

Proposed Fiscal Year 2024-2027

FOUR-YEAR FINANCIAL PLAN

Michael E. Duggan, Mayor





MAYOR'S OFFICE

Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 1126
Detroit, Michigan 48226

Phone 313•224•3400
Fax 313•224•4128
www.detroitmi.gov

March 3, 2023

Detroit City Council
2 Woodward Avenue
Detroit, Michigan 48226

Honorable Detroit City Council:

I am pleased to transmit my Proposed Fiscal Year 2023-2024 Budget and Four-Year Financial Plan for your review and approval. Prepared in accordance with the Home Rule City Act (Public Act 279 of 1909, as amended), the Uniform Budgeting and Accounting Act (Public Act 2 of 1968, as amended), and the City Charter, the Fiscal Year 2023-2024 Budget totals \$1.3 billion for General Fund operations and \$2.6 billion across all City funds.

This balanced budget keeps our promises to our retirees and builds on our work together delivering Opportunity, Safety, and Beauty for Detroiters.

Sincerely,

Michael E. Duggan
Mayor



**OFFICE OF THE
CHIEF FINANCIAL OFFICER
OFFICE OF BUDGET**

Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 1106
Detroit, Michigan 48226

Phone 313•224•6260
www.detroitmi.gov

March 3, 2023

Detroit City Council
2 Woodward Avenue
Detroit, Michigan 48226

Honorable Detroit City Council:

The Proposed Fiscal Year 2023-2024 Budget and Fiscal Years 2024-2027 Four-Year Financial Plan builds on the Mayor and the City Council's collaboration to set a fiscally sustainable course for Detroit. For ten years, the Plan of Adjustment (POA) let us pause pension payments to improve City services, invest in our community, and improve the quality of life for Detroiters. Many thought we could not accomplish these goals, and the 2024 "pension cliff" would be insurmountable.

Together, we have grown our economy, our revenues, and our reserves to help us meet this moment. Ten years ago, income tax revenues were \$254 million, and the POA projected \$313 million by FY24. Now, we are projecting \$393 million in FY24 (more than double the POA projected growth). We have amassed \$473 million in the Retiree Protection Fund to pay our pensions and protect our budget.

With economic risks ahead, we must continue our commitment to long-term fiscal stability and growth. This \$2.6 billion budget is balanced, despite pressure to keep up with current services and competitive wages. This budget increases our Rainy Day Fund to \$150 million, to ensure we can withstand a downturn. This budget provides taxpayer relief, by reducing our debt millage by two mills over two years. Through this budget, we keep our promise to our retirees and sustain services for Detroiters.

Mayor Duggan has worked hand in hand with the City Council over the last nine years to get the City where we are today. With our shared commitment to Detroit and its long-term fiscal stability, we look forward to reviewing the Mayor's Proposed Budget and Four-Year Financial Plan with the City Council.

Sincerely,

Jay B. Rising
Chief Financial Officer

Tanya Stoudemire
Chief Deputy CFO/
Policy & Administration Director

Steven Watson
Deputy CFO/Budget Director

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DEPARTMENTAL BUDGET INFORMATION

Dept. No.	Department Name	
(10)	Airport.....	B10-1
(13)	Buildings, Safety Engineering and Environmental Department	B13-1
(16)	Construction and Demolition Department.....	B16-1
(18)	Debt Service and Legacy Pension	B18-1
(19)	Department of Public Works.....	B19-1
(20)	Department of Transportation.....	B20-1
(23)	Office of the Chief Financial Officer	B23-1
(24)	Fire Department	B24-1
(25)	Health Department.....	B25-1
(28)	Human Resources Department	B28-1
(29)	Civil Rights, Inclusion and Opportunity Department	B29-1
(31)	Department of Innovation and Technology	B31-1
(32)	Law Department.....	B32-1
(33)	Mayor’s Office	B33-1
(34)	Municipal Parking Department	B34-1
(35)	Non-Departmental (<i>Board of Ethics, Board of Police Commissioners, Detroit Building Authority, Detroit Land Bank Authority Media Services and Communications, and various other External Agencies</i>)	B35-1
(36)	Housing and Revitalization Department.....	B36-1
(37)	Police Department.....	B37-1
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(43)	Planning Department.....	B43-1
(45)	Department of Appeals and Hearings.....	B45-1
(47)	General Services Department	B47-1
(48)	Water Retail	B48-1
(49)	Sewerage Retail.....	B49-1
(50)	Auditor General	B50-1
(51)	Zoning Appeals Board.....	B51-1
(52)	City Council.....	B52-1
(53)	Ombudsperson	B53-1
(54)	Office of Inspector General	B54-1
(60)	36 th District Court	B60-1
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OVERVIEW

Geography & Economic Drivers

The City of Detroit is located in southeastern Michigan, in Wayne County, with a land area of approximately 139 square miles. The City is the center of the nation's 14th largest metropolitan statistical area and is the 27th largest city with a reported population of 639,111 as of 2020, according to the U.S. Census Bureau. Detroit is the commercial capital of Michigan and a major economic and industrial center of the nation. Although Detroit is known internationally for automobile manufacturing and trade, the City also has major companies in the financial and technology sectors, educational and health care institutions, and entertainment venues with four major sports teams and three casinos located within the City limits. The southeastern border of the City lies on the Detroit River, an international waterway, which is linked by the St. Lawrence Seaway to seaports around the world. It is the busiest border crossing in North America, carrying a substantial share of international trade between the United States and Canada. There are seven major employment districts, and four Fortune 500 companies have world headquarters within the City.

Governmental Structure

Detroit is a home rule city with significant independent powers, pursuant to the provisions of the Constitution of the State of Michigan (the "State"). In accordance with the City Charter (the "Charter"), the governance of the City is organized in two branches: the Executive Branch, which is headed by the Mayor, and the Legislative Branch, which is composed of the City Council and its agencies. The Mayor and the members of the City Council are elected every four years unless a special election is required, as provided for in the Charter.

The Mayor is the chief executive of the City and has control of and is accountable for the Executive Branch of City government. The Charter grants the Mayor broad managerial powers, including the authority to appoint all department directors and deputy directors. The Charter also delegates the responsibility for the implementation of most programs, services, and activities solely to the Executive Branch. The City Council, composed of seven members elected by district and two members elected at large for four-year terms, is the City's legislative body.

In addition to the Executive and Legislative Branches, the City also includes the 36th District Court, which is responsible for adjudicating certain legal matters that arise within the City,

including state felony arraignments and preliminary examinations, state misdemeanor and City ordinance violations, civil litigation for claims of \$25,000 or less, and landlord/tenant disputes. The City is responsible for all funding of the 36th District Court in excess of fines collected by the Court, except for judicial salaries, which are funded by the State.

Financial Governance

Michigan Public Act 181 of 2014 established the Financial Review Commission (the “FRC”) to monitor the City’s compliance with the Plan of Adjustment, as confirmed by the Bankruptcy Court on November 12, 2014, and to provide State oversight of the City’s financial activities. The FRC’s oversight of the City lasts no less than 13 years. However, once the City meets certain criteria, the nature of the oversight is scaled back. On April 30, 2018, the FRC granted the City its first waiver of active oversight. The FRC continues to monitor the City and reviews the waiver annually and, by July 1 of each year, makes a determination as to whether to renew the waiver for the subsequent year.

In 2014, the Home Rule City Act (Michigan Public Act 219 of 1909) was amended and established the Chief Financial Officer (the “CFO”) position in the City. The CFO is vested with authority over all financial and budget activities of the City. As a result, all finance, budget, procurement, property assessment, and grants management functions were restructured under a new centralized financial management organization called the Office of the Chief Financial Officer (the “OCFO”). All departmental financial functions are under the authority of the OCFO, which increases control over all City financial activities.

Budget Process

The City’s budget process is informed by a comprehensive planning process that includes departmental, procurement, grant, staffing, technology, capital, and long-term financial planning. The City adopts a budget annually for the next fiscal year, in accordance with the Uniform Budgeting and Accounting Act (Michigan Public Act 2 of 1968). Pursuant to Section 4t of the Home Rule City Act, the budget process also includes independent biannual revenue estimating conferences that establish the revenue estimates for the budget and an annually balanced four-year financial plan that includes the City’s adopted budget plus an additional three forecasted years. The total of expenditures cannot exceed the total of estimated revenue, so that the budget as adopted is a balanced budget. Through its four-year financial plan, the City ensures ongoing expenditures are supported by ongoing revenue.

On or before March 7, the Mayor submits to the City Council a proposed budget and four-year financial plan for the fiscal year beginning July 1. After public hearings, the City Council adopts the budget and four-year financial plan, with or without amendment. The mayor can veto amendments made by the City Council, and the City Council can then override the veto with a two-thirds majority vote.

The City's budget and four-year financial plan cannot exceed revenue certified by the independent Revenue Estimating Conference. The CFO must certify the budget is balanced and complies with the Uniform Budgeting and Accounting Act. The City must transmit the adopted budget and four-year financial plan to the FRC. However, it is not subject to FRC approval while the City is under a waiver of active oversight.

The City's budget has been prepared in accordance with U.S. generally accepted accounting principles, except that transfers to/from other funds have been included as revenues and expenditures. Budgetary appropriations are made at the function level, the legal level of budgetary control. Expenditures for a specific function cannot exceed its appropriation.

The mayor may propose budget amendments during the fiscal year, which are subject to the City Council's approval. If the mayor advises the City Council during the fiscal year that there are available appropriations and revenue in excess of those estimated in the budget, the City Council may make supplemental appropriations for the year up to the amount of the excess. In the case of estimated revenue shortfalls, the City must maintain a balanced budget, and the mayor may request that the City Council decrease certain appropriations to do so. In any case, the mayor is under no obligation to spend an entire appropriation. Also, at any time during the fiscal year, the City Council, upon written request by the mayor, may transfer all or part of any unencumbered appropriation balance among programs, services, or activities within an agency or from one agency to another.

Budgetary Trends

In accordance with the requirements of the Home Rule City Act, this Four-Year Financial Plan includes Mayor Duggan's proposed annual budget for the fiscal year beginning July 1, 2023 and ending June 30, 2024 (FY 2024) plus three forecasted years (FY 2025, FY 2026, and FY 2027).

In FY 2024, the City will resume making actuarially determined annual required contributions for its legacy pension obligations ten years after bankruptcy per the Plan of

Adjustment. The proposed FY 2024 General Fund budget includes \$148.9 million for this purpose, with \$57.2 million supported by the Retiree Protection Fund (RPF), a trust fund established and funded by the City to ensure budget stability as annual legacy pension payments resume.

The proposed FY 2024 General Fund Recurring Budget totals \$1.3 billion and includes increasing revenues, driven by growth in income taxes and other major tax revenues, balanced against rising labor and contractual costs across nearly all City departments and functions. Excluding legacy pensions and debt service, recurring General Fund personnel and non-personnel costs rise by 9.1% and 11.3%, respectively, compared to the FY 2023 Adopted Budget. Excluding the use of the RPF, projected recurring revenues and expenditures both rise by \$107.1 million (9.3%).

In addition, the proposed FY 2024 General Fund budget includes \$2.6 million of one-time expenditures, the largest being \$1.8 million for the Affordable Housing Development and Preservation Fund.

Certain General Fund departmental expenses were consolidated or transferred in FY 2024 to provide enhanced program management and control, including:

- Nearly \$27 million of rent and utilities transferred from departments to Non-Departmental Nearly \$22 million in enterprise technology transferred from Non-Departmental to the Department of Innovation and Technology
- Over \$8 million for construction and facilities management transferred from the General Services Department to the renamed Construction and Demolition Department
- Over \$600,000 of employee parking expenses transferred from departments to the Human Resources Department

Across all City funds, the proposed budget totals \$2.6 billion and supports over 10,791 FTE, an increase of 278.5 FTE. Increases for staffing are primarily in Health, General Services (net of FTE transferred to Construction & Demolition), and Water and Sewerage.

City of Detroit
FY 2023-2024 Mayor's Proposed Budget
(\$ in millions)

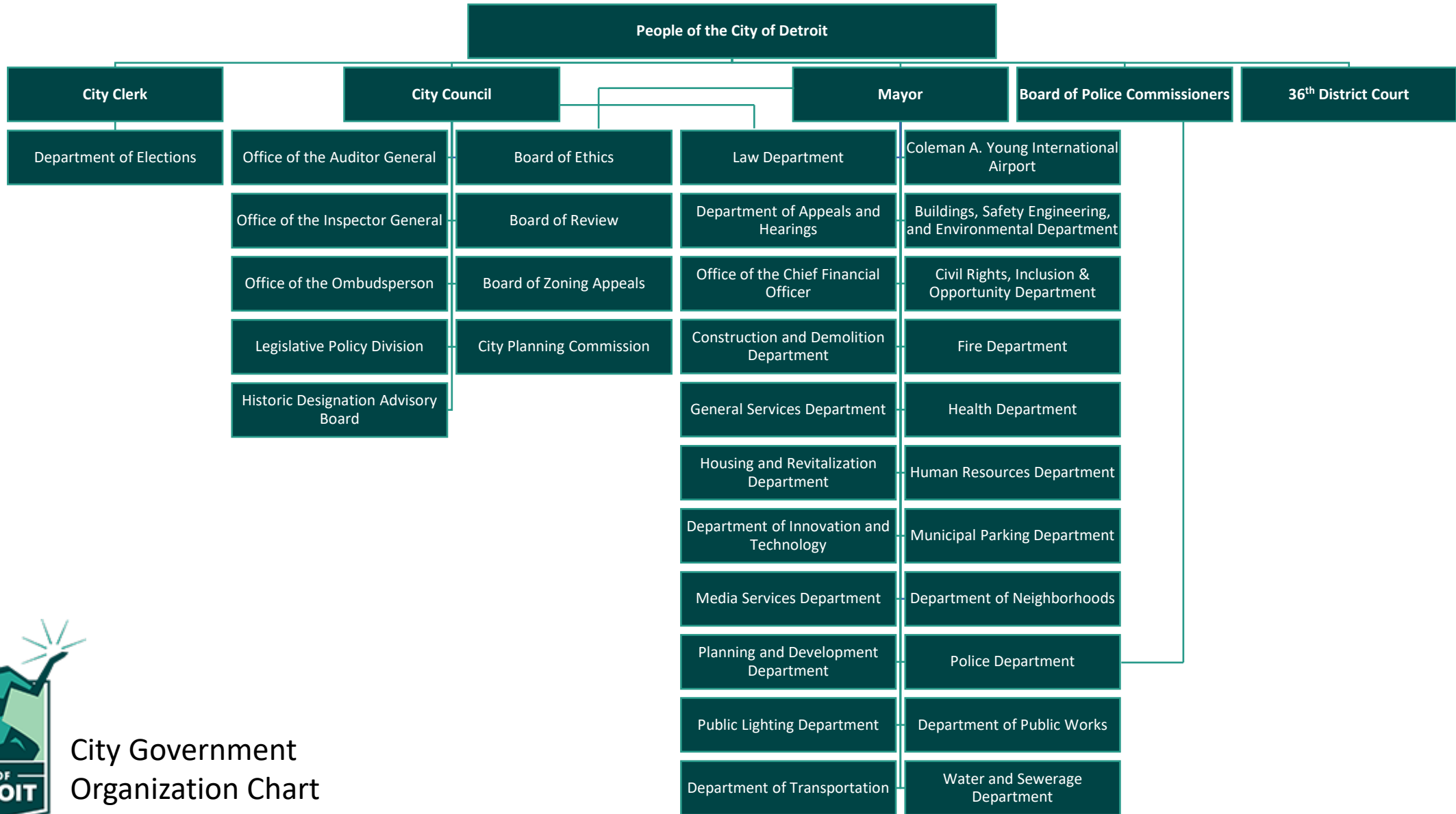
General Fund	FY23 Adopted	FY24 Proposed	Change (\$)	Change (%)
Recurring Revenues				
Income Tax	\$ 316.7	\$ 392.8	\$ 76.1	24.0%
State Revenue Sharing	208.3	224.4	16.1	7.7%
Wagering Tax	265.5	258.1	(7.4)	-2.8%
Property Tax	121.0	137.4	16.4	13.6%
Utility Users Tax	32.3	46.3	14.0	43.3%
Other Revenues	202.7	194.6	(8.1)	-4.0%
Total Recurring Revenues	\$ 1,146.5	\$ 1,253.6	\$ 107.1	9.3%
Retiree Protection Fund (RPF) Use	\$ -	\$ 57.2	\$ 57.2	-
Recurring Expenditures				
Personnel	\$ 666.2	\$ 727.1	\$ 60.9	9.1%
Non-Personnel	315.7	351.5	35.8	11.3%
Retiree Protection Fund	60.0	-	(60.0)	-100.0%
Legacy Pension Contributions	18.7	148.9	130.2	696.3%
Debt Service	85.9	83.3	(2.6)	-3.0%
Total Recurring Expenditures	\$ 1,146.5	\$ 1,310.8	\$ 164.3	14.3%
Revenues/RPF less Expenditures	-	-	-	-
<hr style="border-top: 1px dashed black;"/>				
Retiree Protection Fund	\$ 473.4	\$ 416.2	\$ (57.2)	-12.1%
Rainy Day Fund	\$ 138.0	\$ 150.0	\$ 12.0	8.7%
Total FTE	10,512.85	10,791.35	278.50	2.6%
General Fund	7,106.35	7,226.85	120.50	1.7%
Other Funds	3,406.50	3,564.50	158.00	4.6%
All Funds Total Budget	\$ 2,453.3	\$ 2,613.8	\$ 160.5	6.5%

