

# REVENUE ESTIMATING CONFERENCE

## Proposed Revenue Estimates for Fiscal Years 2025 through 2029

February 10, 2025

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**TAKE PART**  
Opportunity Rising

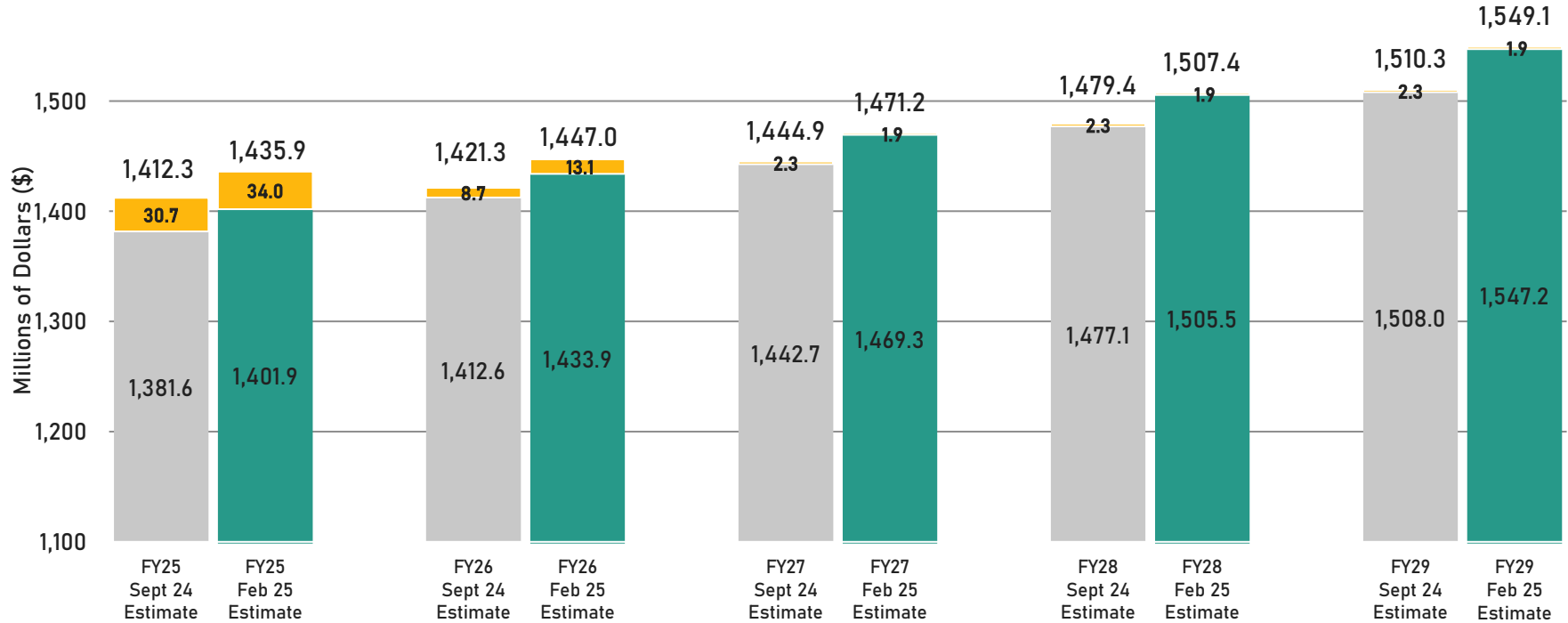


# Overview

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- Section 117.4t(1)(d) of the Home Rule City Act, as amended by PA 182 of 2014, states the City of Detroit shall hold independent revenue estimating conferences in September and February each year to establish its official economic forecast and forecast of anticipated City revenues
- Revenue estimates must be approved by consensus among the voting conference principals:
  - **Jay B. Rising:** Chief Financial Officer, City of Detroit
  - **Eric Bussis:** Chief Economist and Director, Office of Revenue and Tax Analysis, Michigan Department of Treasury (State Treasurer's designee)
  - **George A. Fulton, PhD:** Director Emeritus, Research Professor Emeritus, Research Seminar In Quantitative Economics (RSQE), Department of Economics, University of Michigan
- The estimates include the current fiscal year (FY 2025) and the next four years (FY 2026-FY 2029).
- The revenue estimates approved today set the amount available for the City budget.

