THE CHAIRPERSON: -- where he basically
16 projected a plan to smooth the MERS payments over, I
17 believe, a six-year period.

18 MR. NEWSOME: That's right.

19 THE CHAIRPERSON: So the first three years
20 of the six-year period, the City's contributions to
21 MERS were reduced?

22 MR. NEWSOME: Well, yeah. And then back in
23 and it goes up.

24 THE CHAIRPERSON: Correct.

25 MR. NEWSOME: Back in and it goes up.

1 THE CHAIRPERSON: This now would add almost
2 three and a half million dollars, essentially, on the
3 front end?

4 MR. NEWSOME: Uh-huh. But not in the first
5 year. It would be spread over the first, I believe,
6 two or three years.

7 THE CHAIRPERSON: So how does the City
8 purport to deal with that additional cost? I mean,
9 it may not be much in the overall scheme of things.

10 MR. NEWSOME: Right.

11 THE CHAIRPERSON: But it's three and a half
12 million that the City hadn't budgeted?

13 MR. NEWSOME: What it was before -- I'll
14 put it this way: The impact -- you know, and I
15 looked at the numbers over the weekend that
16 Mr. Sabuda provided. The impact that, I think, that
17 this directly has on what that three and a half
18 million will look like, I don't think is major. But
19 I think that the conversation around how do we make
20 that MERS payment continuously, this is the reason
21 why we were hesitant -- we're hesitant to -- to
22 provide pay wages across the board, which is one --
23 one of the reasons why -- you know, one of the
24 reasons why this was such a challenge to get -- to
25 get done, even though I feel that that POA raise was

1 fair and valid.

2 Because, when you start giving these three
3 percent raises, it makes that three and a half --
4 grows that three and a half million again. I think
5 the incremental impact from this on the MERS payment
6 is not one to be super significant but I think the
7 conversation that you want to have, how the City's
8 anticipating to make these additional payments over
9 the next few years, is something that the
10 Finance Department continues to look at, in terms of
11 the fund balance.

12 I think, right now, the last Budget to
13 Actual's report showed that, you know, our general
14 fund is healthy, our other funds are healthy as
15 well, with the exception of the water fund. And
16 we -- with a 30-year deal, the water fund will
17 continue to improve, in terms of liability. So we
18 are not concerned about being able to make that
19 payment over the next two, three, four years.

20 But, to tell you exactly where those --
21 where those dollars will come from right at this
22 point in time, I can't say. But we have to continue
23 to be very careful, when it comes to raises,
24 particularly because we have a number of different
25 union contracts that are up. The --

1 THE CHAIRPERSON: And how about on the wage
2 and benefit side?

3 MR. NEWSOME: Uh-huh.

4 THE CHAIRPERSON: And why is it a budget
5 amendment unless it's changed since then?

6 MR. NEWSOME: We have a --

7 THE CHAIRPERSON: It was only \$115,000 --

8 MR. NEWSOME: Yes.

9 THE CHAIRPERSON: -- when the wage and
10 benefit total cost is 264,000.

11 MR. NEWSOME: We have one and a half
12 unfilled vacancies. I believe it's the deputy chief
13 role. Even though we have a deputy chief, he is
14 being paid right now as a captain. And so, right
15 now, that -- that. Deputy chief position is
16 unfilled, even though he is serving as a deputy
17 chief. So what's been budgeted, we haven't filled
18 that role and so that is leaving -- with his wages
19 and with his fringe benefits, that closes the gap.
20 That addresses the gap.

21 THE CHAIRPERSON: So roughly what,
22 \$150,000, then, 149,000?

23 THE WITNESS: No, it's 90- plus -- it's 90-
24 plus 20- and there's another unfilled administrative
25 position as well. But his -- his role is -- closes

1 most of the gap. There's another unfilled position
2 that closes the rest.

3 THE CHAIRPERSON: So the difference between
4 the budget amendment and the total cost would be
5 covered by --

6 THE WITNESS: By that.

7 THE CHAIRPERSON: -- the unfilled positions
8 or --

9 THE WITNESS: Yes.

10 THE CHAIRPERSON: Okay.

11 THE WITNESS: That's correct. Primarily
12 because of that one.

13 THE CHAIRPERSON: Gentlemen, any other
14 questions?

15 MR. TARVER: Yes, I understood that. But I
16 missed -- maybe I missed the answer regarding how the
17 retirement payment would be covered, MERS.