The Budget Book and other budget publications and information are available online at: detroitmi.gov/budget



FY 2024-2027 FOUR-YEAR FINANCIAL PLAN BUDGET DEVELOPMENT CALENDAR

Year	Month	Event	Date
2022	September	Budget instructions sent to departments and agency CFOs	Sep 6
		September Revenue Estimating Conference	Sep 15
		Annual Public Budget Meetings	Oct 3, Oct 10
	October	District Budget Priorities Forums	Oct 11-27
	November	Departmental budget request submissions due	Nov 1
		Office of Budget begins review of budget requests	Nov 1
		Budget Director hearings with departments begin	Nov 8
December	Budget Director hearings conclude	Dec 15	
2023	February	February Revenue Estimating Conference	Feb 13
	March	Mayor's Budget Address	Mar 3
		Mayor transmits proposed budget to City Council	Mar 3
		City Council begins budget hearings with public comment	Mar 8
		City Council holds a public hearing on the budget	Mar 27
		City Council begins Executive Sessions	Mar 28
	April	City Council votes on budget	Apr 10
		City Council approves Tax and Bond Statement	Apr 10
		City Clerk transmits budget to Mayor	Apr 11
		Mayor approves or vetoes budget	Apr 14
		City Council votes on veto override (if applicable)	Apr 18
		City transmits Four-Year Financial Plan to FRC	Apr 30
	June	Fiscal Year 2023 ends	Jun 30
July	Fiscal Year 2024 begins	Jul 1	



City Government Organization Chart

FOUR-YEAR FINANCIAL PLAN REQUIREMENTS

The City balances its budget over four years to ensure fiscal stability

Each year, the City adopts a balanced annual budget and four-year financial plan for the upcoming fiscal year and the three that will follow. This ensures ongoing expenditures are supported by ongoing revenues, and that future needs will be met. Per Section 4t of the Home Rule City Act, the four-year financial plan must include and meet the following:

1. Projection of all revenues and expenditures of the city for each fiscal year, including debt service.
2. Projection of cash flow for each fiscal year.
3. Schedule of projected capital commitments for each fiscal year.
4. Measures to assure that projected employment levels, collective bargaining agreements, and other employee costs are consistent with projected expenditures and available revenue.
5. Measures to assure compliance with mandates under state and federal law consistent with projected expenditures and available revenue.
6. Measures to assure adequate reserves for mandated and other essential programs and activities in the event of an overestimation of revenue, an underestimation of expenditures, or both.
7. Statement of significant assumptions and methods of estimation used for projections included in the financial plan.
8. Any other information the mayor, governing body, or chief financial officer of the city considers appropriate.
9. Projected revenues and expenditures for each fiscal year covered by the financial plan shall result in a balanced budget according to generally accepted accounting principles, including compliance with the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a.
10. Include contributions necessary to assure that pension systems for employees and retirees of the city are adequately funded.
11. Provide for the issuance of or incurring of debt by the city only in compliance with the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, and the Michigan financial review commission act, if applicable.
12. Provide for the payment in full of debt service on all debt issued or incurred by or on behalf of the city.
13. Provide for operations of the city to be conducted with projected cash resources based upon projected cash flow for each fiscal year.
14. Include a general reserve fund for each fiscal year to cover potential reductions in projected revenues or increases in projected expenditures equal to not less than 5% of the projected expenditures for the fiscal year.
15. For each fiscal year, provide for the elimination of any deficit incurred in the prior fiscal year according to generally accepted accounting principles.
16. Rely upon revenue and expenditure projections based upon reasonable and appropriate assumptions and methods of estimation.
17. Rely upon cash flow projections based upon reasonable and appropriate assumptions as to sources and uses of cash, including timing.

PLANNING, PRIORITIES & PERFORMANCE

Over the past three years, the City of Detroit has introduced new methods of resource planning to better align the budget with strategic priorities and align resources with results. The City's budgets for the General Fund and many special revenue and enterprise funds are now organized around Strategic Outcomes, which represent the long-term vision of City leadership to deliver superior City services and improve the quality of life for Detroiters. Every year, the City establishes key priorities and initiatives that fall under one or more of these strategic outcomes.

The Fiscal Year 2023-2024 Budget continues to build on that framework by connecting the goals, current services, and associated metrics of City departments to these Strategic Outcomes. For some departments, the Budget now also directly associates dollars and personnel with City services. This work is ongoing, and we expect to continue to expand the number of departments publishing service-level budgets in future years, as we move towards greater budget transparency, reflecting national standards and best practices.

Strategic Outcomes

The FY 2024 budget classifies agency appropriations to a strategic outcome or one of its components. The strategic outcomes are:

- **Safer Neighborhoods** in which residents are and feel safe. This includes safe streets, fire safety, law enforcement, crime prevention, resiliency, and health emergency response.
- **Vibrant and Beautiful City** characterized by healthy and accessible assets. This includes housing stabilization, inclusive and walkable neighborhoods, a beautiful, sustainable physical environment, and access to cultural amenities.
- **Economic Equity and Opportunity** with programs to reduce barriers and fight intergenerational poverty so Detroiters benefit from a vital neighborhood business climate and robust city economy.
- **Effective Governance** occurs through City-community collaboration for equitable progress. This involves accountability of leadership, oversight, and outreach to all.



- ***Efficient and Innovative Operations*** largely comprises the City’s government operations and internal-facing administration: finance, personnel, information technology, facilities, fleet, legal, and agency administration. It also includes funding for debt service and fiscal stability reserves.

Programs and Performance

In each departmental section, the Budget now displays a description of Operating Programs and Services, departmental Goals and Strategic Priorities corresponding to City Strategic Outcomes, and Metrics corresponding to departmental Goals. In some departments, the Budget is also displayed by delivered Service. This new level of program and performance reporting builds upon prior efforts to connect service delivery with City Strategic Outcomes, and lays the foundation for further use of this information with budgetary analysis and decision making. As the City builds out this framework, our focus on programs and performance will continue to develop and become a more visible part of the annual budget process.

PUBLIC ENGAGEMENT

The City has three main streams of public engagement efforts around the budget: public meetings, informational campaigns, and ongoing citizen input. These efforts are strategically timed around the budget development process.

FY24 Budget Development Process



Public Meetings

In October each year, the Office of Budget hosts informational meetings on how the budget process works, called the Annual Public Budget Meetings. During these meetings, representatives from major City departments highlight key budget components relevant to their work, as mandated by the City Charter. The Annual Public Budget Meetings also include time for public comment. Subsequently, throughout the month of October, the Office of Budget and the Department of Neighborhoods host District Budget Priorities Forums in each district, providing a community-based platform for residents to ask questions and voice their budget concerns and priorities. Finally, hearings hosted by City Council on each



department's budget offer an opportunity for citizen input on the budget before it is adopted in April.

Informational Campaigns

To provide additional information to residents, one-to-two-page flyers are intermittently generated by the Office of Budget and Media Services. These flyers serve to summarize information presented during public meetings, support learning in lesser-known areas of the budget, and concisely present high-level takeaways from all gathered citizen comments. These flyers are physically distributed to citizens through the Department of Neighborhoods, neighborhood public libraries, and to City Council, as well as being more widely dispersed through the City's GovDelivery email system. All flyers are also available on the Office of Budget website (detroitmi.gov/budget) and on OCFO social media pages.

Ongoing Citizen Input

Citizens can learn more about the budget at any point during the year through the City's budget website (detroitmi.gov/budget). Additionally, citizens are always encouraged to email the Your Budget inbox (yourbudget@detroitmi.gov) with any questions, priorities, or thoughts around the budget. This email is monitored weekly by Office of Budget staff.

Goal Setting & Process Improvement

In Fiscal Year 2022-2023, the City conducted a review of its budget engagement processes and determined strategic changes could be made to better reach residents. These changes included:

- Public meetings were moved to earlier in the fiscal year to allow more time for analysis and incorporation of comments
- The Annual Public Budget Meeting was split into two parts to ensure each was a manageable length and more time was allotted for public comment
- A new engagement platform called Slido was used during the District Budget Priorities Forums to test out different ways of allowing residents to engage and share input
- Questions asked during the District Budget Priorities Forums were restructured to be more open-ended in response to feedback from Fiscal Year 2022 engagement processes

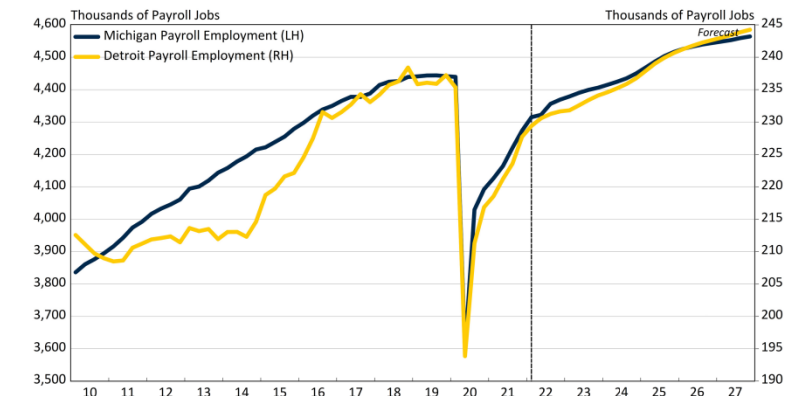
The City remains committed to improving its budget engagement processes on an ongoing basis, including the number of residents reached, resident satisfaction with these engagement opportunities, and ensuring budget implementation and spend best reflects citizen priorities.

REVENUE AND ECONOMIC OVERVIEW

Detroit Economic Forecast

- The **Detroit Economic Outlook for 2022-2027**, previously released earlier in February, predicted that Detroit's economy will continue growing at a steady pace, despite projections of a mild national recession in late 2023 to early 2024.
- The forecast is prepared by the City of Detroit University Economic Analysis Partnership, which is a collaboration of economic researchers at the City, Wayne State University, Michigan State University, and the University of Michigan.
- The forecast maintains a faster recovery for Detroit than the State overall. Jobs at establishments within city boundaries are projected to surpass pre-COVID pandemic numbers by the end of 2023.
- Economic growth is expected to moderate to a steady state starting in 2025 as major infrastructure and development projects already underway come online. Blue-collar jobs in manufacturing, construction, and transportation continue to be key drivers for economic growth through 2027. For the full report, go to: detroitmi.gov/budget

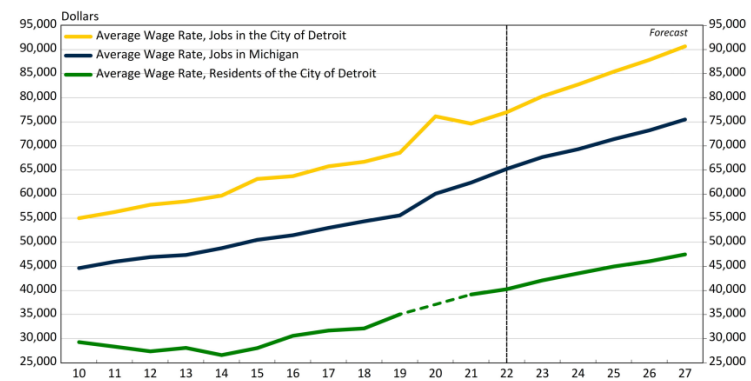
Seasonally Adjusted Quarterly Average Payroll Employment, City of Detroit and Michigan



RSQE: February 2023



Annual Wage and Salary Income per Worker, City of Detroit and Michigan



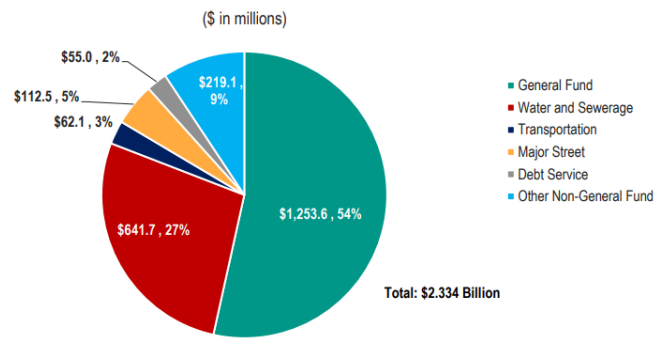
RSQE: February 2023



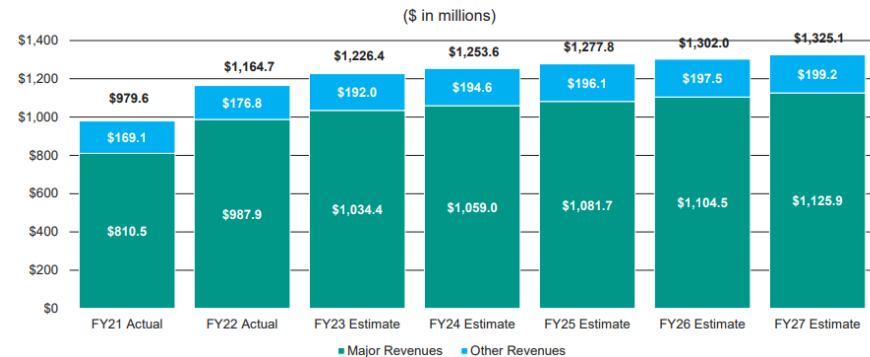
Detroit February 2023 Revenue Estimating Conference - Overview

- The City holds independent biannual revenue estimating conferences, per Section 4t of the Home Rule City Act, in September and February to establish the revenue estimates for the City’s annual budget and four-year financial plan.
- The Revenue Conference has approved higher revenue estimates based on stronger projected income and utility tax collections. Updated forecasts show employment stability in key sectors, boosting income tax collections as wages continue to catch up to prices. Stronger than expected internet gaming collections and elevated natural gas prices have offset weaker on-site gaming collections, increasing revenue expectations. All other revenues are expected to see stable but more modest growth. Note that conference estimates do not include budgeted inter-fund transfers and use of prior year surplus. For the **February 2023 Revenue Estimating Conference** report, go to: detroitmi.gov/budget
- FY 2023 General Fund recurring revenues are projected at \$1.226 billion for the current fiscal year ending June 30, up \$39.1 million (3.3%) from the previous FY 2023 conference estimate in September 2022. The increase is driven by stronger anticipated income tax collections and utility users tax collections. In addition, the City is projecting \$3.1 million in non-recurring revenues for FY 2023.
- General Fund recurring revenues for FY 2024, which begins July 1, are now forecasted at over \$1.253 billion, an increase of \$39.2 million (3.2%) from the previous FY 2024 conference estimate in September 2022. The projected increase is driven by income taxes, as the local economy stabilizes and adjusts to a tight labor market. The conservative General Fund revenue forecasts for FY 2025 – FY 2027 show continued, but modest, revenue growth of around 2% per year on average. Note that all revenue estimates exclude the use of fund balance, which may otherwise appear in the City budget.