# General Fund Revenue Comparison to September 2024 Conference

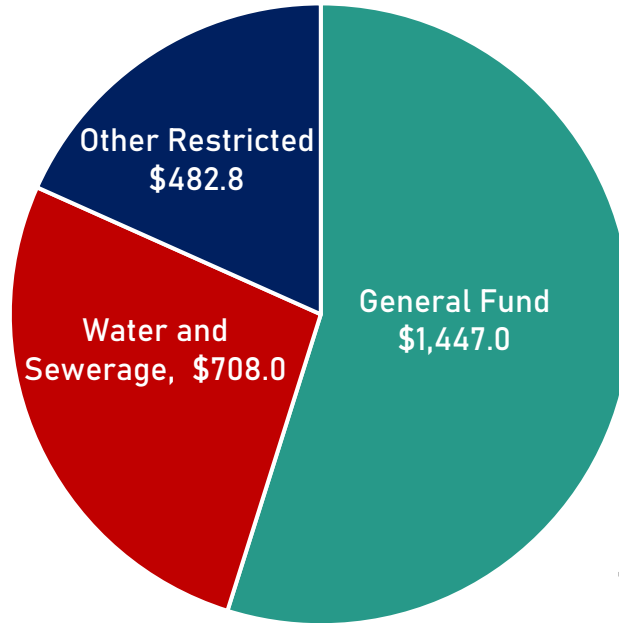


■ Current Conference Recurring  
■ Non-Recurring



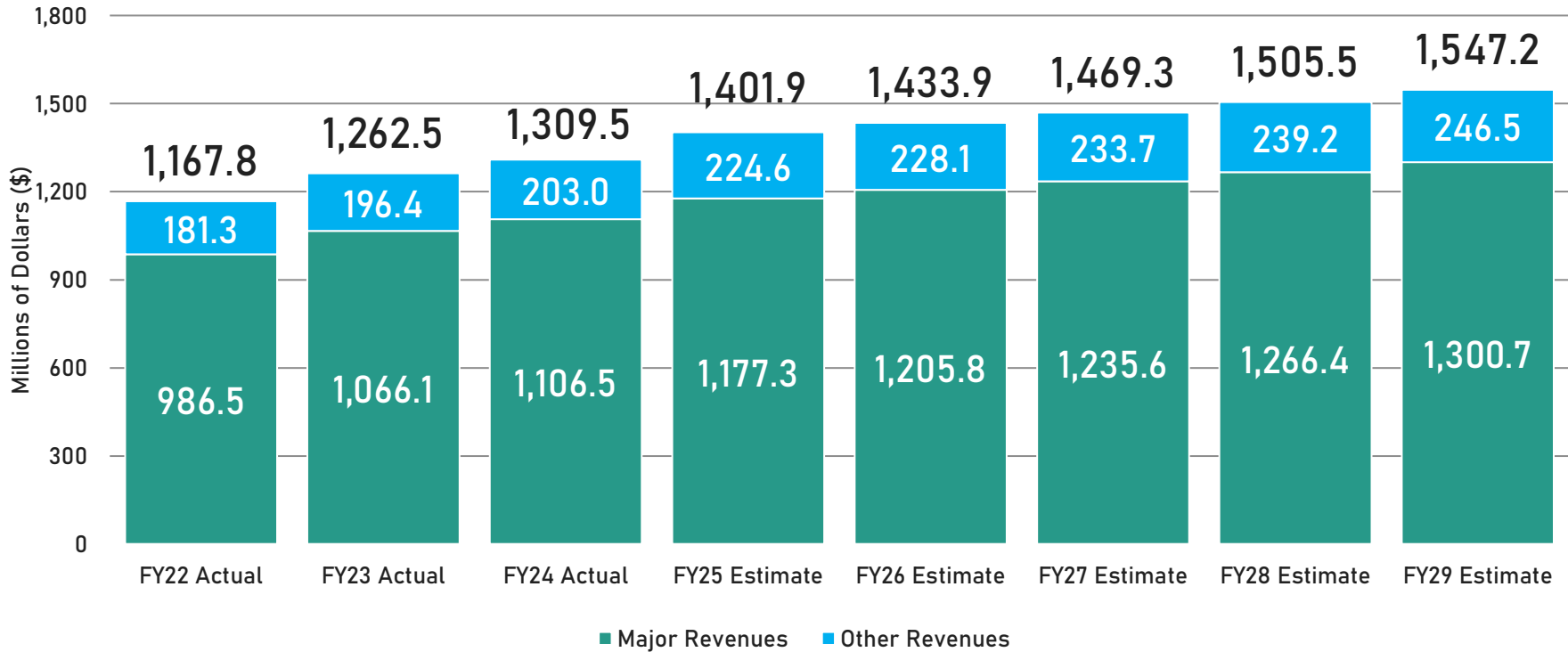
# FY 2026 Revenue Summary, All Funds

Millions of Dollars (\$)