18 THE CHAIRPERSON: Well, I think the partial
19 answer is they don't know yet.

20 MR. NEWSOME: Right.

21 THE CHAIRPERSON: They realize it's adding
22 additional costs but I'm not putting words in your
23 mouth.

24 MR. NEWSOME: No, you're not putting words
25 in my mouth. But I'll say this again: That the

1 incremental impact from this pay raise is not going
2 to be -- I'm not going to -- is unsurmountable. But
3 the City still is working on how are we going to
4 make that next MERS payment.

5 I think the "so what" of this is that, you
6 know, the incremental impact from this pay raise is
7 not going to be that large when you think about the
8 three and a half million. The City still needs to
9 figure out where that three and a half million is
10 coming from.

11 But, this fiscal year, our MERS payments
12 have been put in the budget. But, as Chair Headen
13 has pointed out, it goes up every year. And so
14 every year we're going to have to figure out, and
15 that means -- and we'll talk about the Budget to
16 Actual in a minute and where each of the funds are.

17 We do have -- our funds are well -- for
18 the most part, well above the -- the minimal amounts
19 across the board, with the exception of the water
20 fund. So we have to -- we have to find that out and
21 we'll take it fiscal year by fiscal year. But it is
22 a challenge. I'm not going to say it's not a
23 challenge.

24 THE CHAIRPERSON: And I thought there was
25 something in State law that required if there was

1 going to be a pension or retirement increase agreed
2 to, that the local union had to identify how that
3 was going to be paid for.

4 MR. NEWSOME: Well, the way I understand
5 it, with this pay raise, this pay raise won't impact
6 the MERS -- won't impact your -- should not impact
7 our plan until the next fiscal year at the earliest.
8 Because we would not receive -- we would not receive
9 the understanding of what this means, from the next
10 railway standpoint, until the next fiscal year.

11 THE CHAIRPERSON: So fiscal year '18/'19?

12 MR. NEWSOME: Yes, that's correct.

13 THE CHAIRPERSON: Mr. Tarver, did that
14 answer your question?

15 MR. TARVER: I think so.

16 MR. NEWSOME: Okay.

17 THE CHAIRPERSON: Other questions,
18 Mr. Ferguson, Mr. Newman?

19 MR. NEWMAN: None from me. Thanks.

20 MR. FERGUSON: Not from me.

21 THE CHAIRPERSON: The question is on the
22 adoption of the motion, then. Those in favor of the
23 motion, please say "aye".

24 BOARD MEMBERS: Aye.

25 THE CHAIRPERSON: Opposed?

1 Motion is adopted.

2 We will go back, then, to the motion that
3 was pending to approve resolutions from
4 November 27th because there was a question raised
5 about the maintenance cost of the vehicle to be
6 donated.

7 MR. TARVER: I'm sorry. Mr. Headen.

8 THE CHAIRPERSON: Yes?

9 MR. TARVER: On that last one, could you
10 record me as an abstention. I didn't say anything
11 but I was muting and I just don't feel -- I don't
12 necessarily oppose that, I just don't feel that I
13 know enough and am in a position to give an
14 affirmative.

15 THE CHAIRPERSON: Okay. Certainly.

16 Mona, can you have that -- reflect that on
17 the vote for Resolution 573, that Mr. Tarver
18 abstained.

19 Mr. Newsome, on the question of
20 maintenance cost.

21 MR. NEWSOME: Yes. So I don't -- I
22 can't -- for whatever reason, I can't get that. But
23 I know that number is roughly about 50,000 a year,
24 Mr. Cline, that you would want to answer that
25 question it's roughly about 50,000 a year of vehicle

1 maintenance cost.

2 MR. CLINE: Okay.

3 MR. NEWSOME: Do you have any follow-up?

4 MR. CLINE: I'm sorry?

5 MR. NEWSOME: Did you have any follow-up
6 questions?

7 MR. CLINE: No, I don't.

8 THE CHAIRPERSON: I think the question was
9 posed by Mr. Tarver.

10 MR. CLINE: Mr. Tarver, yes.

11 MR. NEWSOME: Oh, I thought --

12 THE CHAIRPERSON: Mr. Tarver, do you --

13 MR. TARVER: Yes. And I missed that answer
14 by -- by my earpiece switching over. So, I'm sorry,
15 could you give me that answer again.

16 MR. NEWSOME: Roughly 50,000.

17 MR. TARVER: So, again, my concern is
18 that -- well, is there any training associated with
19 operating this vehicle or additional personnel
20 needed?