FY 2024 Revenue Summary, All Funds



Recurring General Fund Revenue



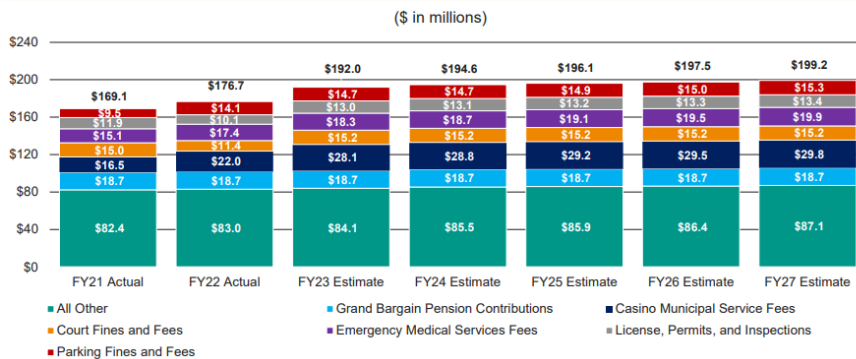
Detroit February 2023 Revenue Estimating Conference – Major Revenues

- Detroit levies a **City Income Tax** at current rates of 2.4% for residents, 1.2% for nonresidents, and 2.0% for corporations. Nonresidents taxes only apply to work performed within the City’s boundaries. The primary drivers behind income tax revenue are resident and nonresident employment levels, and wages. The base year employment estimates are tied to observed local area employment data, and employment growth rates for each employment category are projected independently. Wage growth is projected using observed regional and local wage data and is assumed to be uniform for each employment category.
- **Revenue Sharing** payments from the State come from two components: constitutional and statutory. The State Constitution requires constitutional revenue sharing payments to municipalities based on 15% of the 4% portion of Michigan’s sales tax collections. The State allocates amounts to municipalities based on population as of the last decennial Census. Statutory allocations have instead been determined annually in the State budget as a percentage change from the prior year allocation. Projections are set by the Michigan January 2023 Consensus Revenue Estimating Conference.
- In accordance with the Michigan Gaming Control and Revenue Act and associated development agreements, a **Wagering Tax** on adjusted gross receipts (AGR) is applied to the three casinos operating in Detroit. On-site sports betting at casinos began in March 2020. The State launched internet gaming and sports betting in late January 2021. Only internet gaming and sports betting conducted within Michigan’s borders is authorized. AGR growth is the primary forecast driver using data from the gaming control board to identify growth trends.
- The City levies real and personal **Property Taxes**. Collections consist of current year taxes, delinquent taxes, and related auction proceeds. The City currently levies 19.952 mills for general operating purposes. However, the millage rate and taxable values are subject to various abatements and exemptions. The primary driver for growth during the forecast period is a lagged inflation rate determined by the State Tax Commission (US Consumer Price Index for Urban Consumers lagged by one year) applied to the reported tax year 2022 base, which is defined as the cap for growth in taxable value under the State constitution (Proposal A).
- The City levies a 5% **Utility Users Tax** on consumption of electricity, gas, steam, and telephone services referred to as utility users tax. Annual changes in the revenue forecast are largely based on the average growth rate in household units that is consistent with prior-year trends. Additional adjustments may be made to growth rates in line with energy price forecasts from the Winter Outlook published by the U.S. Energy Information Administration.

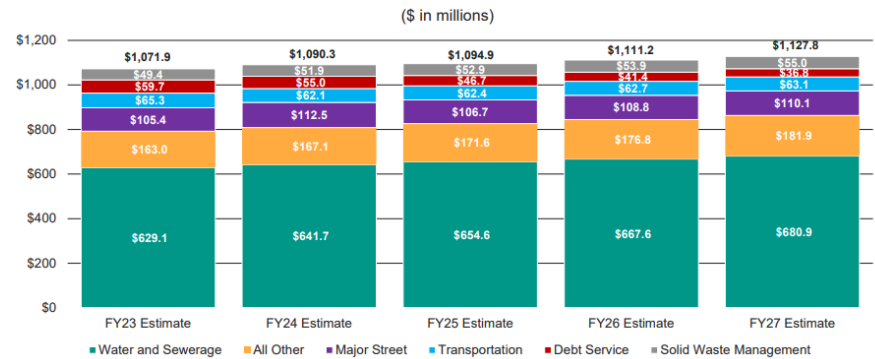
Detroit February 2023 Revenue Estimating Conference – Other Revenues and Non-General Fund

- The **Other Revenues** category includes various non-major General Fund revenues that are mostly administered by individual departments related to their operations and services.
- The FY 2023 estimates grow by 8.7% over the FY 2022 actuals, driven by casino municipal service fees, related to higher internet and sports betting activity than previously estimated, higher license, permits, and inspection fee activity year-to-date, and lower than projected court fines and fees in FY 2022. The estimates also assume that revenue sources have stabilized since COVID-19 and continue an aggregate long term growth trend of 0.8% to 1% through FY 2027. The forecast excludes non-recurring items, such as asset sales.
- **Non-General Fund** revenues include enterprise, grant and special revenue funds. Major examples include water and sewer bills, bus fares, solid waste fees, intergovernmental aid for roads and transit, and other restricted revenues. Note that amounts above exclude General Fund contributions, interfund transfers, and the use of fund balance. Non-General Fund revenues represent the remaining 46% of total revenues.
- The Major Street Fund receives most of its revenue from gas and weigh tax distributions from the State. The forecast has been adjusted based on the reported 2020 Census results, which impact the distribution formula. The Debt Service Fund represents the City’s debt millage, which raises property tax revenue sufficient to pay debt service on voter-approved bonds. The Solid Waste Management Fund includes the annual \$240 solid waste fee seen on the summer property tax bill, which supports residential curbside garbage collection. The Transportation enterprise fund is for the Detroit Department of Transportation (DDOT). It includes bus fares, State formula aid for bus operations, and transit capital grants.

Recurring Other Revenues (General Fund)



Non-General Fund Revenues





Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 1100
Detroit, Michigan 48226

Phone: 313 -628-2535
Fax: 313 -224-2135
www.detroitmi.gov

**CFO MEMORANDUM
NO. 2023-103-002**

TO: Honorable Michael E. Duggan, Mayor; Honorable Detroit City Council

FROM: Steven Watson, Deputy CFO / Budget Director, City of Detroit

SUBJECT: Fiscal Year 2023-2024 Tax Statement

DATE: March 3, 2023

1. AUTHORITY

- 1.1. State of Michigan Public Act 279 of 1909, Section 117.4s(2), as amended by Public Act 182 of 2014, states the chief financial officer shall supervise all financial and budget activities of the city and coordinate the city's activities relating to budgets, financial plans, financial management, financial reporting, financial analysis, and compliance with the budget and financial plan of the city.
- 1.2. CFO Directive No. 2018-101-016 Budget Development, Execution & Monitoring states that the Deputy CFO / Budget Director shall be responsible for the City's budget processes.
- 1.3. The 2012 Charter of the City of Detroit, Article 8, Chapter 2, provides requirements for annual budget adoption. Specifically, Section 8-209 states adoption of the budget shall constitute a levy of the property tax specified therein.
- 1.4. The 2012 Charter of the City of Detroit, Article 8, Chapter 4, provides requirements for property taxation. Specifically, Section 8-401 authorizes the City to levy property taxes up to the rate of 2% (20 mills) of taxable value of all real and personal property in the city for General City purposes, consistent with State of Michigan Public Act 279 of 1909, Section 117.3(g). Pursuant to State of Michigan Public Acts 34 of 2001 and 164 of 1877, the City's levies for Debt Service purposes are not subject to the 2% limitation.
- 1.5. The 2019 Detroit City Code, Chapter 17, Article II, provides procedures for annual budget adoption. Specifically, Section 17-2-10 states after the budget is approved, the budget director shall make an itemized statement of amounts to be raised by taxation (the "Tax Statement"). The City Council shall cause to be levied and collected by general tax the amount of the Tax Statement so approved.

2. OBJECTIVE

- 2.1. To set forth the total number of mills of ad valorem property taxes to be levied and the purposes for which that millage is to be levied, as authorized by the adopted budget for Fiscal Year 2023-2024.

3. PURPOSE

- 3.1. To submit the annual Tax Statement to the Mayor and the City Council for consideration and approval.

4. SCOPE

4.1. This Memorandum and the attached report are intended solely to fulfill the requirements for the annual Tax Statement.

5. STATEMENT

5.1. The Office of Budget is submitting the attached Tax Statement of the amounts to be raised by taxation in Fiscal Year 2023-2024 and requesting its approval.

5.2. The Tax Statement represents amounts included in the proposed budget for Fiscal Year 2023-2024.

5.3. The Tax Statement was developed in coordination with the Offices of the Assessor and the Treasury.

5.4. The Tax Statement is based on the forecast of anticipated revenues approved by the Revenue Estimating Conference principals on February 13, 2023, in accordance with State of Michigan Public Act 279 of 1909, Section 117.4t(1)(d), as amended by Public Act 182 of 2014.

City of Detroit
Fiscal Year 2023-2024
Tax Statement

Taxable Value:

Ad Valorem Roll less Renaissance Zones

Real Property	\$	5,551,446,080
Personal Property		1,496,211,770
Total	\$	7,047,657,850

Renaissance Zones (RZ)⁽¹⁾

RZ - Real Property	\$	12,987,861
RZ - Real Property (75%)		-
RZ - Real Property (50%)		-
RZ - Real Property (25%)		232,241,082
RZ - Personal Property		-
RZ - Personal Property (75%)		-
RZ - Personal Property (50%)		-
RZ - Personal Property (25%)		41,128,920
RZ - Tool & Die - Real Property		-
RZ - Tool & Die - Personal Property		-
Total	\$	286,357,863

Total Ad Valorem Roll

Real Property	\$	5,796,675,023
Personal Property		1,537,340,690
Total	\$	7,334,015,713

Tax Rates:

General City	19.9520
Debt Service	8.0000
Total	27.9520

Tax Levies:

General City	\$	141,978,439
Debt Service		58,672,126
Total Amount to be Raised by Taxation	\$	200,650,565

Notes:

(1) Renaissance Zones are exempt from General City millage, except for designated percentage phase-out for applicable property.

FY2024 - FY2027 Expenditures & Revenues by Agency Table

City of Detroit
 FY2024 - FY2027 Financial Plan
 Expenditures & Revenues by Agency (in millions)

