

## CITY OF FLINT, MICHIGAN Department of Finance

Michael K. Brown  
Acting Mayor

Leonard D. Smorch  
Finance Director

June 12, 2009

Ms. Regina Blough, Manager  
Local Audit and Finance Division  
Michigan Department of Treasury  
P.O. Box 30728  
Lansing, MI 48909-8228

09 JUN -8 PM 3:57  
RECEIVED  
CITY OF FLINT

Dear Ms. Blough:

Ref. Revised Deficit Elimination Plan, City of Flint, State ID Number 25-2040

In accordance with your request, the City of Flint has revised its original Deficit Elimination Plan to accomplish the elimination within the five year period including the 2008 deficits and the 2009 deficits. Attached is the revised Schedule A showing the plan through year ending 2014.

In order to accomplish the total elimination, two major adjustments have been made. First in 2009, an additional amount of \$3.9 million of PILOT and ROI from the Water and Sewer Funds have been included in that year. The City has also recognized the State's projected reduction in Revenue Sharing for years 2009 and 2010, totaling approximately \$1.5 million. The net of these two changes will allow the City to arrive at a surplus in 2014 of \$1.8 million.

I have attached the City Council's resolution approving the revised plan and use of the PILOT and ROI in order to meet the City's requirement to eliminate the deficits.

As to the Golf and Building Inspection Funds, each year we have provided from General Fund \$250,000 and \$300,000, respectively, to each fund. These amounts should be adequate with the improvements made in the operations within both funds.

090518

PRESENTED: JUN - 8 2009

ADOPTED: JUN - 8 2009

**RESOLUTION TO ADOPT REVISED DEFICIT ELIMINATION PLAN FOR  
FY 2008 AND FY 2009**

**WHEREAS**, The City of Flint ended the June 30, 2008 fiscal year with deficit balances in three funds totaling \$10,506,566 per its annual audit report and a projected FY09 deficit of \$3,431,661 for a total of \$13,938,227; and

**WHEREAS**, In according to MCL 141.921 and the Attorney General Opinion No. 6154, the City of Flint formulated and filed a financial plan with the Department of Treasury on April 20, 2009 to correct the deficit. This Deficit Elimination Plan was approved by the Flint City Council, by a unanimous vote, on the aforementioned date also according to state law; and

**WHEREAS**, The Department of Treasury has requested a revision to the plan to accomplish the elimination of the deficit within the five year period including the FY2008 and FY2009 deficits; and


**WHEREAS**, Administration has identified an additional \$3.9 million of PILOT and ROI funds that have not been included in this years budget. The use of these funds and the change in State Revenue projections would reduce the projected FY2009 deficit; and

**WHEREAS**, The administration has revised it's five year projection of revenue and expense and formulated a revised deficit elimination plan (see attached) according to state guidelines; and

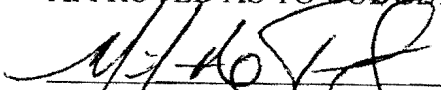
**THEREFORE BE IT RESOLVED**, That the appropriate City of Flint Officials are authorized to do all things necessary to increase the PILOT and institute the ROI funds in the FY2009 Budget in the same manner as the FY2010 Adopted Budget.

**THEREFORE BE IT RESOLVED**, That the City Council hereby adopts the attached Revised Deficit Elimination Plan for submission to the Michigan Department of Treasury.

APPROVED AS TO FORM:

*for*  
  
\_\_\_\_\_  
Angela Watkins  
Acting City Attorney

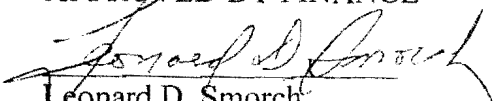
APPROVED AS TO BUDGET:

  
\_\_\_\_\_  
Michael A. Townsend  
Budget Director

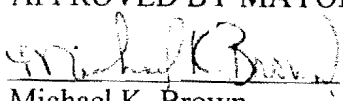
APPROVED BY  
CITY COUNCIL

JUN - 8 2009

APPROVED BY FINANCE

  
\_\_\_\_\_  
Leonard D. Smorch  
Finance Director

APPROVED BY MAYOR

  
\_\_\_\_\_  
Michael K. Brown  
Acting Mayor

  
\_\_\_\_\_



**City of Flint, Michigan**  
**Certified Copy**

Third Floor, City Hall,  
1101 S. Saginaw Street  
Flint, Michigan 48502  
www.ci.flint.mi.us

Resolution: 090518

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**File Number: 090518**

**Revision/Deficit Elimination Plan/City of Flint/Fiscal Year 2008/Fiscal Year 2009/Michigan Department of Treasury**

**Resolution authorizing the appropriate City Officials, upon City Council approval, to do all things necessary to increase the PILOT and institute the ROI funds in the FY2009 Budget in the same manner as the FY2010 Adopted Budget, AND resolving that the Flint City Council adopts the Revised Deficit Elimination Plan for submission to the State of Michigan Department of Treasury. [NOTE: The Department of Treasury has requested a revision to the plan to accomplish the elimination of the deficit within the five-year period including the FY2008 and FY2009 deficits. The Administration has identified an additional \$3.9 million of PILOT and ROI funds that have not been included in this year's budget and the use of these funds and the change in State Revenue projections would reduce the projected FY2009 deficit. The Administration has revised its five-year projection of revenue and expense and formulated a revised deficit elimination plan according to State guidelines.]**

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I, Inez M. Brown, certify that this is a true copy of Resolution No. 090518, passed by the CITY COUNCIL on 6/8/2009.

**Inez M. Brown**

6-10-09

**Date Certified**