Total: \$2.638 Billion

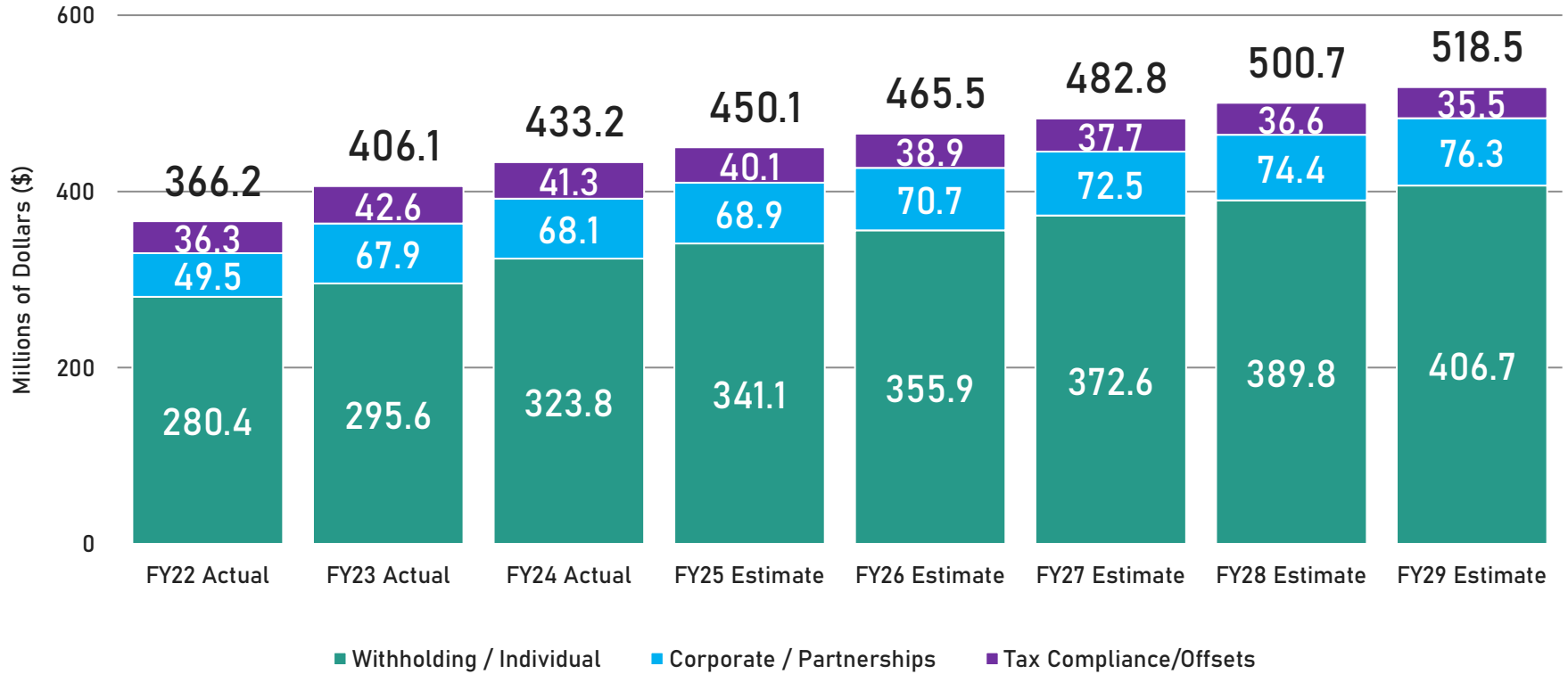
# Recurring General Fund Revenue



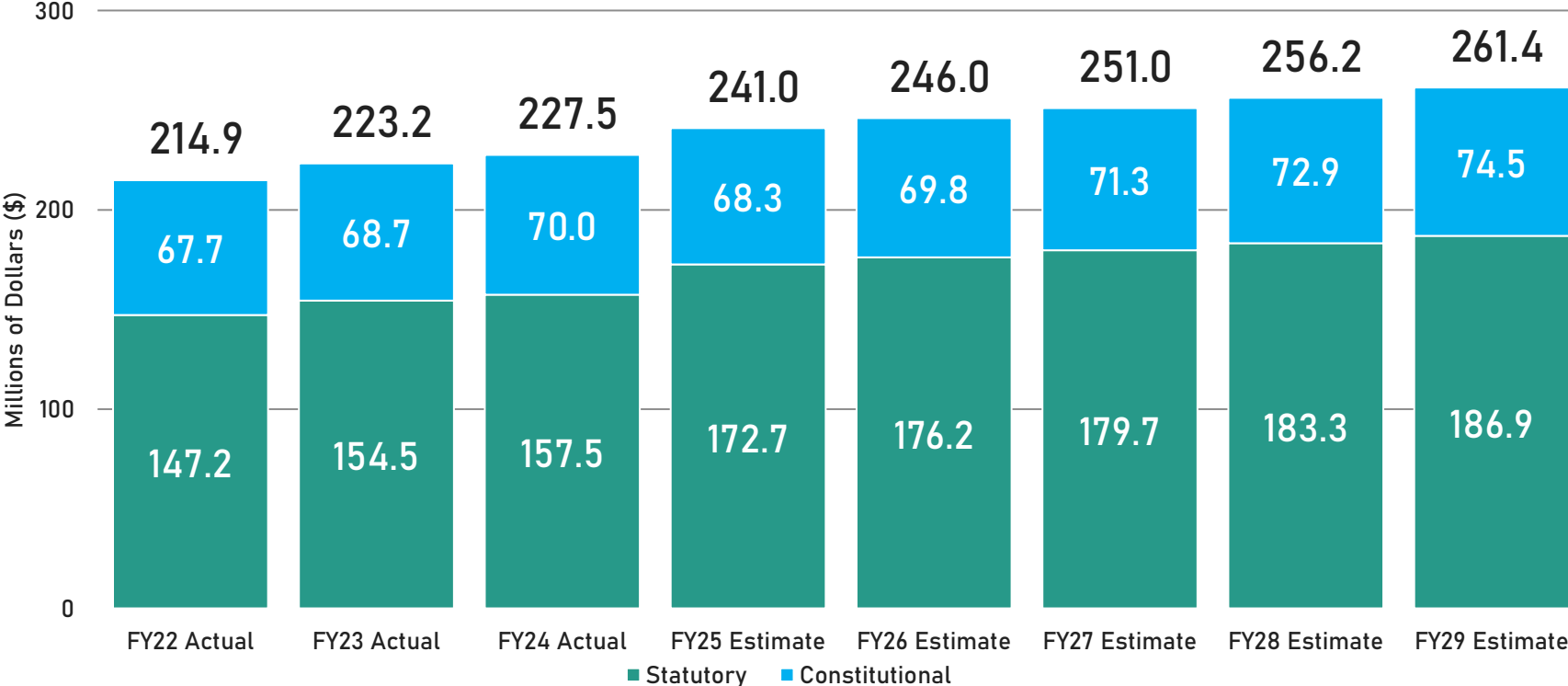
Note: Excludes non-recurring revenues, such as bond proceeds, asset sales, and one-time tax payments, which are not expected to continue in future years.



