

MICHIGAN STATE UNIVERSITY

September 12, 2017

Mayor Mark Meadows
East Lansing City Hall
410 Abbot Road
East Lansing, MI 48823

Dear Mark,

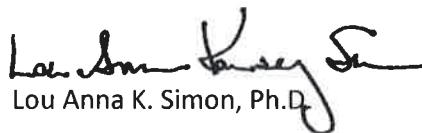
I understand that the city is under financial stress as are many local units of government because of a combination of factors such as reductions in state revenue sharing, a sluggish economy, and, of course, the cumulative effect of a series of past political decisions at the local level. We too are affected by these factors. In reviewing the report of your Financial Health Team, we agreed that the State has not kept its commitment to public safety from the Fire Safety Fund that is to reimburse cities like East Lansing for fire safety for university campuses. We understand that the amount from this fund has varied but we believe that an estimate of a \$1.55M annual shortfall was fair.

The safety of our campus, its people that are priceless and our physical assets valued at about \$7 billion, has to be of utmost concern for us. Thus, while a State responsibility, we understand that we are both at risk if this funding gap is not filled. Advocacy efforts, to date, have been unsuccessful. It is within this context that we proposed \$2M (\$1.55M plus approximately 30% for OPEB related costs). We could not support double dipping from either increased support from the State or taxes on University community members who are not residents of East Lansing nor could we support proposals that did not transparently connect our payment to public safety. I understand and respect that the City had other factors that undergirded its proposals.

I know that you worked hard over the last few weeks polling individuals on your Council as we have with our Board to see if we could find enough philosophical agreement and common ground on financial and contractual provisions that have sufficient support from each of our governing groups.

I appreciate the work you have done and we will continue to talk about mutual interests.

Sincerely,



Lou Anna K. Simon, Ph.D.

CC: MSU Board of Trustees
East Lansing City Council



Office of the President

Hannah Administration Building
426 Auditorium Road Room 450
East Lansing, MI 48824

517-355-6560
Fax: 517-355-4670
president.msu.edu