Bridging The Gap: Receivership And The Absence Of Discipline In Chapter 9

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I. Introduction

Municipal bankruptcy is a remedy premised on the theory that excessive debt can thrust a city into a fiscal maelstrom. Applying an unsustainable percentage of municipal revenues toward debt and obligations often leads cities to the tipping point: the city cannot raise taxes without causing citizens to leave for greener pastures, yet the local fisc has insufficient capital to pay for essential public services necessary to retain taxpayers.[1] Chapter 9 was promulgated to provide cities and political subdivisions with the bankruptcy mechanisms available to private entities, yet its power is often diminished by the retention of pre-bankruptcy governance. Appointment of a receiver during fiscal distress can provide municipalities with a solution by allowing a politically disinterested outsider to make unpleasant decisions and, if necessary, lead the city into bankruptcy.[2] The ability of an appointed receiver to bridge the gap of power between pre-bankruptcy governance and Chapter 9 is presently underutilized and can provide municipalities with a streamlined, comprehensive path to fiscal solvency not often found in municipal bankruptcies.

Part II broadly describes the Chapter 9 process and highlights the influence of constitutional tension in developing present-day municipal bankruptcy statutes. Part III identifies

[1] Michelle Wilde Anderson, *Dissolving Cities*, 121 YALE L.J. 1364, 1384 (2012); Ianthe Jeanne Dugan & Kris Maher, *Muni Threat: Cities Weigh Chapter 9*, WALL ST. J. (Feb. 18, 2010) (Harrisburg, Pennsylvania City Controller describing a dilemma wherein tax increases would spur citizen flight, additional debt is unattainable, and selling city property would deplete future revenue).
[2] *See infra* Part IV for discussion of the benefit of a nonpartisan receiver in making politically unpopular decisions.

the mechanisms of Chapter 9 not found in other chapters of the Bankruptcy Code and explains how these disparities create problems in applying Chapter 9. Part IV explores principles of state-imposed receivership and considers why a combination of receivership and Chapter 9 may be capable of resolving many of the issues encountered in municipal bankruptcy.

II. Chapter 9 Bankruptcy Fundamentals

The history of Chapter 9 is one of constitutional tensions at both state and federal levels and uncertainty as to the appropriate roles state and federal governments should play in municipal debt restructuring.[3] Federal legislation permitting debt relief for municipalities would appear to encroach upon state autonomy[4], while any state legislation resembling bankruptcy laws would impinge the obligation of contracts.[5] The pressure to provide municipal debt relief during the Great Depression eventually compelled Congressional action, and the first municipal bankruptcy laws were enacted in the mid-1930s.[6] Municipal bankruptcy law provided a welcome reprieve to distressed municipalities struggling with collective action and creditor holdout problems and facing waves of lawsuits against city officials at the time.[7]

The influence of these constitutional concerns help explain the development of municipal bankruptcy after 1938: the narrow scope and limited court authority of municipal bankruptcy is intended to respect state sovereignty while the prohibitions of the Contracts Clause are avoided

[3] *See generally* Michael W. McConnell & Randal C. Picker, *When Cities Go Broke: A Conceptual Introduction to Municipal Bankruptcy*, 60 U. CHI. L. REV. 425 (1993).
[4] *Ashton v. Cameron County District*, 298 U.S. 513, 531 (1936) (holding that extending bankruptcy benefits to political subdivisions of a state would be an unconstitutional encroachment into state powers).
[5] Michael W. McConnell, *Contract Rights and Property Rights: A Case Study in the Relationship Between Individual Liberties and Constitutional Structure*, 76 CAL. L. REV. 267, 268 (1988) ("[T]he contracts clause of Article I, Section 10, prohibits laws 'impairing the Obligation of Contracts.' This provision applies only to the states. The federal government may impair the obligation of contracts without constitutional restraint…").
[6] McConnell & Picker, *supra* note 3, at 428.
[7] Anna Gelpern, *Bankruptcy, Backwards: The Problem of Quasi-Sovereign Debt*, 121 YALE L.J. 888, 923 (2012); McConnell & Picker, *supra* note 3, at 430-32.

by the federal nature of bankruptcy legislation.[8] Unfortunately, the deference required in treading between state and federal dominions produced a labyrinthine set of statutes underutilized because of their simultaneous brawn and incapacity.[9]

