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UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA
SACRAMENTO DIVISION

21 In re:
22 CITY OF STOCKTON, CALIFORNIA,
23 Debtor.

CASE NO.: 12-32118-C-9
DCN: JD-1

**DECLARATION OF DWANE MILNES
IN SUPPORT OF RETIREE
COMMITTEE'S OPPOSITION TO
FRANKLIN'S MOTION FOR STAY
PENDING APPEAL OF
CONFIRMATION ORDER**

Date: December 10, 2014
Time: 11:00 a.m.
Judge: Hon. Christopher M. Klein
Courtroom: 35, Department C

24 I, Dwane Milnes, declare:

25 1. I have personal knowledge of the facts set forth in this declaration and, if called as
26 a witness, I could and would testify competently to these facts under oath.

27 2. I was City Manager of the City of Stockton (the "City") from October 8, 1991 to
28 April 30, 2001. I retired from employment by the City on May 1, 2001.

I was a founding member of the Association of Retired Employees of the City of
Stockton ("ARECOS"), which is, as its name indicates, an association of retired employees from
the City of Stockton. On behalf of ARECOS, I actively participated in the AB 506 mediation

1 process with Judge Mabey. After the Petition Date, the United States Trustee determined that a
2 committee of retirees would not be appointed unless and until the Court determined that the City
3 was eligible for relief under Chapter 9 and entered an order for relief. Therefore, pending the
4 Court's determination of the City's eligibility for relief under Chapter 9, ARECOS also actively
5 participated in the mediation before Judge Perris.

6 4. In February, 2013, an Ad Hoc Committee of Retirees (the "Ad Hoc Committee")
7 was formed and I actively participated as a member of the Ad Hoc Committee in the mediation
8 before Judge Perris with respect to retiree issues prior to the Court's determination of the City's
9 eligibility for relief under Chapter 9.

10 5. On April 1, 2013, the Office of the United States Trustee appointed the Official
11 Committee of Retirees (the "Committee") in the City's chapter 9 bankruptcy case. I was
12 appointed to the Committee and have served as the Chairperson of the Committee since the
13 Committee's first meeting.

14 6. As the Chairperson of the Committee, a founding member of ARECOS, and an
15 active member of the Ad Hoc Committee, I have personally spoken with hundreds of the
16 approximately 1,100 retirees that were covered by the City's health insurance. Those retirees
17 have told me about the significant economic and personal hardships that they have suffered as a
18 result of the City's termination of their health benefits, including their limited income, the high
19 costs of replacement health insurance, their difficulties in obtaining replacement insurance, and
20 their need for ongoing medical care and their concerns about how they will be able to afford to
21 pay their medical expenses.

22 7. I have reviewed the declarations of Jeanette Schenck, Wayne Klemin, and Brenda
23 Tubbs. I consider the circumstances detailed in those declarations to be representative of the
24 circumstances of hundreds of retirees that have been communicated to me by the City's retirees
25 and the retirees' need for prompt payment to Retiree Health Benefit Claimants as provided in the
26 City's Plan. I am confident that many more declarations from individual retirees could be

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1 submitted to the Court detailing similar circumstances, if the Court would like additional
2 evidence of these hardships and their need for prompt payment.

3 I declare under penalty of perjury under the law of the United States of America that the
4 foregoing is true and correct and that this declaration was executed in Stockton, California on
5 November 24, 2014.

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8 DWANE MILNES
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