



Warren C. Evans
County Executive

October 6, 2016

Via Email and First Class US Mail

N. A. Khouri
State Treasurer, State of Michigan
Executive Office, 1st Floor
430 W. Allegan
Lansing, Michigan 4892 2

***Re: Wayne County Consent Agreement with the State of Michigan/ State Treasurer:
Formal Request for Release from the Consent Agreement***

Dear Mr. Khouri:

The County of Wayne respectfully requests that you review and evaluate the County's progress and compliance with the provisions of the Consent Agreement and determine that the County has complied with the Consent Agreement and therefore should be released.

Section 11 of the Consent Agreement between the State of Michigan and the Charter County of Wayne, Michigan states in pertinent part:

"The County is released from this agreement and the requirements of section 8 of Act 436 upon written notification from the State Treasurer to the County Executive that the County has complied with this agreement (the "Release Date"). Although not required prior to release under this section 11 and consistent with section 21(1) of Act 436... [T]he County will be deemed by the State Treasurer to have complied with this agreement and the State Treasurer shall release the County from the requirements of section 8 of Act 436 if the County Executive certifies in writing to the State Treasurer that all of the following conditions are satisfied and the State Treasurer concurs with that certification:

- (1) the fiscal stability of the County has been restored as demonstrated by action taken by the County that will eliminate the County's \$52 million structural deficit, with any reductions resulting from reductions in payments to the WCERS, changes in benefits provided to the WCERS participants, or OPEB changes, verified by an independent actuary acceptable to the State Treasurer

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- (2) the County has paid all outstanding amounts owed by the County to the Michigan Department of Health and Human Services relating to the County's child care fund; and
- (3) based upon an audited financial statement for a fiscal year, the County is not required to submit a financial plan under section 21(2) of the Glenn Steil State Revenue Sharing Act of 1971, 1971 PA 140, as amended, MCL 141.921(2) or a plan under section 14(1)(s) of 1966 PA 293, as amended, MCL 45.514(1)(s)."

Consistent with your review to determine whether the County has complied with and should be released from the Consent Agreement, you recently requested and we provided the following materials:

- Updated Wayne County Jail Report;
- CGL Jail Cost and Expenditure Analysis;
- Amortization schedule for the \$ZOOM in jail debt;
- Jail report and update on capital improvements needed for Jail Divisions I, II, and III (DLZ Reports); and
- Circuit Court and Sheriff jail budgets for FY 17.

We are pleased to report that implementation of the Recovery Plan has successfully eliminated Wayne County's structural deficit of \$52 million. As of September 30, 2015, the Unfunded Pension Liability is \$638,546,747. The Unfunded Pension liability has been reduced from \$817,969M on September 30, 2014 to \$636,547M on September 30, 2015, a reduction of \$181,422M in just one fiscal year. Wayne County also recognized a reduction in OPEB from \$1.3B to \$462M. The FY 16 projected, unassigned general fund balance is \$60,528M as indicated in the enclosed spreadsheet.

Summary of the jail plan/debt issuance can be found in the enclosed documents (Jail Plan Timeline and Debt Issuance). The debt issuance plan has been updated to the issuance date of June 1, 2017. The first principal payment will be December 1, 2018 with the final payment extended to the end of the 2048 fiscal year.

Finally, pursuant Section 11 (2) of the Consent Agreement, the County has fully resolved outstanding issues with the Department of Health and Human Services related to the County's child care fund (see enclosed Release and Settlement Agreement).

Based on the foregoing, please accept this request as the County's certification that the requirements of the Consent Agreement have been fully satisfied and release from the Consent Agreement is appropriate.

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If you have any questions regarding this request, please feel free to contact me at 313.224.5110.

Respectfully submitted,

Warren C. Evans
Wayne County Executive

cc: Rick Kaufman, Wayne County Deputy Chief Executive Office
Tony Saunders, Chief Restructuring Officer/Chief Financial Officer
Rudy Hobbs, Chief of Staff
Zenna Elhasan, Wayne County Corporation Counsel
Gary Woronchak, Chairman, Wayne County Commission

Enclosures

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