The scarcity of municipal bankruptcies during the last century may be largely attributable to the obstacles of filing in Chapter 9, particularly the prerequisite of state authorization.[10] Section 109(c)(2) provides that a municipality must be specifically authorized to file either by state law or by a governmental officer or organization empowered by state law to authorize such a filing.[11] Requiring a municipality to seek the approval of its state prior to filing is a product of the constitutional concerns discussed above and ensures that Chapter 9 does not violate the Tenth Amendment.[12] Twenty-six states presently have statutes specifically authorizing Chapter 9 filings.[13]

III. A Unique Approach: Chapter 9 v. Chapter 11

Although similarities abound between the Chapter 11 and Chapter 9 processes, municipalities differ from private debtors in several material ways.[14] With rare exception, creditors cannot seize the property of municipalities in satisfaction of a debt, nor can bankruptcy courts or creditors challenge a municipal government's management of the estate. Finally,

[8] McConnell & Picker, *supra* note 3, at 428.
[9] Mike Maciag, *How Rare Are Municipal Bankruptcies?*, GOVERNING THE STATES AND LOCALITIES (Jan. 24, 2013) (Only 13 localities sought bankruptcy protection over the past five years); AMERICAN BANKRUPTCY INSTITUTE, *Chapter 9 Quarterly Filings*, http://www.abiworld.org/statcharts/Ch9filings.pdf (there were 65 Chapter 9 filings from 2000-2008).
[10] *Also see infra* Part IV, discussing contagion.
[11] 11 U.S.C. § 109(c)(2); *also see In re City of Harrisburg*, 465 B.R. 744 (Bankr. M.D. Pa. 2011) (affirming the constitutionality of a state statute restricting the ability of municipalities to file for Chapter 9 protection.).
[12] U.S. Const. Amend. X; Juliet M. Moringiello, *Specific Authorization to File Under Chapter 9: Lessons from Harrisburg*, 32 CAL. BANKR. J. 237, 244-45 (2012). Because the very existence of a municipality requires state endorsement, allowing a municipality to seek protection in a federal court without state approval would contravene the Tenth Amendment, reserving all powers to the states that are not specifically granted to the federal government.
[13] H. Slayton Dabney, Jr., et al., *Municipalities in Peril: The ABI Guide to Chapter 9*, AMERICAN BANKRUPTCY INSTITUTE, 95-111 (2010); Moringiello, *supra* note 25, at 247.
[14] *See* 11 U.S.C. § 901 (incorporating 16 provisions found in Chapter 11).

garnishment of future income streams is unavailable in municipal bankruptcy, making debt readjustment negotiations even more uncertain.[15]

Three rationales have traditionally been cited in justifying bankruptcy permissions for private entities, not all of which are applicable to municipalities.[16] First, bankruptcy allows debtors to overcome the collective action problem presented by multiple self-interested creditors.[17] Second, allowing an entity to restructure can preserve going-concern value and prevent short-term illiquidity problems from maturing into full-bore insolvency.[18] Finally, bankruptcy offers a fresh start, allowing debtors to proceed without the economic drain caused by untenable debt service.[19]

Not all of these rationales adequately vindicate the use of Chapter 9 for municipalities in distress, however. Collective action problems present in non-municipal bankruptcies arise because the debtor has a limited common pool of assets and an anticipated inability to generate revenue.[20] The power to tax and therefore generate revenue independent of marketplace conditions means that municipal debtors are not subject to the constraints of a finite pool of assets.[21] Additionally, the bulk of municipal property is acquired for public use and cannot be seized by creditors, precluding the race-to-the-courthouse phenomenon observed in private

[15] *But see* R.I. Gen. Laws § 45-12-1 (statute granting bondholders statutory liens on tax receipts).
[16] *See generally* Adam J. Levitin, *Bankrupt Politics and the Politics of Bankruptcy*, 97 CORNELL L. REV. 1399, 1433 (2012).
[17] Thomas H. Jackson, THE LOGIC AND LIMITS OF BANKRUPTCY LAW 10-19 (1986). Bankruptcy precludes two problematic non-bankruptcy creditor responses to debtor distress: the race-to-the-courthouse event and the free-riding phenomenon whereby a creditor attempts to "outlast" other creditors in hopes of a greater payoff.
[18] Levitin, *supra* note 16, at 1433.
[19] *Id*.
[20] Jackson, *supra* note 17.
[21] Kevin A. Kordana, *Tax Increases in Municipal Bankruptcies*, 83 VA. L. REV. 1035, 1106-07 (1997) (a municipal debtor must make a decision "between paying the price for defaulting (which may be minimal, due to risk-shifting) and making itself a less desirable place in which to live, work, invest, and do business by raising taxes to pay its bondholders off in full.").

bankruptcies. Finally, municipalities cannot be liquidated and therefore have no going concern value.