21 MR. NEWSOME: No, no. These vehicle types
22 are the same as what's already part of the fleet.

23 MR. TARVER: I see. And the 50,000 is
24 budgeted?

25 MR. NEWSOME: Yes.

1 MR. TARVER: I see. Thank you.

2 THE CHAIRPERSON: Further questions?

3 If not, the question is on the adoption of
4 the motion to approve Resolutions 565, 566, 568,
5 569, 570, 571 and 572 from the Regular City Council
6 meeting of November 27th. Those in favor, please
7 say "aye".

8 BOARD MEMBERS: Aye.

9 THE CHAIRPERSON: Opposed?

10 Motion is adopted.

11 That brings us to Resolution 598. This is
12 an addendum to the water contract agreement.

13 Mr. Cline?

14 MR. CLINE: Yes. As I understand this
15 agreement -- this is the first addendum to the
16 agreement with the Genesee County Drain Commissioner
17 to issue a quitclaim deed on the 72-inch pipeline
18 and associated equipment. This is part of the
19 broader agreement with the Great Lakes Water
20 Authority.

21 This will allow the City to execute this
22 addendum and make this agreement go into effect.

23 I don't know if anyone wants to add
24 anything to that but that is in as very broad a
25 sense as to what this agreement will be doing.

1 THE CHAIRPERSON: Ms. Wheeler, did you have
2 anything to add to that?

3 Please, just pull up a chair.

4 MS. WHEELER: Oh, thank you.

5 Good afternoon. The -- basically, what's
6 going -- this will allow us to be able to fix our
7 equipment, get into the line. While the refinancing
8 is taking place, it won't be closed until probably
9 May of 2018. So it does give us additional time and
10 access to the 72-inch line by having that license.
11 And it was really more of like an oversight, as we
12 were working through this, that we didn't have that
13 in originally with the GLWA agreement. So this is
14 just tying up those loose ends.

15 THE CHAIRPERSON: Is there a motion that
16 this resolution be approved?

17 MR. NEWMAN: Move approval.

18 THE CHAIRPERSON: Is there support?

19 MR. TARVER: Support.

20 THE CHAIRPERSON: Is there any discussion?

21 If not, those in favor of the motion,
22 please say "aye".

23 BOARD MEMBERS: Aye.

24 THE CHAIRPERSON: Opposed?

25 Motion is adopted.

1 MS. WHEELER: Thank you.

2 THE CHAIRPERSON: Next item is City
3 Administrator items.

4 We have the October Budget to Actual
5 Report.

6 Mr. Newsome, are there any things from
7 that report you wish to point out to us?

8 MR. NEWSOME: I will say that the last
9 report was as of October 31st. At that time, the
10 City had not completed its annual audit. And so the
11 numbers, as was reflected in the letter -- and I
12 assume that everybody has received a copy of the
13 memo, along with the -- along with the figures in
14 the Excel spreadsheet.

15 But, again, like I reflected a few minutes
16 ago, those unaudited numbers reflect that all of our
17 funds are well above -- or are above minimal amounts
18 required by law. Reserve amounts are adequate with
19 the exception of the water fund. And, at that time,
20 I think everyone knows that we were paying,
21 basically, the two water sources with the KWA debt
22 bond payments as well as the commodity charges with
23 GLWA which has been corrected with the agreement of
24 a 30-year deal.

25 So this has -- as that has -- you know,

1 going forward, we anticipate the water fund to
2 become -- to become healthy and reserved to grow
3 since we're no longer paying for two water sources.

4 But I did want to bring that to everyone's
5 attention. And I think everything else, in terms of
6 the Budget to Actuals shouldn't show anything that's
7 along -- or definitely that's outside of the reserve
8 policy.

9 THE CHAIRPERSON: Are there any questions
10 for Mr. Newsome regarding the Budget to Actual?

11 If not, we'll consider that report to be
12 received.

13 MR. NEWSOME: Thank you.

14 THE CHAIRPERSON: Next item of business is
15 the 2018 RTAB meeting schedule.

16 Mr. Cline, I didn't see an attachment.

17 MR. CLINE: That was sent out, I believe,
18 yesterday when the agenda came out.

19 THE CHAIRPERSON: Okay. That must have
20 also --

21 MR. CLINE: I have a copy here.

22 THE CHAIRPERSON: -- gone to my old e-mail
23 address. It's essentially the second Wednesday of
24 each month?

25 MR. CLINE: Yes. I can read the dates, if

1 say "aye".

