

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

In re:)	
)	Chapter 9
)	
CITY OF DETROIT, MICHIGAN,)	Case No. 13-53846
)	
Debtor.)	Hon. Steven W. Rhodes
)	

**JOINDER OF THE MICHIGAN COUNCIL 25 OF THE AMERICAN FEDERATION
OF STATE, COUNTY & MUNICIPAL EMPLOYEES, AFL-CIO AND SUB-
CHAPTER 98, CITY OF DETROIT RETIREES TO THE LIMITED OBJECTION OF
SYNCORA GUARANTEE INC. AND SYNCORA CAPITAL ASSURANCE INC. TO
DEBTOR’S MOTION FOR ENTRY OF AN ORDER AUTHORIZING THE PUBLIC
LIGHTING AUTHORITY TRANSACTION**

Michigan Council 25 of the American Federation of State, County & Municipal Employees, AFL-CIO and Sub-Chapter 98, City of Detroit Retirees (the AFSCME retiree chapter for City of Detroit retirees) (collectively, “**AFSCME**”) through its counsel, hereby joins in the limited objection of Syncora Guarantee Inc. and Syncora Capital Assurance Inc. (“**Syncora**”) dated November 6, 2013 [Docket No. 1557] (the “**Limited Objection**”) to the Debtor’s Motion for Entry of an Order Authorizing the Public Lighting Authority Transaction [Docket No. 1341] (the “**Motion**”). AFSCME respectfully adopts and incorporates the arguments of Syncora set forth in the Limited Objection and further respectfully states as follows:

1. While AFSCME has no *per se* objection to the City seeking to address its problem with street lights for the safety and benefit of all of the City’s residents, AFSCME is particularly concerned given the apparent bare bones disclosures in the Motion and further concerns set forth at length by Syncora, including that (i) 27% of the amount of the proposed bond funding (representing approximately \$192 million of the \$705 million financial

commitment in the transactions proposed in the Motion) will be utilized to simply finance the transaction; (ii) the City previously anticipated spending a total of approximately \$1.7 million on public lighting capital improvements in the June 14, 2013 Creditors Proposal (and yet now seeks to enter into an approximately \$705 million financial commitment); and (iii) the City will be locking up millions of dollars a year in utility tax revenues **for 30 years** to finance the transactions.

2. The pledge **now** of these critical revenue streams, when viewed in conjunction with revenues potentially being pledged by the City in its recently filed Postpetition Financing Motion [Docket No. 1520], could better be utilized to help revitalize the City and at the same time provide for a more meaningful recovery to all creditors, including the City's active and retired employees. At minimum, in a case such as this, the City has not explained or demonstrated why significant pledges of the City's limited revenue streams should be pursued at this juncture as opposed to at a later date at which time all interested parties may be in the process of negotiating and formulating a comprehensive plan of adjustment.

WHEREFORE, for the reasons set forth in the Limited Objection, AFSCME respectfully requests that the Court deny the Motion and grant such other and further relief as the Court may deem just and proper.

Dated: November 8, 2013

LOWENSTEIN SANDLER LLP

By: /s/ Sharon L. Levine

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CERTIFICATE OF SERVICE

The undersigned certifies that on October 11, 2013, *Joinder of the Michigan Council 25 of the American Federation of State, County & Municipal Employees, AFL-CIO and Sub-Chapter 98, City of Detroit Retirees to the Limited Objection of Syncora Guarantee Inc. and Syncora Capital Assurance Inc. to the Debtor's Motion for Entry of an Order Authorizing the Public Lighting Authority Transaction* was filed with the Clerk of the Court using the CM/ECF system, which provides electronic notification of such filing to all counsel of record.

Dated: November 8, 2013

/s/ Lisa M. Bonito
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