A fundamental remedy for Chapter 11 creditors is the retention of security on collateral and preservation of a secured claim if the debtor eventually liquidates. Chapter 9, however, cannot offer creditors the ability to realize the proceeds from the sale of secured collateral. Notwithstanding several anomalous early nineteenth century cases characterizing municipalities as quasi-private organizations, [22] most property held by political subdivisions is characterized as public property, held in trust for the public and exempt from appropriation.[23] Consequently, a creditor's principle remedy in the event of default – the right to seize assets to satisfy debts – is lost when dealing with municipalities.

Chapter 9 permits debtors to retain substantially greater control than does Chapter 11, impairing creditors' ability to impose spending constraints.[24] The substantial loss of control experienced by Chapter 11 debtors shifts a portion of management authority to creditors and the judiciary, a divestiture of power intended to ensure that bankrupt entities manage the estate prudently and cease actions which may further debilitate the assets of the estate.[25] Municipal officials may not have their authority modified or diminished by courts in Chapter 9 bankruptcy.[26] The power of a municipal debtor's governing body to make decisions about how

[22] *City of Trenton v. New Jersey*, 262 U.S. 182, 191-92 (1923); *Kaufman v. City of Tallahassee*, 94 So. 697 (1922).
[23] *Meriwether v. Garrett*, 102 U.S. 472, 513 (1880).
[24] Christine A. Klein, *Water Bankruptcy*, 97 MINN. L. REV. 560, 600 (2012); *Bankruptcy Basics*, ADMIN. OFFICE OF THE U. S. COURTS, BANKR. JUDGES DIV. (2012) (“The role of creditors is more limited in Chapter 9 than in other cases. There is no first meeting of creditors, and creditors may not propose competing plans. If certain requirements are met, the debtor's plan is binding on dissenting creditors. The Chapter 9 debtor has more freedom to operate without court-imposed restrictions.”).
[25] *See* 11 U.S.C. § 363(b) (requiring a hearing and judicial permission for decisions out of the ordinary course of business).
[26] 11 U.S.C. § 903 (“This chapter does not limit or impair the power of a State to control, by legislation or otherwise, a municipality of or in such State in the exercise of the political or governmental powers of such municipality, including expenditures for such exercise…”); 11 U.S.C. § 904 (“… the court may not, by any stay, order, or decree,

and where to spend funds, including allocations inconsistent with the priority rules existing for Chapter 11 debtors, is one of the greatest disparities between private and municipal bankruptcies.[27]

Principles of federalism and the separation of powers prevent bankruptcy courts from restricting a municipality's discretion to allocate capital.[28] Unfortunately, retention of power by the pre-bankruptcy administration can prevent the municipality from fully availing itself of the Chapter 9 adjustment mechanisms.[29] Pre-bankruptcy management may lack the political will to take steps necessary for a successful reorganization, increasing the likelihood that a locality will suffer from debt and contract overhang after emerging from Chapter 9.[30]

IV. Receivership Plus Chapter 9

Financial distress in a municipality is often the result of mismanagement of city resources by elected officials, and maintaining the political status quo usually precludes a distressed municipality from realizing the full benefit of the fresh start that Chapter 9 offers. Receivership statutes have traditionally been implemented by states to reform balance sheets and renegotiate contracts without having to resort to Chapter 9. Consequently, many receivership statutes do not directly authorize a receiver to lead a municipality into bankruptcy.[31] Because municipalities require state permission to file Chapter 9, states can easily create a framework for receivership by conditioning the ability of a municipality to seek bankruptcy protection upon a receiver's

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in the case or otherwise, interfere with: (1) any of the political or governmental powers of the debtor; (2) any of the property or revenues of the debtor; or (3) the debtor's use or enjoyment of any income-producing property.").