Category	Department	FY2024 Mayor Proposed			FY2025 Forecast			FY2026 Forecast			FY2027 Forecast		
		Exp	Rev	NTC	Exp	Rev	NTC	Exp	Rev	NTC	Exp	Rev	NTC
Executive Agencies	16 Construction & Demolition	21.5	0.2	21.3	8.6	-	8.6	9.1	-	9.1	9.4	-	9.4
	19 Public Works	154.0	174.3	(20.3)	146.7	167.9	(21.2)	148.9	171.1	(22.1)	151.3	174.4	(23.1)
	23 Chief Financial Officer	62.3	5.0	57.3	61.7	4.9	56.8	62.8	5.0	57.8	63.7	5.1	58.6
	24 Fire	150.5	24.9	125.6	149.8	25.4	124.4	149.4	25.8	123.6	151.4	26.3	125.1
	25 Health	47.5	33.9	13.6	48.4	34.5	13.9	49.2	35.1	14.1	50.1	35.8	14.3
	28 Human Resources	15.1	0.1	15.0	15.3	-	15.3	15.5	-	15.5	15.7	-	15.7
	29 Civil Rights, Inclusion, & Opportunity	7.1	3.6	3.5	7.2	3.7	3.5	7.4	3.8	3.6	7.5	3.8	3.7
	31 Innovation & Technology	57.3	-	57.3	58.4	-	58.4	59.1	-	59.1	59.8	-	59.8
	32 Law	18.4	1.7	16.7	18.8	1.7	17.1	19.1	1.7	17.3	19.3	1.7	17.6
	33 Mayor's Office	11.8	1.1	10.7	12.0	1.1	10.9	12.2	1.1	11.1	12.4	1.1	11.3
	34 Municipal Parking	11.3	14.6	(3.3)	11.5	14.8	(3.3)	11.6	15.0	(3.4)	11.7	15.3	(3.5)
	36 Housing & Revitalization	66.1	52.4	13.7	64.1	51.1	13.0	67.6	52.0	15.6	68.6	52.8	15.8
	37 Police	388.8	102.6	286.3	392.9	104.8	288.1	399.6	107.3	292.3	410.1	109.7	300.4
	38 Public Lighting	18.8	3.7	15.2	19.0	3.6	15.4	19.1	3.5	15.5	19.1	3.5	15.7
43 Planning & Development	7.0	-	7.0	5.7	-	5.7	5.8	-	5.8	5.9	-	5.9	
45 Appeals & Hearings	1.8	5.4	(3.5)	1.8	5.4	(3.6)	1.8	5.4	(3.6)	1.8	5.4	(3.6)	
47 General Services	128.5	13.8	114.6	106.8	13.7	93.2	110.3	13.3	97.0	112.9	12.9	100.1	
Legislative Agencies	50 Auditor General	4.4	-	4.4	4.5	-	4.5	4.6	-	4.6	4.7	-	4.7
	51 Zoning Appeals	0.6	0.1	0.5	0.6	0.1	0.5	0.6	0.1	0.5	0.6	0.1	0.5
	52 City Council	14.1	0.0	14.1	14.4	0.0	14.4	14.7	0.0	14.7	15.0	0.0	15.0
	53 Ombudsperson	1.2	0.0	1.2	1.2	0.0	1.2	1.2	0.0	1.2	1.2	0.0	1.2
	54 Inspector General	1.6	-	1.6	1.6	-	1.6	1.7	-	1.7	1.7	-	1.7
	70 City Clerk	2.8	0.0	2.8	2.8	0.0	2.8	2.9	0.0	2.9	2.9	0.0	2.9
71 Elections	14.1	0.0	14.1	14.3	2.3	12.1	14.4	0.0	14.4	14.6	0.0	14.6	
Judicial Agency	38 36th District Court	31.7	17.0	14.7	32.4	17.0	15.4	32.8	17.0	15.8	33.3	17.0	16.3
Non-Departmental	35 Non-Departmental	166.4	1,108.8	(942.4)	168.8	1,081.4	(912.6)	172.3	1,103.3	(931.0)	174.2	1,124.0	(949.9)
Debt Service	18 Debt Service & Legacy Pension	287.2	130.9	156.3	281.1	119.6	161.5	275.9	111.3	164.5	275.9	108.3	167.6
Enterprise Agencies	10 Airport	4.5	4.5	-	4.6	4.6	-	4.6	4.6	-	4.7	4.7	-
	13 BSE&ED	37.7	35.6	2.2	36.6	34.4	2.2	37.1	34.8	2.3	37.7	35.3	2.4
	20 Transportation	167.3	167.3	-	170.2	170.2	-	172.2	172.2	-	174.2	174.2	-
	48 Water – Retail	247.7	247.7	-	252.2	252.2	-	254.6	254.6	-	257.0	257.0	-
	49 Sewerage – Retail	429.4	429.4	-	437.7	437.7	-	442.1	442.1	-	446.5	446.5	-
72 Public Library	35.2	35.2	-	32.9	32.9	-	33.7	33.7	-	34.6	34.6	-	
Total General City Agencies (Exec/Leg/Jud/Non-Dept)		1,404.8	1,563.2	(158.4)	1,369.6	1,533.4	(163.7)	1,393.7	1,560.5	(166.8)	1,419.0	1,588.9	(169.9)
Total Debt Service		287.2	130.9	156.3	281.1	119.6	161.5	275.9	111.3	164.5	275.9	108.3	167.6
Total Enterprise Agencies		921.8	919.7	2.2	934.1	931.9	2.2	944.4	942.1	2.3	954.7	952.3	2.4
Grand Total		2,613.8	2,613.8	0.0	2,584.8	2,584.8	(0.0)	2,613.9	2,613.9	0.0	2,649.6	2,649.6	0.0

Expenditures & Revenues by Major Classifications

City of Detroit
Budget Development
All Funds

Expenditures	FY2022 Actual	FY2023 Adopted	FY2024 Mayor Proposed	FY2025 Forecast	FY2026 Forecast	FY2027 Forecast
Salaries & Wages	658,996,778	686,289,841	745,907,009	755,756,575	764,918,094	780,668,675
Employee Benefits	218,780,070	249,069,958	376,950,945	384,538,135	391,620,102	397,196,803
Professional & Contractual Services	292,291,331	261,973,162	377,706,431	387,510,193	391,506,724	395,548,148
Operating Supplies	133,137,304	87,335,922	92,387,191	94,181,482	95,101,960	96,031,981
Operating Services	161,489,030	166,424,310	172,004,194	174,514,386	176,621,778	178,779,195
Equipment Acquisition	80,316,539	18,254,449	10,596,202	8,835,562	9,042,516	9,261,133
Capital Outlays	69,330,698	28,503,355	28,234,779	22,996,003	24,029,721	25,206,718
Fixed Charges	190,474,056	176,447,721	191,573,174	185,987,246	181,021,492	180,431,881
Other Expenses	669,600,920	643,669,880	560,747,891	570,504,485	580,061,552	586,428,611
Total Expenditures - Recurring	2,474,416,725	2,317,968,598	2,556,107,816	2,584,824,067	2,613,923,939	2,649,553,145
Expenditures - Non-Recurring						
Blight Remediation	-	16,400,000	31,065,474	-	-	-
Capital Improvements	-	42,335,000	18,320,000	-	-	-
Reserves	-	60,719,808	-	-	-	-
Other One-Time Expenditures	-	15,853,500	8,296,335	-	-	-
Total Expenditures - Non-Recurring	-	135,308,308	57,681,809	-	-	-
Grand Total Expenditures	2,474,416,725	2,453,276,906	2,613,789,625	2,584,824,067	2,613,923,939	2,649,553,145

Revenues	FY2022 Actual	FY2023 Adopted	FY2024 Mayor Proposed	FY2025 Forecast	FY2026 Forecast	FY2027 Forecast
Grants, Shared Taxes, & Revenues	464,907,125	316,515,006	330,311,311	333,109,436	335,897,860	338,765,457
Revenues from Use of Assets	88,438,608	170,866,667	192,708,247	194,969,833	196,048,497	197,425,090
Sales of Assets & Compensation for Losses	15,787,919	618,000	668,000	618,000	618,000	618,000
Sales & Charges for Services	655,225,046	677,416,472	684,898,539	700,343,658	707,304,536	716,783,585
Fines, Forfeits, & Penalties	22,134,977	28,093,654	25,636,707	25,806,283	25,974,026	26,143,979
Licenses, Permits, & Inspection Charges	37,221,282	40,252,980	40,167,761	40,796,862	41,437,211	42,090,411
Taxes, Assessments, & Interest	1,071,052,454	928,410,480	1,027,055,412	1,044,100,181	1,063,915,271	1,087,596,890
Contributions & Transfers	82,805,227	131,081,439	189,571,201	177,145,030	178,550,188	179,798,035
Miscellaneous	13,487,148	24,628,900	13,655,573	13,709,784	12,953,350	12,106,698
Total Revenues - Recurring	2,451,059,787	2,317,883,598	2,504,672,751	2,530,599,067	2,562,698,939	2,601,328,145
Revenues - Non-Recurring						
Contributions and Transfers	-	135,393,308	109,116,874	54,225,000	51,225,000	48,225,000
Total Revenues - Non-Recurring	-	135,393,308	109,116,874	54,225,000	51,225,000	48,225,000
Grand Total Revenues	2,451,059,787	2,453,276,906	2,613,789,625	2,584,824,067	2,613,923,939	2,649,553,145

Expenditures & Revenues by Major Classifications

City of Detroit

Budget Development

Fund 1000 - General Fund

Expenditures	FY2022 Actual	FY2023 Adopted	FY2024 Mayor Proposed	FY2025 Forecast	FY2026 Forecast	FY2027 Forecast
Salaries & Wages	498,734,062	518,862,499	562,479,128	568,591,821	573,861,809	585,634,418
Employee Benefits	142,878,036	165,884,615	283,177,152	289,587,028	295,574,284	300,165,649
Professional & Contractual Services	69,443,374	81,165,587	95,154,121	99,379,505	100,312,472	101,255,258
Operating Supplies	37,437,771	39,175,186	41,642,434	42,475,281	42,903,418	43,335,921
Operating Services	85,791,833	84,874,276	90,573,560	92,385,040	93,318,594	94,261,675
Equipment Acquisition	941,797	120,000	288,582	294,354	297,299	300,274
Capital Outlays	2,465,943	290,800	320,388	326,796	330,064	333,365
Fixed Charges	85,461,073	85,883,752	83,268,661	85,486,217	85,535,680	85,578,937
Other Expenses	215,916,034	170,282,038	153,941,491	155,633,803	161,060,815	162,378,663
Total Expenditures - Recurring	1,139,069,923	1,146,538,753	1,310,845,517	1,334,159,845	1,353,194,435	1,373,244,160
Expenditures - Non-Recurring						
Reserves	-	60,719,808	-	-	-	-
Other One-Time Expenditures	-	15,938,500	2,561,400	-	-	-
Total Expenditures - Non-Recurring	-	76,658,308	2,561,400	-	-	-
Grand Total Expenditures	1,139,069,923	1,223,197,061	1,313,406,917	1,334,159,845	1,353,194,435	1,373,244,160

Revenues	FY2022 Actual	FY2023 Adopted	FY2024 Mayor Proposed	FY2025 Forecast	FY2026 Forecast	FY2027 Forecast
Grants, Shared Taxes, & Revenues	223,112,537	215,830,000	226,932,533	227,637,773	228,350,126	229,069,663
Revenues from Use of Assets	9,351,930	27,229,016	27,231,828	26,463,611	25,800,998	25,414,980
Sales of Assets & Compensation for Losses	11,880,044	618,000	618,000	618,000	618,000	618,000
Sales & Charges for Services	99,470,095	115,851,737	116,001,668	119,724,766	118,842,456	120,266,996
Fines, Forfeits, & Penalties	16,683,861	22,743,000	20,240,000	20,302,000	20,360,000	20,418,000
Licenses, Permits, & Inspection Charges	10,056,325	13,734,000	13,119,000	13,206,428	13,295,109	13,385,467
Taxes, Assessments, & Interest	853,342,208	742,005,000	840,278,488	862,264,267	884,409,746	905,016,054
Contributions & Transfers	-	-	-	-	-	-
Miscellaneous	12,668,899	8,528,000	9,104,000	9,718,000	10,293,000	10,830,000
Total Revenues - Recurring	1,236,565,898	1,146,538,753	1,253,525,517	1,279,934,845	1,301,969,435	1,325,019,160
Revenues - Non-Recurring						
Contributions and Transfers	-	76,658,308	59,881,400	54,225,000	51,225,000	48,225,000
Total Revenues - Non-Recurring	-	76,658,308	59,881,400	54,225,000	51,225,000	48,225,000
Grand Total Revenues	1,236,565,898	1,223,197,061	1,313,406,917	1,334,159,845	1,353,194,435	1,373,244,160

FY2024 - FY2027 Budgeted Positions by Department

City of Detroit
FY2024 - FY2027 Financial Plan
Total Positions by FTE – All Funds

Category	Department	FY2023 Adopted	FY2024 Mayor Proposed	Variance FY23 vs FY24	FY2025 Forecast	FY2026 Forecast	FY2027 Forecast
Executive Agencies	16 Construction & Demolition	83.00	146.00	63.00	136.00	136.00	136.00
	19 Public Works	496.25	496.25	-	496.25	496.25	496.25
	23 Chief Financial Officer	391.00	416.00	25.00	399.00	399.00	399.00
	24 Fire – Uniform	918.00	958.00	40.00	958.00	958.00	958.00
	Fire – Civilian	314.00	274.00	(40.00)	274.00	274.00	274.00
	25 Health	175.00	274.00	99.00	274.00	274.00	274.00
	28 Human Resources Dept	105.00	107.00	2.00	107.00	107.00	107.00
	29 Civil Rights, Inclusion, & Opportunity	38.00	35.00	(3.00)	35.00	35.00	35.00
	31 Innovation & Technology	144.50	144.00	(0.50)	144.00	144.00	144.00
	32 Law	119.00	112.00	(7.00)	112.00	112.00	112.00
	33 Mayor's Office	79.00	85.00	6.00	85.00	85.00	85.00
	34 Municipal Parking	95.00	96.00	1.00	96.00	96.00	96.00
	36 Housing & Revitalization	154.00	158.00	4.00	158.00	158.00	158.00
	37 Police – Uniform	2,666.00	2,672.00	6.00	2,672.00	2,672.00	2,672.00
	Police – Civilian	782.00	768.00	(14.00)	768.00	768.00	768.00
	38 Public Lighting	2.00	1.00	(1.00)	1.00	1.00	1.00
43 Planning & Development	39.00	40.00	1.00	40.00	40.00	40.00	
45 Appeals & Hearings	15.00	15.00	-	15.00	15.00	15.00	
47 General Services	884.60	866.60	(18.00)	779.60	779.60	779.60	
Legislative Agencies	50 Auditor General	16.00	16.00	-	16.00	16.00	16.00
	51 Zoning Appeals	4.00	4.00	-	4.00	4.00	4.00
	52 City Council	108.00	127.00	19.00	127.00	127.00	127.00
	53 Ombudsperson	8.00	8.00	-	8.00	8.00	8.00
	54 Inspector General	10.00	10.00	-	10.00	10.00	10.00
	70 City Clerk	30.00	28.00	(2.00)	28.00	28.00	28.00
71 Elections	124.50	122.50	(2.00)	122.50	122.50	122.50	
Judicial Agency	60 36th District Court	325.00	325.00	-	325.00	325.00	325.00
Non-Departmental	35 Non-Departmental	129.00	143.00	14.00	143.00	143.00	143.00
Total General City Agencies		8,254.85	8,447.35	192.50	8,333.35	8,333.35	8,333.35
Enterprise Agencies	10 Airport	11.00	12.00	1.00	12.00	12.00	12.00
	13 BSE&ED	342.00	352.00	10.00	330.00	330.00	330.00
	20 Transportation	960.00	977.00	17.00	977.00	977.00	977.00
	48 Water – Retail	594.00	650.00	56.00	650.00	650.00	650.00
	49 Sewerage – Retail	26.00	28.00	2.00	28.00	28.00	28.00
	72 Public Library	325.00	325.00	-	325.00	325.00	325.00
Total Enterprise Agencies		2,258.00	2,344.00	86.00	2,322.00	2,322.00	2,322.00
Grand Total		10,512.85	10,791.35	278.50	10,655.35	10,655.35	10,655.35

Beginning with FY2023, the budgeted position count now reflects all Administrative Special Services positions funded within each department's budget.