# Recurring Income Tax



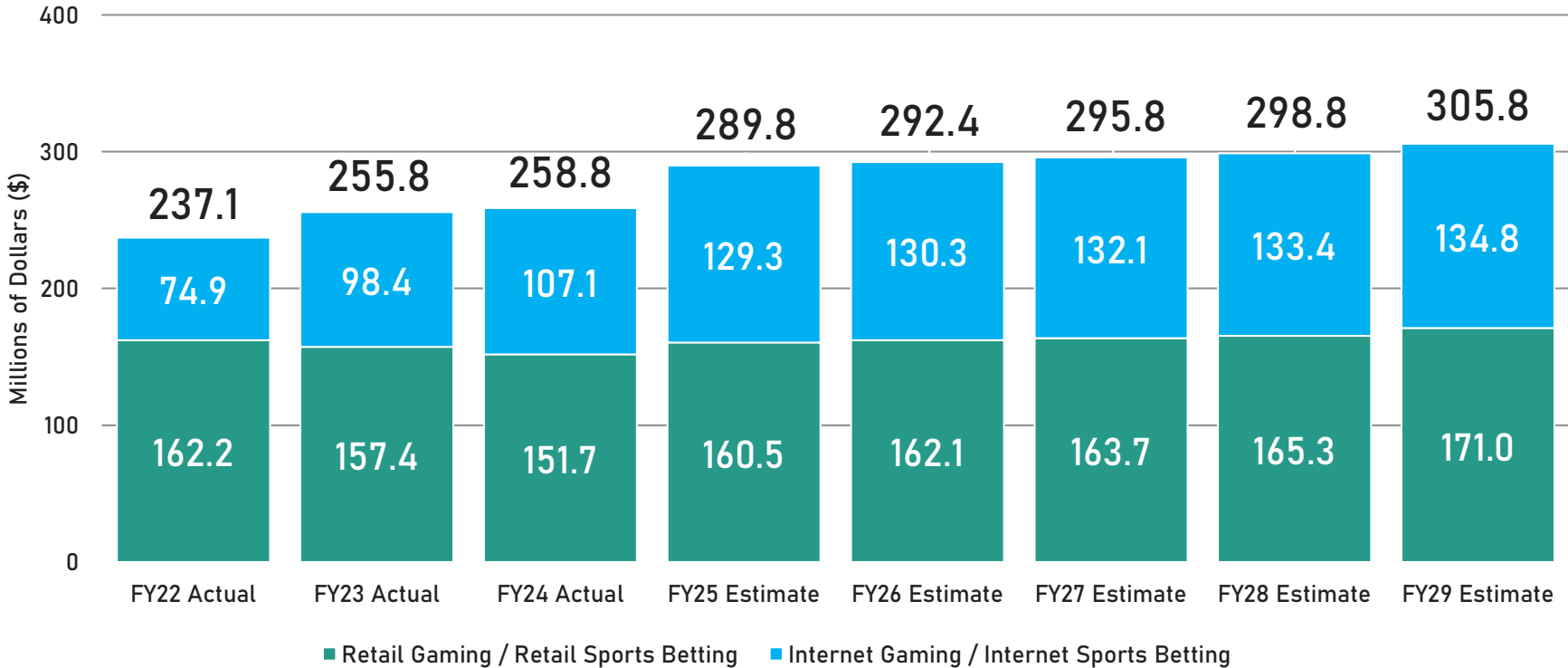
# Recurring State Revenue Sharing



Note: Excludes one-time 1% increase in statutory revenue sharing for FY23 and one-time 2% increase in FY24.