[27] McConnell & Picker, *supra* note 3, at 462 (a bankruptcy court "may not order reductions in expenditure, sale of property, renegotiation of contracts, or increase in taxes.").

[28] McConnell & Picker, *supra* note 3, at 435.

[29] *See generally* Levitin, *supra* note 16, at 1417.

[30] *Id.*

[31] *See, e.g.*, La. R.S. 39:1351 *et seq.* (Louisiana fiscal administrator statutes conditioning the authority of a fiscal administrator to file Chapter 9 upon the approval of the legislative auditor, attorney general, and state treasurer).

approval.[32] The receiver's power to file for bankruptcy can be subject to the approval of certain state entities, or require that certain indicators of dire insolvency be met prior to filing.[33] Once a receiver is appointed, however, the former administration of the distressed municipality should not have the ability to interfere with decisions as to whether a Chapter 9 petition is filed.

Unfortunately, the bankruptcy regime inevitably worsens moral hazard issues by giving a municipal government a mechanism through which obligations can be avoided.[34] The moral hazard of debtor self-interest often arises when public officials are allowed to file Chapter 9 on behalf of their municipalities, as municipal officials may prefer to direct resources to their own interests instead of balancing a municipal's finances if they expect that a bankruptcy or state rescue is inevitable.[35] If a municipal government knows that the city can be taken into Chapter 9 the polity may lack incentive to remedy fiscal irresponsibility, instead believing that any addition to the debt predicament will be resolved in bankruptcy anyway.[36]

Receivers can be vested with the authority to increase local taxes, privatize services, renegotiate collective bargaining agreements, and trim myriad unnecessary municipal services, undertakings unavailable to bankruptcy courts and often unattractive to pre-bankruptcy governance. Receivers are limited, however, in their ability to renegotiate unmanageable debt burdens. One significant benefit of bankruptcy unavailable in receivership is the automatic stay, which operates to halt substantially all efforts to collect debt from the municipality immediately upon filing the Chapter 9 petition.[37] Outside of bankruptcy, creditors may be unwilling to commit to a debtor's reorganization in the hope that strategically holding out will yield a greater

[32] Kordana, *supra* note 21, at 1045.
[33] *See, e.g.*, La. R.S. 39:1351(A)(2)(a).
[34] McConnell & Picker, *supra* note 3, at 426.
[35] *Id*.
[36] Steven L. Schwarcz, *A Minimalist Approach to State "Bankruptcy"*, 59 UCLA L. REV. 322, 325 (2011).
[37] 11 U.S.C. § 362(a) (incorporated in Chapter 9 by 11 U.S.C. § 901(a)); *see also* 11 U.S.C. § 922.

payment on claims.[38] These collective action problems require that a municipal receiver have the authority to employ Chapter 9 to coerce creditors into supporting a reasonable restructuring plan.

Resource adjustments can facilitate a municipality's adaptation to a new economic climate reflecting fewer sources of revenue or increased liabilities. Municipalities, however, may prefer to use bankruptcy to allocate the costs of an improvident investment to creditors rather than suffer the discomfort of resource adjustments.[39] These debt-avoidance tendencies are short-sighted, and can potentially cost a municipality access to capital markets further down the road. Receivers are specifically tasked with untangling the municipality's predicament and making choices that will set a municipality on a fiscally prudent course, even if it requires paying for regrettable investments.

Due to Tenth Amendment limitations, bankruptcy courts have insufficient authority to guide the outcome of a Chapter 9 bankruptcy.[40] Courts can reject or confirm a municipality's debt readjustment plan, but have no power to force a revised plan upon a municipality.[41] The incapacity of a bankruptcy court to compel a municipality to hike taxes in order to have a reorganization plan approved creates a significant statutory gap, leaving the court powerless to employ one of a municipality's distinctive features: the ability to increase taxes and generate additional revenue to service debt.[42] The prohibition of bankruptcy courts' interference in governmental affairs of a municipality prevents courts from instructing municipal governments