FY2024 - FY2027 Budgeted Positions by Department

City of Detroit
 FY2024 - FY2027 Financial Plan
 Total Positions by FTE – General Fund

Category	Department	FY2023 Adopted	FY2024 Mayor Proposed	Variance FY23 vs FY24	FY2025 Forecast	FY2026 Forecast	FY2027 Forecast
Executive Agencies	16 Construction & Demolition	-	48.00	48.00	48.00	48.00	48.00
	19 Public Works	33.25	33.25	-	33.25	33.25	33.25
	23 Chief Financial Officer	378.00	399.00	21.00	399.00	399.00	399.00
	24 Fire – Uniform	918.00	958.00	40.00	958.00	958.00	958.00
	Fire – Civilian	314.00	274.00	(40.00)	274.00	274.00	274.00
	25 Health	132.00	158.50	26.50	158.50	158.50	158.50
	28 Human Resources Dept	105.00	107.00	2.00	107.00	107.00	107.00
	29 Civil Rights, Inclusion, & Opportunity	28.00	25.00	(3.00)	25.00	25.00	25.00
	31 Innovation & Technology	144.50	144.00	(0.50)	144.00	144.00	144.00
	32 Law	119.00	110.00	(9.00)	110.00	110.00	110.00
	33 Mayor's Office	76.00	81.00	5.00	81.00	81.00	81.00
	34 Municipal Parking	95.00	96.00	1.00	96.00	96.00	96.00
	36 Housing & Revitalization	44.00	54.00	10.00	54.00	54.00	54.00
	37 Police – Uniform	2,634.00	2,644.00	10.00	2,644.00	2,644.00	2,644.00
	Police – Civilian	662.00	648.00	(14.00)	648.00	648.00	648.00
	38 Public Lighting	2.00	1.00	(1.00)	1.00	1.00	1.00
43 Planning & Development	21.00	40.00	19.00	40.00	40.00	40.00	
45 Appeals & Hearings	15.00	15.00	-	15.00	15.00	15.00	
47 General Services	635.10	617.60	(17.50)	617.60	617.60	617.60	
Legislative Agencies	50 Auditor General	16.00	16.00	-	16.00	16.00	16.00
	51 Zoning Appeals	4.00	4.00	-	4.00	4.00	4.00
	52 City Council	108.00	127.00	19.00	127.00	127.00	127.00
	53 Ombudsperson	8.00	8.00	-	8.00	8.00	8.00
	54 Inspector General	10.00	10.00	-	10.00	10.00	10.00
	70 City Clerk	30.00	28.00	(2.00)	28.00	28.00	28.00
71 Elections	124.50	122.50	(2.00)	122.50	122.50	122.50	
Judicial Agency	60 36th District Court	325.00	325.00	-	325.00	325.00	325.00
Non-Departmental	35 Non-Departmental	104.00	112.00	8.00	112.00	112.00	112.00
Total General City Agencies		7,085.35	7,205.85	120.50	7,205.85	7,205.85	7,205.85
Enterprise Agencies	10 Airport	-	-	-	-	-	-
	13 BSE&ED	21.00	21.00	-	21.00	21.00	21.00
	20 Transportation	-	-	-	-	-	-
	48 Water – Retail	-	-	-	-	-	-
	49 Sewerage – Retail	-	-	-	-	-	-
72 Public Library	-	-	-	-	-	-	
Total Enterprise Agencies		21.00	21.00	-	21.00	21.00	21.00
Grand Total		7,106.35	7,226.85	120.50	7,226.85	7,226.85	7,226.85

Beginning with FY2023, the budgeted position count now reflects all Administrative Special Services positions funded within each department's budget.

FY2024 - FY2027 Budgeted Positions by Department

City of Detroit
 FY2024 - FY2027 Financial Plan
 Total Positions by FTE – Non-General Funds

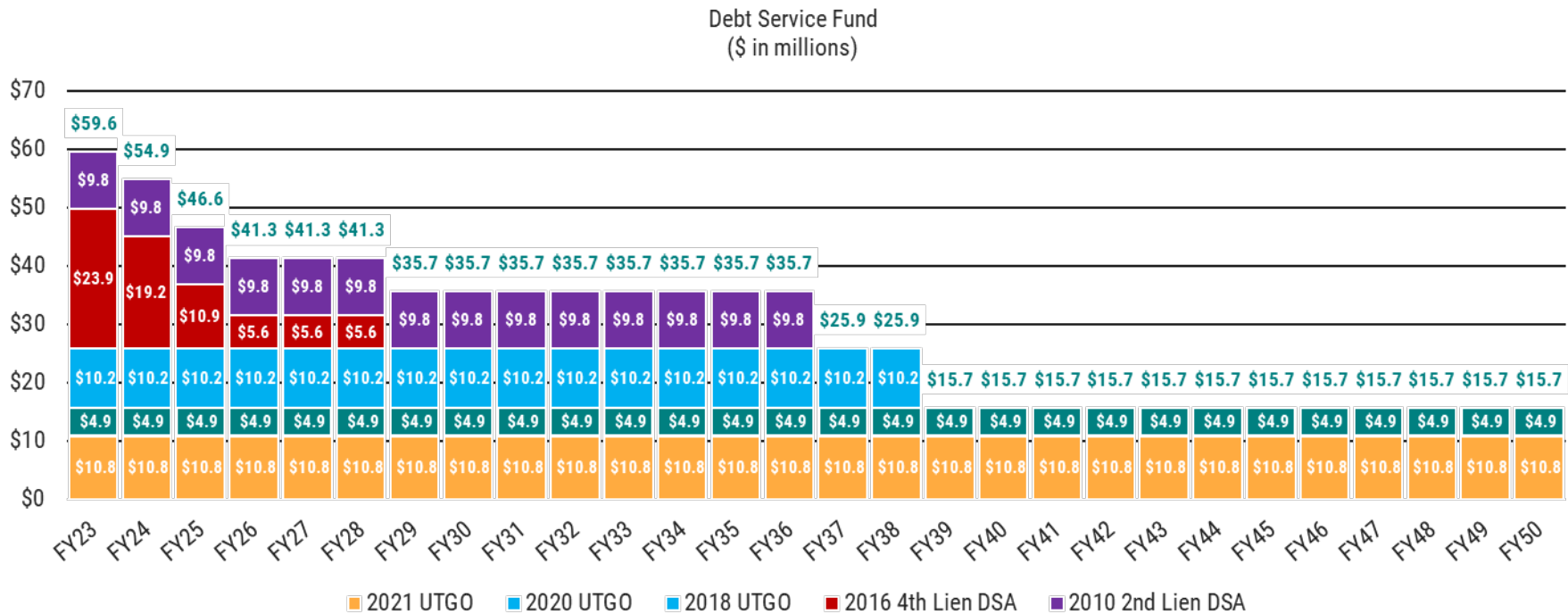
Category	Department	FY2023 Adopted	FY2024 Mayor Proposed	Variance FY23 vs FY24	FY2025 Forecast	FY2026 Forecast	FY2027 Forecast
Executive Agencies	16 Construction & Demolition	83.00	98.00	15.00	88.00	88.00	88.00
	19 Public Works	463.00	463.00	-	463.00	463.00	463.00
	23 Chief Financial Officer	13.00	17.00	4.00	-	-	-
	24 Fire – Uniform	-	-	-	-	-	-
	Fire – Civilian	-	-	-	-	-	-
	25 Health	43.00	115.50	72.50	115.50	115.50	115.50
	28 Human Resources Dept	-	-	-	-	-	-
	29 Civil Rights, Inclusion, & Opportunity	10.00	10.00	-	10.00	10.00	10.00
	31 Innovation & Technology	-	-	-	-	-	-
	32 Law	-	2.00	2.00	2.00	2.00	2.00
	33 Mayor's Office	3.00	4.00	1.00	4.00	4.00	4.00
	34 Municipal Parking	-	-	-	-	-	-
	36 Housing & Revitalization	110.00	104.00	(6.00)	104.00	104.00	104.00
	37 Police – Uniform	32.00	28.00	(4.00)	28.00	28.00	28.00
	Police – Civilian	120.00	120.00	-	120.00	120.00	120.00
38 Public Lighting	-	-	-	-	-	-	
43 Planning & Development	18.00	-	(18.00)	-	-	-	
45 Appeals & Hearings	-	-	-	-	-	-	
47 General Services	249.50	249.00	(0.50)	162.00	162.00	162.00	
Legislative Agencies	50 Auditor General	-	-	-	-	-	-
	51 Zoning Appeals	-	-	-	-	-	-
	52 City Council	-	-	-	-	-	-
	53 Ombudsperson	-	-	-	-	-	-
	54 Inspector General	-	-	-	-	-	-
	70 City Clerk	-	-	-	-	-	-
71 Elections	-	-	-	-	-	-	
Judicial Agency	60 36th District Court	-	-	-	-	-	-
Non-Departmental	35 Non-Departmental	25.00	31.00	6.00	31.00	31.00	31.00
Total General City Agencies		1,169.50	1,241.50	72.00	1,127.50	1,127.50	1,127.50
Enterprise Agencies	10 Airport	11.00	12.00	1.00	12.00	12.00	12.00
	13 BSE&ED	321.00	331.00	10.00	309.00	309.00	309.00
	20 Transportation	960.00	977.00	17.00	977.00	977.00	977.00
	48 Water – Retail	594.00	650.00	56.00	650.00	650.00	650.00
	49 Sewerage – Retail	26.00	28.00	2.00	28.00	28.00	28.00
72 Public Library	325.00	325.00	-	325.00	325.00	325.00	
Total Enterprise Agencies		2,237.00	2,323.00	86.00	2,301.00	2,301.00	2,301.00
Grand Total		3,406.50	3,564.50	158.00	3,428.50	3,428.50	3,428.50

Beginning with FY2023, the budgeted position count now reflects all Administrative Special Services positions funded within each department's budget.

DEBT SERVICE OVERVIEW

Unlimited Tax General Obligation (UTGO) Debt Service

- UTGO bonds are authorized by voters and repaid from the City's debt millage
- They support capital improvement projects throughout Detroit

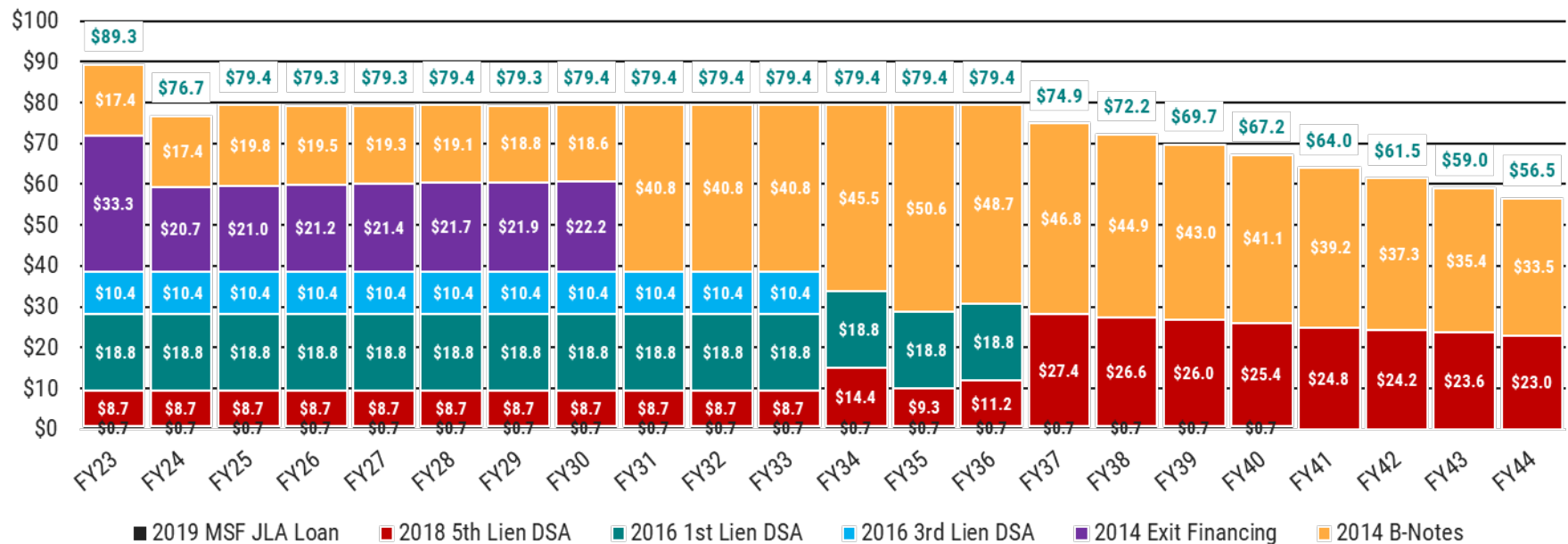


* Does not include projected debt service for remaining authorizations for \$40M in Capital Improvement UTGO bonds and \$75M in Neighborhood Improvement Plan UTGO bonds.

Limited Tax General Obligation (LTGO) Debt Service

- LTGO bonds are primarily repaid from the City's General Fund revenues
- They supported settlements with creditors and reinvestment projects after the City's bankruptcy

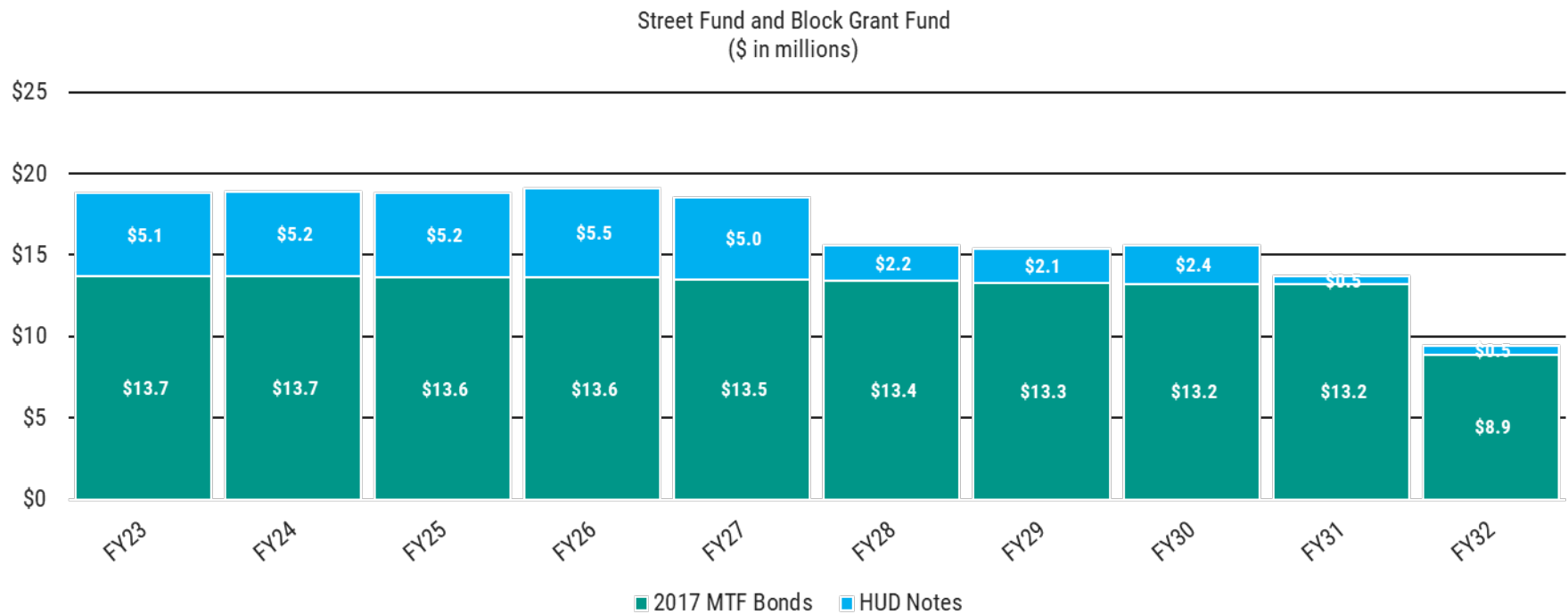
General Fund and Enterprise Funds*
(\$ in millions)



* 2014 B-Notes are split approximately 80% General Fund and 20% Enterprise Funds.



