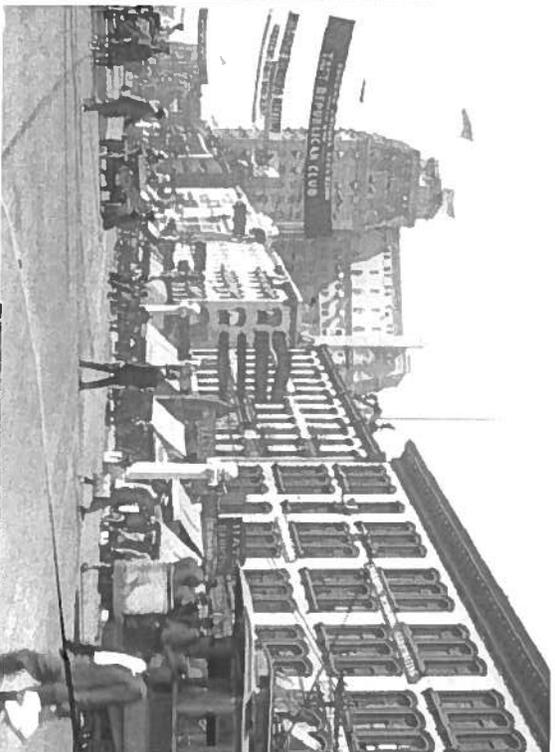


**Speramus meliora;
resurget cineribus**

***“We Hope for Better Things;
It Will Arise From the Ashes”***

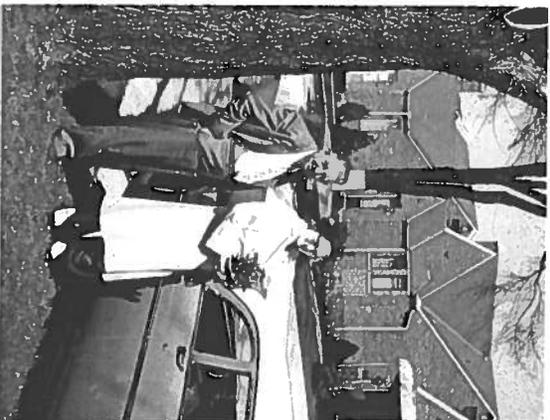


**4th
largest
U.S. city,
1929**



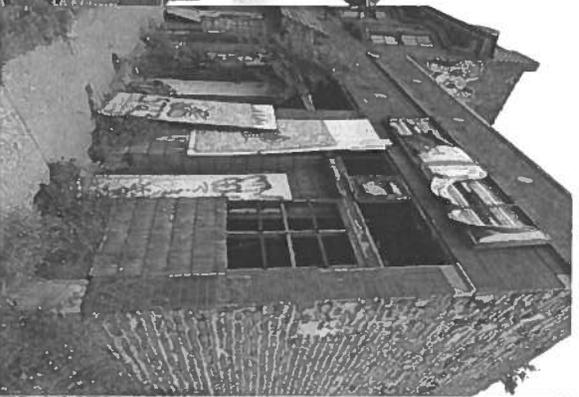
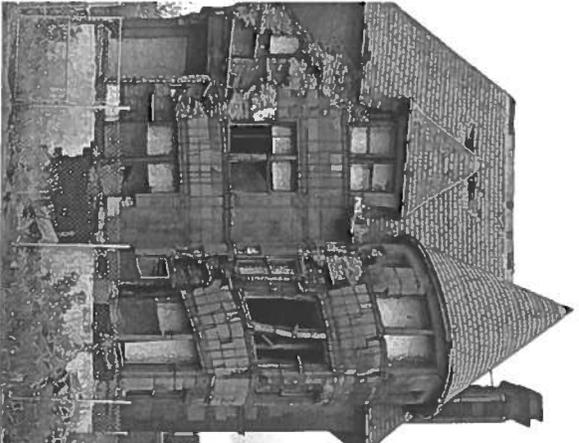
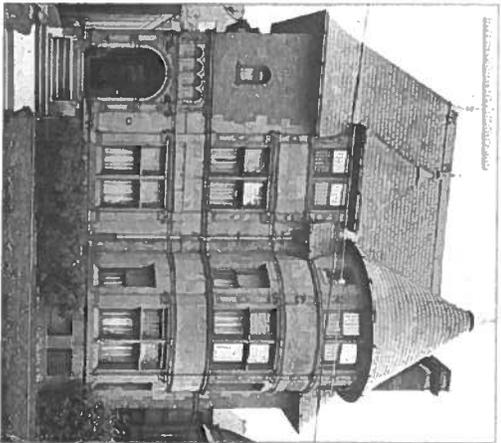
- **Detroit's population peaked after WWII at 1.85 million people**
- **The cradle of the American Automobile Industry**
- **The Arsenal of Democracy**