[38] Steven L. Schwarcz, *Global Decentralization and the Subnational Debt Problem*, 51 DUKE L.J. 1179, 1219-20 (2002).
[39] Clayton P. Gillette, *Fiscal Federalism, Political Will, and Strategic Use of Municipal Bankruptcy*, 79 U. Chi. L. Rev. 281, 283 (2012); Eric H. Monkkonen, THE LOCAL STATE: PUBLIC MONEY AND AMERICAN CITIES 69-77 (1995) (observing that late nineteenth-century municipalities which had overinvested in railroad aid could often afford to avoid default but chose instead to impose the cost of unwise investments on creditors).
[40] *See supra* Part II for discussion of how the Tenth Amendment influenced the development of Chapter 9.
[41] COLLIER ON BANKRUPTCY § 900.01(1) (Alan N. Resnick & Henry J. Sommer eds., 16th ed. 2011); Lauren M. Wolfe, *The Next Financial Hurricane? Rethinking Municipal Bankruptcy in Louisiana*, 72 LA. L. REV. 555, 567 (2012) ("The presiding judge's duties consist of approving the initial petition, confirming the proposed debt readjustment plan, and overseeing the implementation of the approved plan.").
[42] Kordana, *supra* note 21, at 1038.

to reduce present expenditures as well, effectively establishing priority of current spending over past debts. Receivers armed with the capacity to bring a municipality into Chapter 9 can accomplish what courts cannot; robust receivership statutes will afford a receiver sufficient authority to effectively reform municipal policy and renegotiate debt through a Chapter 9 proceeding.

Chapter 9 provides a powerful debt relief mechanism for distressed municipalities but should only be considered for seriously distressed cities, as the long-term effects of municipal bankruptcy can be severe and unforgiving.[43] The threat of creating adverse municipal credit markets further contributes to the paucity of municipal bankruptcies, as states fearful of increasing the cost of capital for other municipalities often refuse to permit Chapter 9 bankruptcies.[44] If states were to permit unregulated bankruptcy municipalities might opportunistically seek Chapter 9 protection too frequently, leading creditors to demand higher interest rates.[45] This scenario, however unlikely, can partially explain the reluctance of states to allow Chapter 9 filings. More likely, however, is that states understand that the cost of capital for all municipalities in a state will increase if creditors believe that the state will sanction municipal bankruptcies. To alleviate creditor apprehensions, state receivership legislation is often enacted to assuage creditor fears that municipal bankruptcies will be endorsed by the state. A state willing to use receivership statutes operates as a quasi-guarantor, signaling to creditors that certain mechanisms are in place to avoid Chapter 9 bankruptcies.

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[43] Wolfe, *supra* note 41, at 556 (explaining municipal bankruptcy's threat of lasting economic damage and adverse effects on neighboring cities).

[44] Carolyn Jones, *Vallejo's bankruptcy ends after 3 tough years*, SAN FRANCISCO CHRONICLE (Nov. 1, 2011) ("Real estate agents were required to disclose the city's status to buyers, and national media pointed to Vallejo as a nightmare scenario for cash-strapped cities everywhere.").

[45] Kordana, *supra* note 21, at 1067; George G. Triantis, *Secured Debt Under Conditions of Imperfect Information*, 21 J. LEGAL STUD. 225, 237 (1992) (suggesting that exploitative Chapter 9 tendencies by some municipalities could become a self-fulfilling prophecy, with all municipalities engaging in "the expected riskier investment strategy in order to recapture the value lost through the devaluation of the firm's debt.").

Beyond receivership and bankruptcy, distressed municipalities may occasionally be pushed into a third direction grimmer than any of the previously discussed approaches to fiscal difficulty: disincorporation or dissolution. Municipal bankruptcy commentary typically focuses on the options available to the city, disregarding that municipalities rise and fall in the shadow of the state in which they incorporated. States enjoy plenary power over municipalities, and a reallocation of municipal power is contained within the ambit of options available to states in dealing with insolvent municipalities.[46] A state can commandeer an insolvent municipality outside of bankruptcy, and the filing of a Chapter 9 petition does not alter the nonbankruptcy rights of the state.[47] Objections to receivership often portray the state's temporary removal of municipal officials as a forbidden intrusion into the democratic processes of the municipality.[48] Appointment of a receiver, however, would be more appropriately understood as an option exercised by the state in lieu of liquidation.

Precise drafting of receivership legislation is crucial to fending off challenges by municipal officials and ensuring effective implementation of a receivership process. Ideally, a receiver should not be an elected official, should be an expert in public finance, and should assume the authority of the municipal governance upon appointment.[49] Further, states should have narrow, specific triggering conditions that bind the state to implement receiverships based on non-discretionary determinations, so as to preclude accusations of bias or selective application of the receivership statutes.