Michigan Transportation Fund Bonds and HUD Notes Debt Service

- MTF Bonds support streetscape improvement projects and are repaid from gas and weight taxes distributed to Detroit under Public Act 51 of 1951
- HUD Notes financed local development projects under the federal Section 108 Loan Guarantee Program and are secured by the City’s annual Community Development Block Grant



Debt Policy and Bond Credit Ratings

- The City follows its [Debt Issuance and Management Policy](#) to guide planning and decision-making related to debt
- In March 2022, both Moody's and S&P upgraded the City's credit rating based on improving finances and economy
 - Higher credit ratings lower borrowing costs and serve as an indicator of the City's fiscal health
 - More information is available on the City's [Investor Relations website](#)

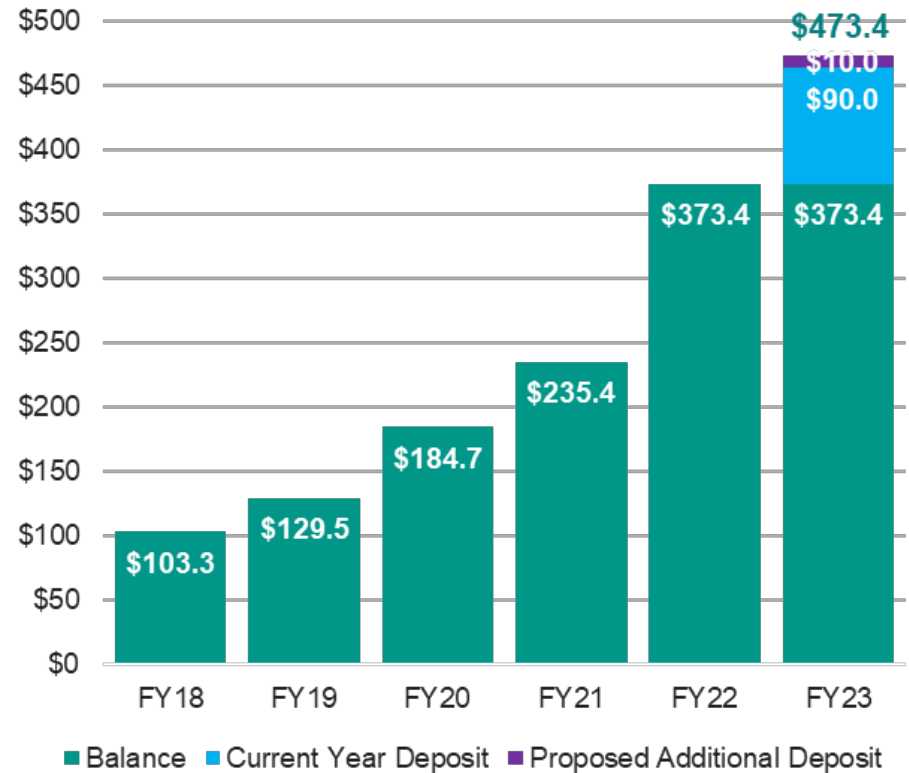
Moody's Investors Service	S&P Global Ratings
<p>General Obligation</p> <p>Ba2</p> <p>OUTLOOK Positive DATE March 2022</p> <p> Rating Reports</p>	<p>General Obligation</p> <p>BB</p> <p>OUTLOOK Positive DATE March 2022</p> <p> Rating Report</p>

RETIREE PROTECTION FUND OVERVIEW

Retiree Protection Fund (RPF)

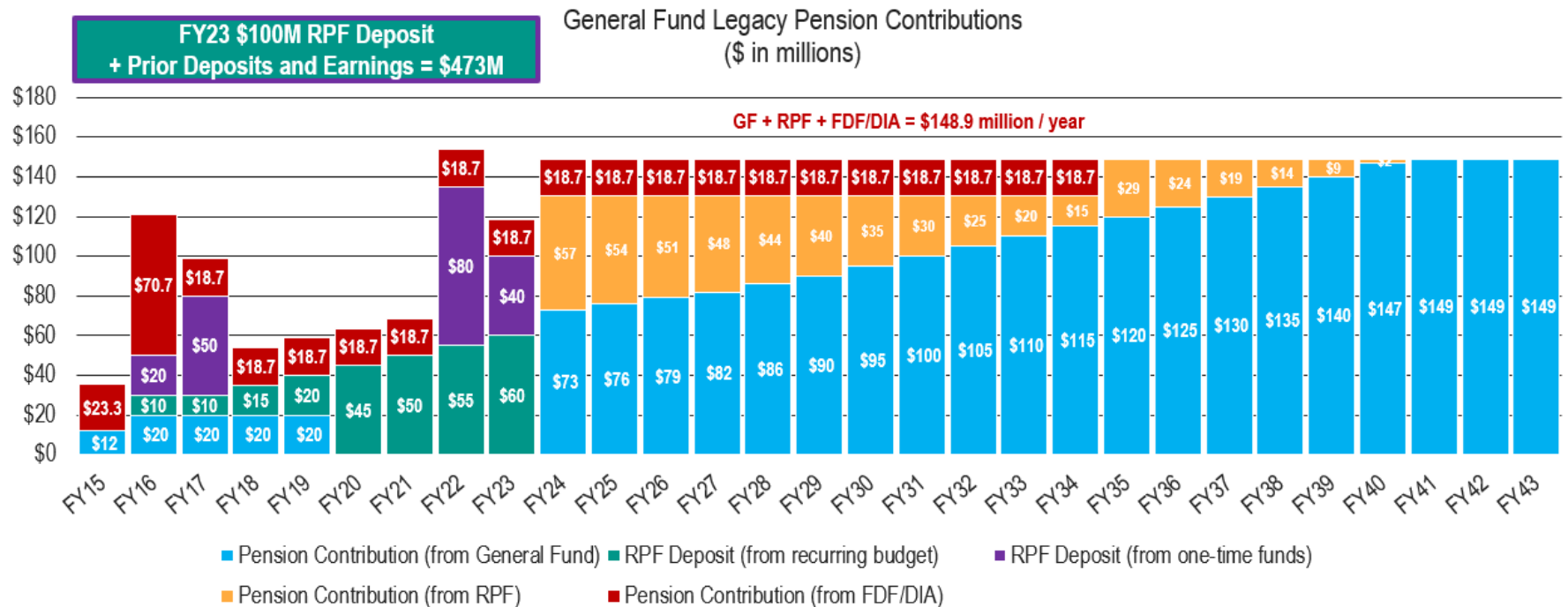
- Beginning in FY24, the City will resume annual pension contributions, currently estimated at \$148.9 million, for its closed and frozen legacy pension plans per the bankruptcy Plan of Adjustment (POA)
- Going beyond the POA requirements over the past 8 years, the City has amassed over \$463 million in the RPF, an irrevocable trust fund exclusively for future pension payments
- The proposed additional \$10 million deposit in FY23 will bring the total to over \$473 million before FY24
- The RPF strategy has always been two-fold:
 - Build a pension funding resource to gradually draw down every year beginning in FY24
 - Gradually build room in the recurring City budget for annual pension contributions before FY24 begins

Retiree Protection Fund
(\$ in millions)



Retiree Protection Fund – Revised Long-Term Plan

- Under the RPF plan, the FY24 “pension cliff” becomes a steady ramp, while making the full annual required contribution.
- Annual Required Contributions can vary significantly due to investment returns and actuarial assumptions.
- All of the amounts below for FY24 through FY27 are reflected in the City’s Four-Year Financial Plan.



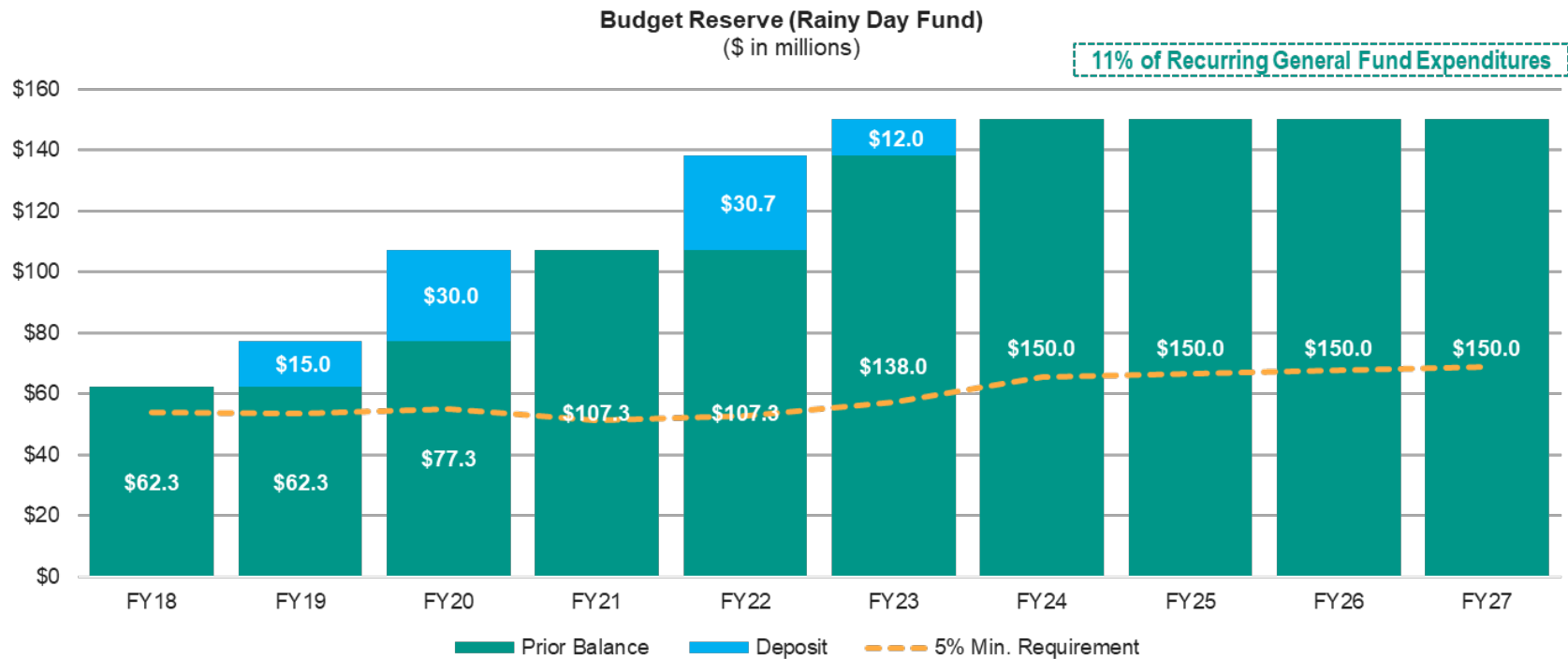
* Projections of annual legacy pension contributions based on FY22 Actuarial Valuations. “Grand Bargain” contributions from the Foundation for Detroit’s Future and the Detroit Institute of Arts (FDF/DIA) continue through FY34. Graph above excludes \$194.8 million “Grand Bargain” contribution from the State of Michigan in FY15. DWSD and Library liabilities and contributions are separate.

DISCLAIMER: The City’s proposed FY 2023-2024 budget and FY 2024-2025 through FY 2026-2027 forecast for legacy pension obligations uses a 20-year amortization for the Police and Fire Retirement System (PFRS) only because that is the funding policy approved by the PFRS. The budget uses a 30-year amortization for the General Retirement System, which has not approved a funding policy. The City is challenging the PFRS funding policy in litigation currently pending in the United States Bankruptcy Court for the Eastern District of Michigan. The City seeks an Order that 30-year amortization is required by the Plan of Adjustment. The City reserves all rights and remedies to enforce the Plan of Adjustment and nothing in this budget should be construed to the contrary.

BUDGET RESERVE (“RAINY DAY FUND”) OVERVIEW

Increasing the General Fund Budget Reserve (“Rainy Day Fund”)

- The City maintains a Rainy Day Fund at no less than 5% of projected recurring expenditures each fiscal year, per Section 4t of the Home Rule City Act
- Pre-pandemic, the City pro-actively increased the Rainy Day Fund to \$107.3M (10% of projected expenditures), and ultimately no draw on the fund was needed to maintain a balanced budget
- Last year, the City added another \$30.7M deposit and is proposing another \$12 million this year



CASH FLOW FORECAST

Common Cash Pool Five-Year Forecast, FY 2023-2027

- Cash balances remain strong due to the City’s reserve balances and a short-term boost from the City’s \$826 million allocation of American Rescue Plan Act fiscal recovery funds.
- The City will begin spending down a portion of its Retiree Protection Fund in FY24, meanwhile the Budget Reserve (“Rainy Day Fund”) has grown. The City continues to spend down balances allocated for capital improvements.

Common Cash Pool 5 Year Cash Flow Forecast - FY 2023 to FY 2027

	Actual	Forecast				
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Beginning Common Cash Pool Balance	\$ 852.1	\$ 1,196.8	\$ 1,337.2	\$ 1,425.9	\$ 1,263.5	\$ 1,185.9
Sources:						
Receipts/Transfers	\$ 2,411.7	\$ 2,025.8	\$ 2,038.0	\$ 2,063.5	\$ 2,041.9	\$ 1,992.4
Uses:						
Disbursements	\$ (1,932.0)	\$ (1,785.3)	\$ (1,949.4)	\$ (2,225.9)	\$ (2,119.5)	\$ (2,110.7)
Retirement Protection Trust	(135.0)	(100.0)	-	-	-	-
Total Uses:	\$ (2,067.0)	\$ (1,885.3)	\$ (1,949.4)	\$ (2,225.9)	\$ (2,119.5)	\$ (2,110.7)
Net Cash Flow	\$ 344.7	\$ 140.5	\$ 88.6	\$ (162.4)	\$ (77.6)	\$ (118.2)
Ending Common Cash Pool Balance	\$ 1,196.8	\$ 1,337.2	\$ 1,425.9	\$ 1,263.5	\$ 1,185.9	\$ 1,067.7
Budget Reserve Fund	138.0	150.0	150.0	150.0	150.0	150.0
Retirement Protection Trust Fund	373.4	473.4	416.2	362.0	310.8	262.6
Total Common, Reserve and RPTF Balance	\$ 1,708.2	\$ 1,960.6	\$ 1,992.1	\$ 1,775.5	\$ 1,646.7	\$ 1,480.3

Note: The Common Cash Pool is a group of accounts that transact, hold and invest the majority of City's cash assets. The pooling of cash allows the City to maximize investment earnings on available cash. Each contributing fund balance is treated as equity in the pool

CAPITAL BUDGET OVERVIEW

Capital Budgeting

- The FY24 Budget and FY24-27 Four-Year Financial Plan includes pay-as-you-go (PAYGO) funding for capital needs from various sources, including General Fund surplus and special revenue and enterprise funds (e.g., Street Fund, Transportation Grants).
- Separate from this budget, the City supports a substantial amount of its capital spending from previously issued and appropriated bond proceeds, grant funding, and philanthropy.
- The summary below lists proposed capital spending from General Fund surplus (Fund 4533).

