

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

In re: City of Detroit, Michigan, Debtor.

Bankruptcy Case No. 13-53846
Honorable Thomas J. Tucker
Chapter 9

**REPLY IN SUPPORT OF MOTION FOR APPOINTMENT OF
FACILITATOR TO ASSIST THE PARTIES IN IMPLEMENTING VEBA
FOR INDIVIDUALS RETIRING FROM THE CITY OF DETROIT
AFTER 1/1/2015**

The City of Detroit (“City”) files this Reply in Support of its Motion For Appointment of Facilitator to Assist the Parties In Implementing a New VEBA For Certain Individuals Retiring From the City Of Detroit After 1/1/2015, Pursuant to Local Bankruptcy Rules 7016-2 and 9014-1 (“Motion”) [Doc. No. 11198], and states as follows:

The Motion attempted to avoid recriminations concerning the reasons for the delay in creating the New VEBA, as the City believed this would not be productive. However, in view of AFSCME's accusatory filing, the City feels compelled to correct the record on two points:

1. The City itself never approved the Side Letter that was evidently negotiated between Jones Day and AFSCME in early 2015. That is why Mr. Hall declined to sign. After the City took this matter back from Jones Day, the City did

propose changes to the letter. It was only recently the City learned that AFSCME would not consider any changes based on its prior negotiations with Jones Day. To move this forward, the City has agreed to the side letter in the form appended to the City's filing with the removal of the reference to the newly created water authority.

2. Contrary to assertions in AFSCME's papers, the City has been fully cooperative in timely providing all requested financial information, including information which is not relevant.

The City will not prolong this discussion because, as stated, the City's goal is not conflict but simply to get the New VEBA up and running as quickly as possible.

Getting the New VEBA up and running is an urgent priority, and the City is grateful for the Court's assistance. If the parties are unable to agree on a facilitator by close of business on Friday June 3, the City, on Monday, June 6, will ask the Court to schedule an expedited hearing to appoint a facilitator.

Dated: June 2, 2016

MILLER, CANFIELD, PADDOCK AND
STONE, P.L.C.

By: /s/ Marc N. Swanson
Jonathan S. Green (P33140)
Marc N. Swanson (P71149)
150 West Jefferson, Suite 2500
Detroit, Michigan 48226
Telephone: (313) 496-7591
Facsimile: (313) 496-8451
swansonm@millercanfield.com

- and -

CITY OF DETROIT LAW DEPARTMENT

Charles N. Raimi (P29746)
2 Woodward Avenue, Suite 500
Detroit, Michigan 48226
Phone: (313) 237-0470
Email: raimic@detroitmi.gov

Attorneys for the City of Detroit

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on June 2, 2016, a copy of the foregoing *Reply in Support of Motion For Appointment of Facilitator to Assist the Parties In Implementing a New VEBA For Certain Individuals Retiring From the City Of Detroit After 1/1/2015* was served upon counsel to AFSCME, via first class mail and electronic mail, as follows:

Richard G. Mack, Jr.
MILLER COHEN PLC
600 West Lafayette Boulevard
4th Floor
Detroit, MI 48226
richardmack@millercohen.com

By: /s/ Marc N. Swanson
Marc N. Swanson