**Detroit is
now 18th
largest
U.S. city
(pop.
701,000)**



- **Many taxes levied at maximum allowed by law**
- **Half of all owners failed to pay property taxes in 2011**
- **No U.S. city has a lower credit rating**

Detroit
isn't just
broke...
it's
broken



Detroit has the largest municipal bankruptcy in U.S. history

KALAMAZOO GAZETTE

HANDS ARE TIED

By David G. ...

Dead
deaths may

DETROIT GOES BANKRUPT

By David G. ...



Western Michigan Unvers ty to go smoke-free?

By David G. ...



DETROIT BECOMES LARGEST U.S. CITY TO FILE FOR BANKRUPTCY

By David G. ...



Crash won't stop Quake boat racer

By David G. ...

Beware of high temperatures today

Economic news justifies market to record day

USA TODAY WEEKEND
Neville makes history

THE MOTOR CITY GOES BUST



By David G. ...

THE HUPHINGTON POST

DETROIT ROCK BOTTOM



By David G. ...

The Detroit News

DETROIT'S RECKONING

CITY FILES LARGEST MUNICIPAL BANKRUPTCY IN HISTORY



DETROIT FILES FOR BANKRUPTCY
Detroit's first step into a new chapter in the city's history... I think it will be the foundation of the city's future. — Gov. Rick Warren

Detroit's first address

'A CHANCE FOR A FRESH START'

NO OPTIONS: MARIKKA BERENSON, 40, HAS SEEN A LOT OF DIFFICULTY IN THE CITY'S BANKRUPTCY. SHE SAYS THE CITY GOV. SAYS FOR OTHER BROKE CITIES FOR FIGHT OVER BANKRUPTCY.

Or's detailed plan may make the difference



9272

MISSING CLIENT'S BODY FOUND IN THE WOODS

STUDENTS RIFLED BY COLLEGE LOAN FRAUD AGREEMENT

LET'S BUYER BE AWARE

299

649 36

TIME

IS YOUR CITY NEXT?

Special Advertising Section



Detroit and Michigan

- Detroit is a legal subdivision of the state
- The state has been responsible for some oversight of Detroit for a long time
- Emergency Manager filed bankruptcy on behalf of the state



**Detroit
can be an
Economic
Engine**

- **38% of all Michigan residents live in the tri-county area**
- **44% of the state's total sales and income tax revenue comes from the tri-county area**
- **Detroit's successes & failures have driven success & failure for Michigan**



Accountability

- **Total settlement – no lawsuits against state for unfunded pension liability (\$1.9 billion)**
- **A new oversight commission**
- **A new pension investment oversight committee**
- **Requiring a Chief Financial Officer**
- **Adopting annual 4-year plan**
- **Bankruptcy Court jurisdiction for 20 years**



Protecting Taxpayers

- No benefits for new city workers greater than state workers (all CBAs require oversight commission approval)
- Defined contribution plans required (after CBAs expire, as on Freedom to Work)
- No opt-out for 80/20 hard cap
- Avoid needing \$275 million more in taxpayer funding for social safety net
- Avoid long bankruptcy battle and save \$20 million in state legal costs
- Retirees sue the state for underfunded pensions – 10% chance of loss and \$190 million in taxpayer costs



Protecting Retirees

- **No more Pension Board junkets**
- **Participation by retirees while protecting them from falling onto the social safety net**
- **Limitations on existing pensions; no 13th check ever again**



Preserving the DIA while protecting taxpayers

- **Items arguably available for sale could bring total of \$250 million to \$800 million (likely divided among all creditors), minus litigation costs**
- **No renewal of DIA millage**
- **DIA removed from city's control, transferred to new nonprofit (board representation with state mission and focus)**
- **No DIA or foundation money without state money**

**If you
choose to
do nothing,
you still
have made a
choice**

● **Without a settlement, we will have no oversight**

● **Prolonged litigation will cost Michigan taxpayers more and delay Detroit's and Michigan's comeback**

● **Michigan's taxpayers will be funding a larger social safety net**

● **A chain is only as strong as its weakest link. In Michigan, that is currently Detroit.**

Updated
information
always
available at
gophouse.org