Department	<u>FY24 Proposed</u>
24 - Detroit Fire Department	
Radio Replacements	\$ 980,000
35 - Non-Departmental	
Eastern Market Shed Repairs	350,000
36 - Housing & Revitalization Department	
Property Acquisition and Housing Capital	1,000,000
37 - Detroit Police Department	
Taser Replacements	2,550,000
43 - Planning & Development Department	
Neighborhood Planning and Master Plan Codification	1,350,000
45 - Department of Appeals & Hearings	
Digitization and Document Management	90,000
47 - General Services Department	
Fleet Management	10,000,000
Park Amenities Replacements	1,000,000
Joe Louis Greenway - Maintenance Equipment	1,000,000
Total	\$ 18,320,000

GLOSSARY

- **Account:** A classification of appropriation by type of expenditure.
- **Account Number / Account String:** Sequence of numbers by which appropriations are categorized.
- **Accrual Basis:** The basis of accounting under which transactions are recognized when they occur, regardless of the timing of related cash flows.
- **Actual:** The amounts spent by each department throughout a fiscal year.
- **Adopted:** The budget passed by the City Council and signed by the Mayor that is implemented on July 1 of the Fiscal Year.
- **Allotment:** The amount that can be expended quarterly for personnel as submitted to the City Auditor at the beginning of each fiscal year.
- **Appropriation:** The legal authorization to expend funds during a specific period, usually one fiscal year. The City Council is the appropriating authority.
- **ARPA:** Abbreviation for the American Rescue Plan Act, a federal relief package passed by Congress and signed by the President in Spring 2021
- **Authorization:** The legal consent to expend funds.
- **Balanced Budget:** A budget in which revenues equal expenditures.
- **Bond:** An interest-bearing promise to pay, with a specific maturity.
- **Bonds Authorized and Unissued:** The portion of approved bond authorizations or loan orders that has not yet been borrowed for or issued as bonds.
- **Budget:** A formal estimate of expenditures and revenues for a defined period, usually for one year.



- **Budget Amendment:** A change from originally budgeted quotas requested by departments to the Human Resources Department and the Office of Budget Management who authorize these changes.
- **Budget/Credit Transfer:** The transfer of appropriations from one expenditure account code to another within a department.
- **Capital Agenda:** A strategic document establishing priorities for investment in capital assets across future years.
- **Capital Budget:** A plan for capital expenditures for projects to be included; the first year of the capital program.
- **Capital Expenditure:** Expenditure for acquiring fixed assets such as land, buildings, equipment, technology and vehicles or for making improvements to fixed assets such as a building addition or renovation.
- **Capital Plan:** A multi-year plan of proposed outlays for acquiring long-term assets and the means for financing those acquisitions, usually by long-term debt.
- **Capital Improvement:** An expenditure that adds to the useful life of the City's fixed assets.
- **Capital Improvement Program:** A multi-year plan for capital expenditures to be incurred each year over a fixed period of years to meet capital needs.
- **Cash Basis:** A basis of accounting under which transactions are recognized only when cash changes hands.
- **Chargeback:** A method of billing departments for costs incurred by them but paid by another entity (e.g., telephone, postage, and printing).

- **Collective Bargaining:** The process of negotiations between the City administration and bargaining units (unions) regarding the salary, fringe benefits and working conditions of city employees.
- **Commission:** An appointed policy-setting body.
- **Community Development Block Grant (CDBG):** A federal entitlement program that provides community development funds based on a formula.
- **Credit Balance:** Account or departmental deficit. See departmental deficit.
- **Credit Rating:** A formal evaluation of credit history and capability of repaying obligations. The bond ratings assigned by Moody's Investors Service and Standard & Poor's.
- **Debt Limit:** The maximum amount of debt that a governmental unit may incur under constitutional, statutory, or charter requirements. The limitation is usually a percentage of assessed valuation.
- **Debt Service:** The annual amount of money necessary to pay the interest and principal on outstanding debt.
- **Deficit:** A condition that exists when expenditures exceed appropriations.
- **Department:** The major service-providing entity of city government.
- **Depreciation:** Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence.
- **Division:** A budgeted sub-unit of a department.
- **Encumbrance:** Funds set aside from an appropriation to pay a known future liability.
- **Expenditure:** An actual payment for goods or services received.

- **Expense/Debit Transfer:** The transfer of actual expenditures from one expenditure account code to another within or between departments.
- **External Fund:** Money that is not generated from city general fund sources, but is received by an agency, such as grants or trusts.
- **Fiscal Policy:** A government's policies with respect to revenues, spending, and debt management as these relate to government services, programs and capital investment. Fiscal policy provides an agreed-upon set of principles for the planning and programming of government budgets and their funding.
- **Fixed Assets:** Assets of long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.
- **Fringe Benefits:** Contributions made by a government to meet commitments or obligations for employee fringe benefits. Included are the government's share of costs for Social Security and the various pension, medical, and life insurance plans.
- **Fiscal Year (FY):** The twelve-month financial period used by the City beginning July 1 and ending June 30 of the following calendar year. The City's fiscal year is numbered according to the year in which it ends.
- **Fixed Debt:** Long-term obligations other than bonds, such as judgments, mortgages, and long-term notes or certificates of indebtedness.
- **Full Faith and Credit:** A pledge of the general taxing powers for the payment of governmental obligations. Bonds carrying such pledges are usually referred to as general obligation or full faith and credit bonds.
- **Full-time Equivalent Position (FTE):** A concept used to group together part-time positions into fulltime units.

- **Fund:** An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources with all related liabilities, obligations, reserves, and equities that are segregated for specific activities or objectives. Fund types used by the City include: General, Special Revenue, Capital and Enterprise.
- **Fund Balance:** The excess of the assets of a fund over its liabilities, reserves, and carryover.
- **Generally Accepted Accounting Principles (GAAP):** The basic principles of accounting and reporting applicable to state and local governments, including the use of the modified accrual or accrual basis of accounting, as appropriate, for measuring financial position and operating results. These principles must be observed to provide a basis of comparison for governmental units.
- **General Fund:** The fund into which the general (non-earmarked) revenues of the municipality are deposited and from which money is appropriated to pay the general expenses of the municipality.
- **General Obligation (G.O.) Bonds:** Bonds for whose payment, the full faith and credit of the issuer has been pledged. Commonly, but not always, these bonds are payable from property taxes and other general revenues.
- **General Retirement System (GRS) and Police/Fire Retirement System (PFRS):** Agencies that manages the City's defined-benefit pension benefits through management of retirement assets of employees and payment of pensions to retired employees.

- **Goal:** A statement, in general terms, of a desired condition, state of affairs or situation. By establishing goals, departments can define their missions and the methods for achieving those goals.
- **Grant Year:** The grant accounting period designated by the requirements of a specific grant. • **Headcount:** The actual number of full-time or full-time equivalent employees in a department at any given time.
- **Initiative:** A newly proposed program or service expansion.
- **Interest:** Compensation for the use of money, including at periodic intervals or the time a loan is made.
- **Interest Rate:** The interest payable, expressed as a percentage of the principal available for use during a specified period of time.
- **Line item:** See Expenditure Account Code.
- **Long-term Debt:** Debt with a maturity of more than one year after the date of issuance.
- **Mayor Proposed:** Recommended budget allocations put forth by the Mayor.
- **Metric:** A measure of progress towards an objective. Metrics are used to gauge how well a program or service is functioning. See also: “Performance Measure.”
- **Mission:** A general overview of the purposes and major activities of a department or program.
- **Modified Accrual Basis:** The accrual basis of accounting adapted, wherein only current assets and liabilities are reported on fund balance sheets and the fund operating statements present revenues and expenditures. Revenues are recognized when they become measurable and available to finance expenditures of the current period. Expenditures are recognized when related liability is incurred.

- **Object Account Code:** A classification according to the type of item purchased or service obtained, for example, emergency employees, communications, food supplies, and automotive equipment.
- **Outcome:** A strategic objective or vision for an improved state of the city along economic, environmental, or governmental measures.
- **Operating Budget:** A legally adopted plan for anticipated expenditures for personnel, contractual services, supplies, current charges, and equipment in one fiscal year.
- **Payments-In-Lieu-of-Taxes:** Income to replace tax lost due to property exempted from taxation.
- **Performance Measure:** An indicator of progress toward a strategy. Measures can be defined for identifying output, work or service quality, efficiency, effectiveness, and productivity.
- **Principal:** The face amount of a bond, exclusive of accrued interest.
- **Program:** An organized group of activities and the resources to execute them.
- **Program Evaluation:** The process of comparing actual service levels achieved with promised levels of service with the purpose of improving the way a program operates.
- **Reimbursement Grant:** A grant that is paid once a project is completed and inspected for conformance to the grant contract. The City must provide the full funding for the project until the reimbursement is received.
- **Reserve Fund:** An appropriation for contingencies.
- **Revenue:** Income received by the City.

- **Turnover Savings:** For budget purposes, savings that accrue due to unfilled budgeted positions in a department.
- **Service:** An activity performed by city government in service to residents.
- **Service Level Agreement (SLA):** A department's stated expectation of the time and results in meeting a service request. The SLA can then be used as a standard of department performance.
- **Special Revenue Fund:** Accounts for proceeds of specific revenue sources (other than special assessments, expendable trusts, or sources for major capital projects) legally restricted to expenditures for specific purposes.
- **State Revenue Sharing:** Annual payment from the State of Michigan to each locality based on legislated formula.
- **Tax Exempt Bonds:** Bonds exempt from federal income, state income, or state or local personal property taxes.
- **Unliquidated Reserve:** A fund established at year-end, used to pay for goods and services received this year, but not billed until next year.
- **Unencumbered Balance:** The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for future purposes.
- **Unreserved Fund Balance:** The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.
- **User Charges:** The payment of a fee for direct receipt of a public service by the party who benefits from the service.
- **Variable Cost:** A cost that increases/decreases with increases/decreases in the amount of service provided such as the payment of a salary.

- **Work Years:** The amount of personnel resources required for a program. expressed in terms of the “full-time equivalent” number of employees. One “work year” is equal to one full-time, year-round employee. For most categories, this equals 2,080 hours per year (40 hours per week times 52 weeks). The number of hours a part-time employee is budgeted to work during the year is divided by 2,080 to arrive at the equivalent number of “work years” for the position.

Introduction to Agency Descriptions - Reader's Guide

OFFICE OF THE CHIEF FINANCIAL OFFICER (23)

Mission

The Office of the Chief Financial Officer is central to the City's government operation, which is directed by State law to supervise all City functions. The OCFO enables the City to make informed decisions on the quality of life for Detroiters by providing financial advice and the financial infrastructure that e

This section describes the department's mission and purpose.

Department Name

Department Budget Code

Operating Programs and Services

- **CFO's Office** executes the CFO's vision and strategy to improve the OCFO's administrative functions and improve efficiency and effectiveness across government. The CFO's Office supervises and coordinates divisional operations and their functions.
- **Office of the Assessor** locates, identifies, and values—at current market conditions—all real and tangible personal property in the city of Detroit for the purposes of levying a warrant said levy to the Treasurer of the City of Detroit for collection.
- **Office of Budget** provides budget management, planning, and financial analysis to advance the City's goals and ensure fiscal stability. It oversees all aspects of the City's annual budget plan, including revenue forecasting and economic analysis, development of the Mayor's proposal, and negotiation of the budget with the City Council, implementation of the budget after adoption, establishing and enforcing budgetary and position controls, and monitoring the budget to ensure continued fiscal balance.
- **Office of Contracting & Procurement** supports the strategic contracting and procurement of materials, equipment and services that are essential to providing governmental services. Services provided support the operations of the City departments with staff dedicated to providing efficient and responsive services, in full compliance with legal requirements, while upholding the highest ethical and professional standards.
- **Office of the Controller** establishes, maintains and enforces City accounting policies, practices, and procedures. The Office is responsible for ensuring the City meets financial reporting requirements and is accountable for financial system controls. This includes risk management, grant audit and compliance.
- **Office of Departmental Financial Services** serves as a strategic financial partner to City agencies and assures effective

A bulleted summary of programs and services that concisely explains the department's core functions.

OFFICE OF THE CHIEF FINANCIAL OFFICER (23)

management and financial integrity of agency operations by developing, implementing and monitoring plans, policies and systems. Areas of focus include budget administration, program analysis/evaluation, finance, accounting, internal controls, financial systems, grants management, strategic planning, and performance metrics.

- **Office of Development & Grants** identifies and acquires public and private resources that match City of Detroit priorities, as well as oversees, coordinates, and administers grants for the City of Detroit by establishing processes that support end-to-end grants management activities consistent with federal, state and local requirements, thereby, achieving the greatest use and accountability of grant dollars.
- **Office of the Treasury** effectively, timely and accurately collects and records all taxes, special assessments, fees and other monies received; acts as the custodian of all funds and City assets; and disburses all funds as authorized. The Office also issues and manages general fund debt obligations and provides and manages low-cost debt financing of large-scale, long-term capital projects and improvements. The Treasurer is responsible for investments.

Goals, Strategic Priorities and Related City Outcomes

Goals / Strategic Priorities	Timeframe	Related City Outcome
1. Deliver efficient and effective financial management to improve the quality of life for Detroiters	July 2023 - June 2027	Efficient & Innovative Operations
2. Maximize revenue and protect against financial exposure	July 2023 - June 2027	Efficient & Innovative Operations
3. Improve communications, trust, and transparency with our stakeholders		Efficient & Innovative Operations
4. Continuously improve and build high-performing, inquisitive, and innovative teams		Efficient & Innovative Operations

This table presents the department’s current strategic priorities and goals and links them to broad citywide outcomes. The table also provides an approximate timeframe for achieving or measuring the goal.

OFFICE OF THE CHIEF FINANCIAL OFFICER (23)

Budget By Service

Services	FY 2024 Mayor Proposed	FY 2024 Mayor Proposed FTE
Accounting and Internal Controls	\$6,483,450	53.0
Administration	\$2,498,561	15.0
Budget Planning and Management	\$3,541,877	23.0
Department Financial Services	\$13,106,277	124.0
Grants Management and Fund Development		25.0
Procurement Services		47.0
Property Assessment		66.0
Revenue Management		63.0
Total:		416.0

This table shows the department's annual budget and personnel (FTE) allocation by service category. Services represent the specific programs and activities contained within a department.

Metrics and Data

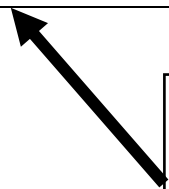
Metrics	Data	Related Goal #
Annual Financial Audit Opinion	Unmodified opinion for FY22	1
Annual General Fund Revenue Growth	20.7% for FY22 vs. FY21	2
Rainy Day Fund % of recurring General Fund budget	12% ending FY22 based on FY23 adopted budget	2
Bond Credit Rat	Ba2/BBB as of March 2022	3

This table displays metrics that the department collects or will collect in budgeted fiscal year and provides recent data where available. The metrics are also linked to the goals shown in the "Goals, Strategic Priorities, and Related Outcomes" table above.

OFFICE OF THE CHIEF FINANCIAL OFFICER (23)

Operating Budget Highlights

Initiative	FY 2024 Mayor Proposed	FY 2024 Mayor Proposed FTE
Restore Critical Financial Management Staffing	\$2,192,263	21.0
State of Michigan - City Income Tax Administration	\$3,083,190	0.0



This table describes key and noteworthy additions to a department's budget as compared to the prior fiscal year. While not an exhaustive summary of every change to a department's budget, Operating Budget Highlights shows key new programs, program expansions, and cost drivers.