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[46] Richard M. Hynes, *State Default and Synthetic Bankruptcy*, 87 Wash. L. Rev. 657, 701-702 (2012) (suggesting that a state's explicit Chapter 9 authorization is an exercise of the state's right to change the political dynamic within a municipality).
[47] *Id.*
[48] *See generally* Lyle Kossis, *Examining the Conflict Between Municipal Receivership and Local Autonomy*, 98 VA. L. REV. 1109, 1119 (2012).
[49] M.C.L.A. § 141.1218 ("The emergency financial manager shall be chosen solely on the basis of his or her competence…").

The implementation of strict, objective, and uniformly applicable criteria prior to the appointment of a receiver is essential, as it allows the state to take control of a distressed municipality at a predetermined time without allegations of political bias or ulterior motives.[50] Some states rely on a battery of specific financial indicators, the presence of which signals the occurrence of an incipient financial crisis.[51] Other states, such as Louisiana, require state action upon the concurrence of several executive offices that a municipality is in fiscal distress.[52] Unambiguous or discretionary indicators are problematic as they fail to give a municipality's government sufficient notice of an impending takeover.

Receiver authority should be broad and must effectively usurp from the local government the power to raise taxes, reduce expenditures, abolish services and departments, make new service contracts, and liquidate municipal assets.[53] An effective receivership statute will include a formal suspension of the legal authority of elected officials, preventing them from interfering in the receiver's activities.[54] Ideally, receivership statutes will permit the assumption of all responsibilities of the previous municipal administration for the duration of the receivership, revoking any substantive authority of elected officials.[55] Finally, to avoid the difficulties created by genuine power sharing between a receiver and local government, the fiscal administrator's authority needs to be clearly delineated, separate from, and superior to the authority of local

[50] Michelle Wilde Anderson, *Democratic Dissolution: Radical Experimentation in State Takeovers of Local Governments*, 39 Fordham Urb. L.J. 577, 616 (2012) ("broad statutory language, let alone open discretion, is an invitation for real and perceived unfairness in the state's selection of struggling municipalities needing intervention").

[51] A threshold amount of aggregate local deficit, for example, could subject a municipality to state supervision and possibly the appointment of a receiver.

[52] La. R.S. 39:1351(A)(2)(a) ("state action is triggered when it is determined by the unanimous decision of the legislative auditor, the attorney general, and the state treasurer…that a political subdivision is reasonably certain to not have sufficient revenue to pay current expenditures…or to fail to make a debt service payment").

[53] Anderson, *supra* note 50, at 584.

[54] *See, e.g.*, R.I. Gen. Laws Ann. § 45-9-20.

[55] Anderson, *supra* note 50, at 600 (recommending the suspension of charter provisions relating to matters such as elections, public meetings, form of government, and staffing requirements).

officials.[56] Insufficient grants of authority lead locally elected leaders to believe that they should, by mandate of election by their constituency, continue to exert traditional authority. This type of power dispute undermines the functionality and purpose of receivership statutes at a time when clear lines of authority are necessary.

V. Conclusion

Cities can become trapped when the cost of debt service begins to outstrip the rates at which a municipality is able to generate revenue through taxes and free up capital with reasonable budget reductions, forcing them to allocate ever-increasing proportions of annual budgets toward debt service. This downward spiral is precisely the situation Chapter 9 is meant to address, allowing municipal debtors some period of breathing room and a fresh start. Unfortunately, the retention of pre-bankruptcy governance through bankruptcy, the inability of the bankruptcy court to interfere with the government processes of the municipality, and the unwillingness of municipal officials to make politically unpopular choices combine to preclude municipalities from realizing the full reformative potential of Chapter 9.

Appointing a receiver to a municipality in financial distress avoids the traditional failures of Chapter 9 and places a disinterested individual in charge of making municipal decisions regarding taxes, elimination of employees and services, and future spending policies. Vesting the receiver with Chapter 9 authority provides significant leverage in renegotiating obligations, and provides the receiver with valuable automatic stay and cramdown mechanisms if suitable results cannot be obtained outside of bankruptcy. Receivership legislation does not ensure that resort to Chapter 9 won't eventually be necessary; instead it provides a municipality with a temporary specialist tasked with guiding the city towards solvency and long-term sustainability.

[56] *Id*. at 618.