2 BOARD MEMBERS: Aye.

3 THE CHAIRPERSON: Opposed?

4 Motion is adopted.

5 Mr. Cline, I think it's safe to assume

6 there's no public comment?

7 MR. CLINE: Correct.

8 THE CHAIRPERSON: Is there a motion, then,

9 that we adjourn?

10 MR. TARVER: So move.

11 THE CHAIRPERSON: Is there support?

12 MR. FERGUSON: Second.

13 MR. NEWMAN: Support.

14 THE CHAIRPERSON: Without objection, we

15 stand adjourned.

16 (Meeting was concluded at 2:36 p.m.)

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C E R T I F I C A T E

I, Mona Storm, do hereby certify that I have recorded stenographically the proceedings had and testimony taken in the meeting at the time and place hereinbefore set forth. I do further certify that the foregoing transcript, consisting of (26) pages, is a true and correct transcript of my said stenographic notes.

Date

Mona Storm
CSR-4460



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

NICK A. KHOURI
STATE TREASURER

**RECEIVERSHIP TRANSITION ADVISORY BOARD
FOR
THE CITY OF FLINT**

RESOLUTION 2018-1

REPEALING EMERGENCY MANAGER AMBROSE ORDER No. 20

WHEREAS, Section 23(1) of Public Act 436 of 2012, the Local Financial Stability and Choice Act (the "Act"), provides that “[b]efore removing a local government from receivership, the governor may appoint a receivership transition advisory board to monitor the affairs of the local government until the receivership is terminated”; And

WHEREAS, Section 23(2) of the Act provides that “[a] receivership transition advisory board shall consist of the state treasurer or his or her designee, the director of the department of technology, management, and budget or his or her designee, and, if the local government is a school district, the superintendent of public instruction or his or her designee. The governor also may appoint to a receivership transition advisory board 1 or more other individuals with relevant professional experience, including 1 or more residents of the local government”; And

WHEREAS, Section 23(5)(h) of the Act authorizes a receivership transition advisory board to perform, in addition to duties specified in the Act, “any other duties assigned by the governor at the time the receivership transition advisory board is appointed”; And

WHEREAS, on April 29, 2015, the Governor appointed a Receivership Transition Advisory Board for the City of Flint (the “Board”). The Governor’s appointment letter authorized the Board to, among other things, “[r]ecommend amendments, modifications, repeal, or termination

of Emergency Manager Order No. 20, or any other Flint Emergency Manager orders, to the State Treasurer.”

NOW THEREFORE, be it resolved by the Board as follows:

1. That it be recommended to the State Treasurer that Flint Emergency Manager Ambrose Order No. 20 be prospectively repealed as of the effective date of this Resolution. All actions taken by a City official, the Board, or both, pursuant to Flint Emergency Manager Ambrose Order No. 20 while it was in effect remain valid after its repeal to the same extent as if Flint Emergency Manager Ambrose Order No. 20 remained in effect.
2. If, on or after December 18, 2017, but before the effective date of this Resolution, the City Council adopts a resolution not heretofore approved by the Board, and the resolution is not vetoed by the Mayor, or the Mayor vetoes the resolution but the City Council overrides the Mayor’s veto, the City Council resolution need not be approved by the Board to become effective.
3. That the minutes of the Board meeting at which this Resolution is adopted take notice of the adoption of this Resolution.
4. This Resolution may be approved by the Board in separate counterparts, each of which when executed shall be deemed an original, but all of which when taken together shall constitute one and the same Resolution. The State Treasurer may approve this Resolution by executing a counterpart copy separate from those approved by the Board, each of which copies when executed shall be deemed an original, but all of which when taken together shall constitute one and the same Resolution.
5. This Resolution shall have immediate effect.

IN WITNESS WHEREOF, the members of the Receivership Transition Advisory Board for the City of Flint, or their designees, have signed and adopted this Resolution.

FLINT RECEIVERSHIP TRANSITION ADVISORY BOARD

By _____
Frederick Headen, Chairperson

By _____
Joel Ferguson, Board Member

By _____
Paul Newman, Board Member

By _____
W. David Tarver, Board Member

Date: _____
Flint, Michigan

Approved pursuant to the Governor's April 29, 2015, letter appointing the Receivership Transition Advisory Board for the City of Flint.

By _____
N.A. Khouri, State Treasurer

Date: _____
Lansing, Michigan