Department Name: Office of the Chief Financial Officer
Department #: 23

Department name and budget code

Budget Summary:

	FY2022 Actual		FY2023 Adopted		FY2024 Mayor Proposed	
	General Fund	All Funds	General Fund	All Funds	General Fund	All Funds
Total Revenues	3,302,317	4,890,346	4,653,122			
Total Expenditures	52,222,317	53,171,537	58,521,656			
Net Tax Cost	48,919,999	48,281,191	53,868,534			

	FY2025 Forecast		FY2026 Forecast	
	General Fund	All Funds	General Fund	All Funds
Total Revenues	4,875,000	4,875,000	4,964,000	
Total Expenditures	61,702,537	61,702,537	62,751,460	

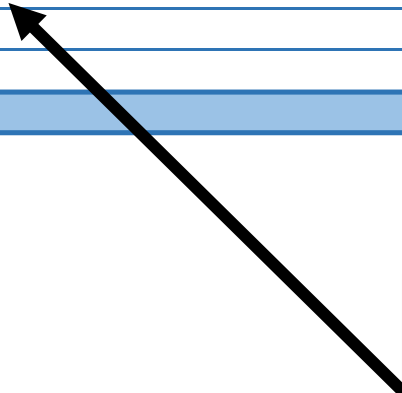
These two tables summarize the total revenues and expenditures for a department, in the general fund, and in all funds. FY 2022 Actual refers to true spending in that fiscal year, according to the audited FY 2022 Annual Comprehensive Financial Report (ACFR).

Positions (by FTE):	2/10/2023 Actual	FY2023 Adopted	FY2024 Mayor Proposed	FY2025 Forecast	FY2026 Forecast	FY2027 Forecast
General Fund	366	378	399	399	399	399
Non-General Fund	12	13	17	17	17	17
ARPA	24	-	-	-	-	-
Total Positions	402	391	416			416

This table summarizes a department's budgeted positions by three major fund categories – general fund, non-general fund, and American Rescue Plan Act (ARPA).

**CITY OF DETROIT
BUDGET DEVELOPMENT
EXPENDITURES BY SUMMARY CATEGORY - ALL FUNDS
DEPARTMENT 23 - OFFICE OF THE CHIEF FINANCIAL OFFICER**

Department # - Department Name Summary Category	FY2023 Adopted	FY2024 Mayor Proposed	FY2025 Forecast	FY2026 Forecast	FY2027 Forecast
23 - Office of the Chief Financial Officer	58,521,656	62,296,668	61,702,537	62,751,460	63,707,194
Salaries & Wages	31,860,667	34,749,498	34,156,824	34,817,965	35,424,901
Employee Benefits	10,128,532	10,494,355	10,406,840	10,623,231	10,798,923
Professional & Contractual Services	10,781,314	13,368,088	13,380,450	13,514,255	13,649,397
Operating Supplies	1,114,955	1,129,125	1,151,708	1,163,225	1,174,861
Operating Services	3,469,188	1,377,871	1,405,429	1,419,484	1,433,678
Other Expenses	1,167,000	1,177,731	1,201,286	1,213,300	1,225,434
Grand Total	58,521,656	62,296,668	61,702,537	62,751,460	63,707,194



This table presents the department’s operating expenditures across all funds, by “summary category.” Summary categories are major classes of expenditures. The table shows the Fiscal Year 2023 Adopted budget that was passed in April 2022 and began on July 1, 2022. It also shows the current, Fiscal Year 2024 budget proposed by the Mayor, and forecasts for the next three fiscal years. Each forecast year is based on known cost inflators and pressures.

**CITY OF DETROIT
BUDGET DEVELOPMENT
REVENUES BY SUMMARY CATEGORY - ALL FUNDS
DEPARTMENT 23 - OFFICE OF THE CHIEF FINANCIAL OFFICER**

Department # - Department Name Summary Category	FY2023 Adopted	FY2024 Mayor Proposed	FY2025 Forecast	FY2026 Forecast	FY2027 Forecast
23 - Office of the Chief Financial Officer	4,653,122	5,012,900	4,875,000	4,964,000	12
Sales & Charges for Services	4,188,122	4,291,900	4,398,000	4,487,000	8
Revenues from Use of Assets	130,000	130,000	130,000	130,000	1
Fines, Forfeits, & Penalties	275,000	281,000	287,000	287,000	1
Contributions & Transfers	-	250,000	-	-	1
Sales of Assets & Compensation for Losses	60,000	60,000	60,000	60,000	1
Grand Total	4,653,122	5,012,900	4,875,000	4,964,000	12

This table presents the department’s revenues across all funds, by “summary category.” Summary categories in this table are major sources of departmental revenues. The table shows the Fiscal Year 2023 Adopted budget that was passed in April 2022 and began on July 1, 2022. It also shows the current, Fiscal Year 2024 budget proposed by the Mayor, and forecasts for the next three fiscal years. Further information on the methodology for forecasted projections is available in the February 2023 Revenue Estimating Conference Report.

**CITY OF DETROIT
BUDGET DEVELOPMENT
EXPENDITURES BY SUMMARY CATEGORY - FUND DETAIL
DEPARTMENT 23 - OFFICE OF THE CHIEF FINANCIAL OFFICER**

Department # - Department Name Fund # - Fund Name Summary Category	FY2023 Adopted	FY2024 Mayor Proposed	FY2025 Forecast	FY2026 Forecast	FY2027 Forecast
23 - Office of the Chief Financial Officer	58,521,656	62,296,668	61,702,537	62,751,460	63,707,194
1000 - General Fund	58,521,656	60,549,304	61,702,537	62,751,460	63,707,194
Salaries & Wages	31,860,667	33,355,300	34,156,824	34,817,965	35,424,901
Employee Benefits	10,128,532	10,141,189	10,406,840	10,623,231	10,798,923
Professional & Contractual Services	10,781,314	13,368,088	13,380,450	13,514,255	13,649,397
Operating Supplies	1,114,955	1,129,125	1,151,708	1,163,225	1,174,861
Operating Services	3,469,188	1,377,871	1,405,429	1,419,484	1,433,678
Other Expenses	1,167,000	1,177,731	1,201,286	1,213,300	1,225,434
1003 - Blight Remediation Fund					
Salaries & Wages	-	1,394,198	-	-	-
Employee Benefits	-	353,166	-	-	-
Grand Total	58,521,656	62,296,668	61,702,537	62,751,460	63,707,194

This table presents the department's expenditures by each fund and by "summary category." Summary categories in this table are major classes of expenditures. The table shows the Fiscal Year 2023 Adopted budget that was passed in April 2022 and began on July 1, 2022. It also shows the current, Fiscal Year 2024 budget proposed by the Mayor, and forecasts for the next three fiscal years.

**CITY OF DETROIT
BUDGET DEVELOPMENT
REVENUES BY SUMMARY CATEGORY - FUND DETAIL
DEPARTMENT 23 - OFFICE OF THE CHIEF FINANCIAL OFFICER**

Department # - Department Name Fund # - Fund Name Summary Category	FY2023 Adopted	FY2024 Mayor Proposed	FY2025 Forecast	FY2026 Forecast	FY2027 Forecast
23 - Office of the Chief Financial Officer	4,653,122	5,012,900	4,875,000	4,964,000	12
1000 - General Fund	4,653,122	5,012,900	4,875,000	4,964,000	12
Sales & Charges for Services	4,188,122	4,291,900	4,398,000	4,487,000	8
Revenues from Use of Assets	130,000	130,000	130,000	130,000	1
Fines, Forfeits, & Penalties	275,000	281,000	287,000	287,000	1
Contributions & Transfers	-	250,000	-	-	1
Sales of Assets & Compensation for Losses	60,000	60,000	60,000	60,000	1
Grand Total	4,653,122	5,012,900	4,875,000	4,964,000	12

This table presents the department’s revenues by each fund and by “summary category.” Summary categories in this table are major sources of departmental revenues. The table shows the Fiscal Year 2023 Adopted budget that was passed in April 2022 and began on July 1, 2022. It also shows the current, Fiscal Year 2024 budget proposed by the Mayor, and forecasts for the next three fiscal years.

**CITY OF DETROIT
BUDGET DEVELOPMENT
FINANCIAL DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER - EXPENDITURES
DEPARTMENT 23 - OFFICE OF THE CHIEF FINANCIAL OFFICER**

Department # - Department Name					
Fund # - Fund Name	FY2023	FY2024	FY2025	FY2026	FY2027
Appropriation # - Appropriation Name	Adopted	Mayor Proposed	Forecast	Forecast	Forecast
Cost Center # - Cost Center Name					
23 - Office of the Chief Financial Officer	58,521,656	62,296,668	61,702,537	62,751,460	63,707,194
1000 - General Fund	58,521,656	60,549,304	61,702,537	62,751,460	63,707,194
29230 - OCFO Administration	2,409,782	2,498,561	2,549,217	2,587,262	2,624,866
230010 - OCFO Administration	2,409,782	2,498,561	2,549,217	2,587,262	2,624,866
29231 - Resource Planning	15,922,679	15,876,308	16,272,771	16,598,254	16,886,607
230133 - Grant Accounting	1,455,618	1,467,011	1,496,842	1,519,534	1,541,846
230137 - Office of Budget	3,492,679	3,541,877	3,599,201	3,635,747	3,680,164
230201 - ODFS - Public Safety Police	1,383,361	1,424,283	1,453,244	1,475,276	1,496,937
230202 - ODFS - Public Infrastructure	1,582,706	1,631,426	1,664,600	1,689,836	1,714,648
230203 - ODFS - Neighborhood, Community, & Econ Dev	2,103,069	2,161,630	2,205,586	2,239,024	2,271,900
230204 - ODFS - Government Operations	1,057,069	961,936	1,025,699	1,090,027	1,133,156
230205 - ODFS - Legislative Operations	1,045,914	1,212,240	1,281,059	1,349,242	1,396,212
230208 - ODFS - Administration				75	1,208,394
230209 - ODFS - Public Space				49	1,442,726
230211 - ODFS - Public Safety - Fire				44	1,000,624
29232 - Property Valuation				27	7,653,093
230120 - Valuation & Field Operations				45	4,755,806
230122 - Special Processing Division				74	1,702,023
230123 - GIS/Land Maintenance Division				08	1,195,264
230124 - Board of Review					-
29233 - Contracting & Procurement				86	4,961,694
230080 - Procurement	4,462,177	4,353,347	4,441,649	4,506,510	4,570,506
230081 - Compliance & Audit Division	157,807	372,199	379,769	385,526	391,188

This table presents the department's expenditures by each fund, appropriation, and cost center. Appropriations constitute legal authority to spend funds during the fiscal year. Cost Centers correspond to organizational units or functions. The table shows the Fiscal Year 2023 Adopted budget that was passed in April 2022 and began on July 1, 2022. It also shows the current, Fiscal Year 2024 budget proposed by the Mayor, and forecasts for the next three fiscal years.

**CITY OF DETROIT
BUDGET DEVELOPMENT
FINANCIAL DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER - REVENUES
DEPARTMENT 23 - OFFICE OF THE CHIEF FINANCIAL OFFICER**

Department # - Department Name						
Fund # - Fund Name		FY2023	FY2024	FY2025	FY2026	
Appropriation # - Appropriation Name		Adopted	Mayor Proposed	Forecast	Forecast	
Cost Center # - Cost Center Name					FY2027 Forecast	
23 - Office of the Chief Financial Officer		4,653,122	5,012,900	4,875,000	4,964,000	5,076,000
1000 - General Fund		4,653,122	5,012,900	4,875,000	4,964,000	5,076,000
29231 - Resource Planning		3,911,122	4,008,900	4,109,000	4,212,000	4,318,000
230202 - ODFS - Public Infrastructure		1,772,139	1,816,442	1,862,000	1,909,000	1,957,000
230203 - ODFS - Neighborhood, Community, & Econ Dev		2,138,983	2,192,458	2,247,000	2,303,000	2,361,000
29232 - Property Valuation		280,000	536,000	292,000	287,000	287,000
230120 - Valuation & Field Operations		280,000	536,000	292,000	287,000	287,000
29234 - Revenue Management		205,000	205,000	205,000	190,000	190,000
230070 - Treasury		205,000	205,000	205,000	190,000	190,000
29235 - Accounting Controls		257,000	263,000	269,000	275,000	281,000
230060 - Payroll Audit		6,000	6,000	6,000	6,000	6,000
230100 - Risk Management		251,000	257,000	263,000	269,000	275,000
Grand Total		4,653,122	5,012,900	4,875,000	4,964,000	5,076,000

This table presents the department's revenues by each fund, appropriation, and cost center. Appropriations constitute legal authority to spend funds during the fiscal year. Cost Centers correspond to organizational units or functions. The table shows the Fiscal Year 2023 Adopted budget that was passed in April 2022 and began on July 1, 2022. It also shows the current, Fiscal Year 2024 budget proposed by the Mayor, and forecasts for the next three fiscal years.

**CITY OF DETROIT
BUDGET DEVELOPMENT
POSITION DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER
DEPARTMENT 23 - OFFICE OF THE CHIEF FINANCIAL OFFICER**

Department # - Department Name					
Fund # - Fund Name					
Appropriation # - Appropriation Name	FY2023	FY2024	FY2025	FY2026	FY2027
Cost Center # - Cost Center Name	Adopted	Mayor Proposed	Forecast	Forecast	Forecast
Job Code - Job Title					
23 - Office of the Chief Financial Officer	391	416	416	416	416
1000 - General Fund	378	399	399	399	399
29230 - OCFO Administration	14	15	15	15	15
230010 - OCFO Administration	14	15	15	15	15
013376.Executive Administrative Assistant II	0	1	1	1	1
111626.Program Analyst Manager IV Reporting And Complia	1	0	0	0	0
11303002.Chief Deputy Chief Financial Officer	2	1	1	1	1
13111004.Project Manager Analytics Specialist IV	4	3	3	3	3
13111102.Program Analyst II	1	0	0	0	0
13111104.Program Analyst IV				0	0
13111123.Program Analyst Manager III				1	1
13111160.Prog Analyst II OCFO Admin				1	1
13111162.Program Analyst IV OCFO Administration				2	2
13111165.Program Analyst Manager III OCFO Adm				1	1
13111184.Program Analyst Manager IV OCFO Adm				1	1
303001.Chief Financial Officer				1	1
43013376.Executive Administrative Assistant II				0	0
43601103.Administrative Assistant III				1	1
929107.Administrative Special Services Staff II - Exempt	0	1	1	1	1
929108.Administrative Special Services Staff III - Exempt	0	1	1	1	1
29231 - Resource Planning	132	139	139	139	139
230133 - Grant Accounting	13	13	13	13	13
13201002.Accountant II	2	1	1	1	1

This table presents the number of each position budgeted in the department, by fund, appropriation, and cost center. Job titles and codes are listed, along with the number that were budgeted in the prior year adopted budget, the number that are proposed for the new fiscal year, and number included in the financial plan for the following three fiscal years.