

EM SUBMISSION NO.: 2011EM023

PRESENTED: 12/16/11

ADOPTED: 1/3/12

BY THE EMERGENCY MANAGER:

**RESOLUTION AUTHORIZING SETTLEMENT OF U.S. BANKRUPTCY COURT
CASE NO. 10-03287, OIL CHEM, INC. V GENESEE COUNTY AND CITY OF FLINT**

Oil Chem, Inc. filed an adversary proceeding in the United States Bankruptcy Court contesting the City's claim that it was owed \$228,423.17 arising primarily out of unpaid water and sewer charges; and

The parties have entered into a settlement agreement; and

Oil Chem, Inc. now acknowledges that it owes the City the sum of \$228,423.17; and

Oil Chem, Inc. shall pay the \$228,423.17 over ten years with interest at 10%, and monthly payments shall commence December 1, 2011, in accordance with the specifications set forth in Paragraph 1 of the Agreement attached hereto and made a part hereof; and

Pursuant to the Law Department's recommendation, Emergency Manager Brown has authorized settlement of this matter.

IT IS RESOLVED that City officials are authorized to receive monthly payments from Oil Chem, Inc., commencing December 1, 2011, and continuing over a ten year period, until the amount of \$228,423.17 has been paid in full in accordance with the Settlement Agreement between the parties. All funds received shall be deposited by the Treasury Department in its normal course of business.

APPROVED AS TO FORM:



Peter M. Bade, Chief Legal Officer

APPROVED AS TO FINANCE:




Jerry Ambrose, Financial Advisor

EM DISPOSITION:

ENACT ☒ _____

FAIL _____

DATED 1-3-12 _____



Michael K. Brown, Emergency Manager

RESOLUTION STAFF REVIEW

December 20, 2011

Agenda Item Title:

Resolution Authorizing Settlement – *Oil Chem, Inc. v Genesee County and City of Flint*

Submitted By:

Law Department

Summary of Proposed Action:

Settle the City's claim for unpaid water and sewer charges.

Background:

Oil Chem, Inc. filed an adversary proceeding in the US Bankruptcy Court contesting the City's claim that it was owed \$228,423.17 arising primarily out of unpaid water and sewer charges. The parties have entered into a settlement agreement, wherein Oil Chem, Inc. acknowledges that it owes the City the sum of \$228,423.17.

Financial Implications:

No adverse financial implications.

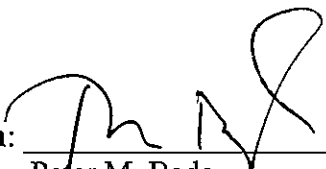
Other Implications:

None

Staff Recommendation:

Approval of this resolution.

Staff Person:


Peter M. Bade
Chief Legal Officer