# Recurring Wagering Tax

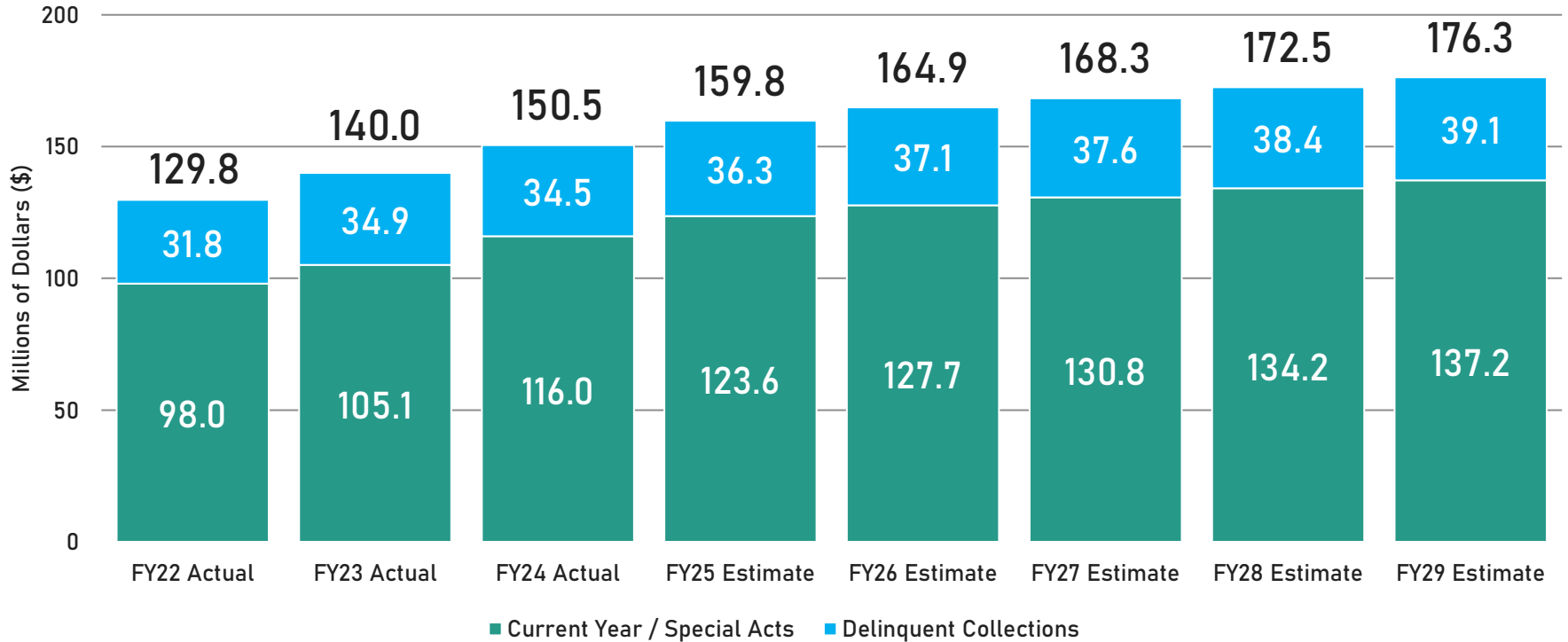


Note: FY22 excludes \$40.5M one-time hold harmless payment from State based on FY21 revenue losses.





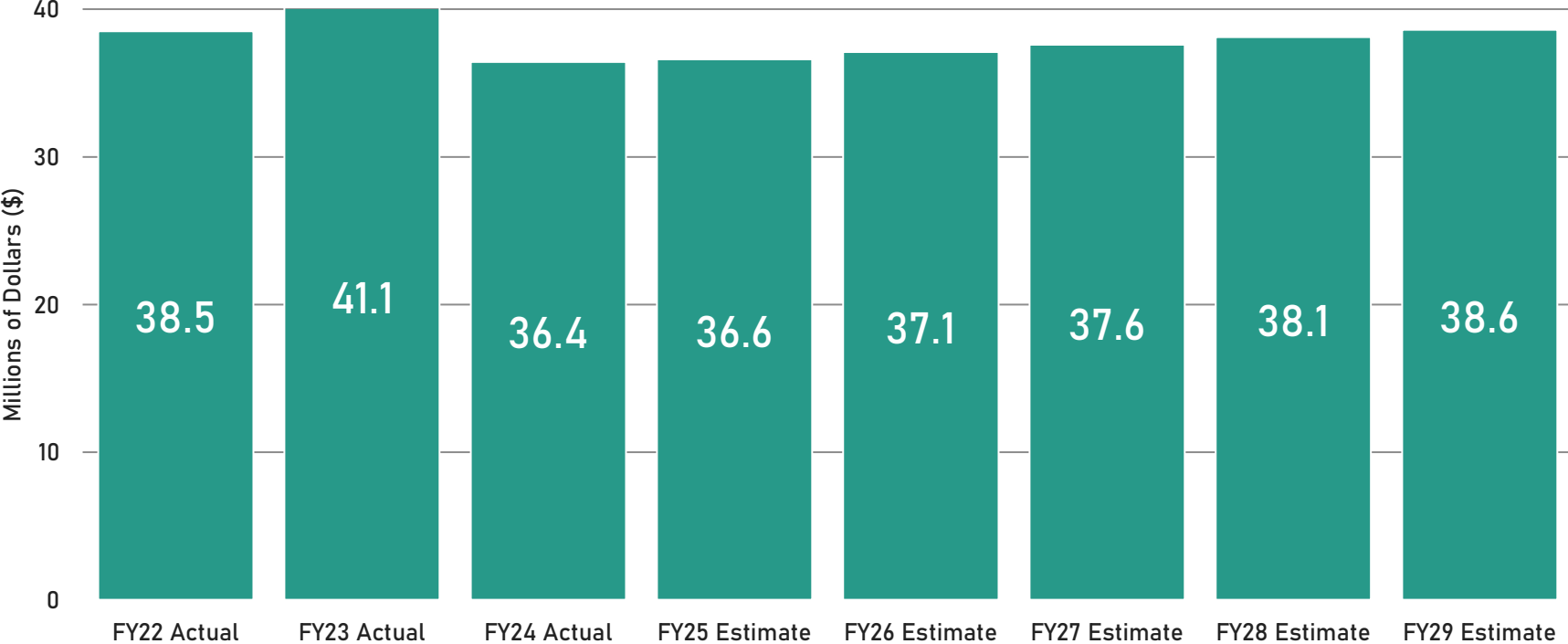
# Recurring Property Tax



Note: Includes ad valorem taxes and special act taxes (e.g., Neighborhood Enterprise Zone, Industrial Facilities Exemption, and Obsolete Property Rehabilitation Act). Current Year taxes are net of tax increment financing (TIF) distributions.



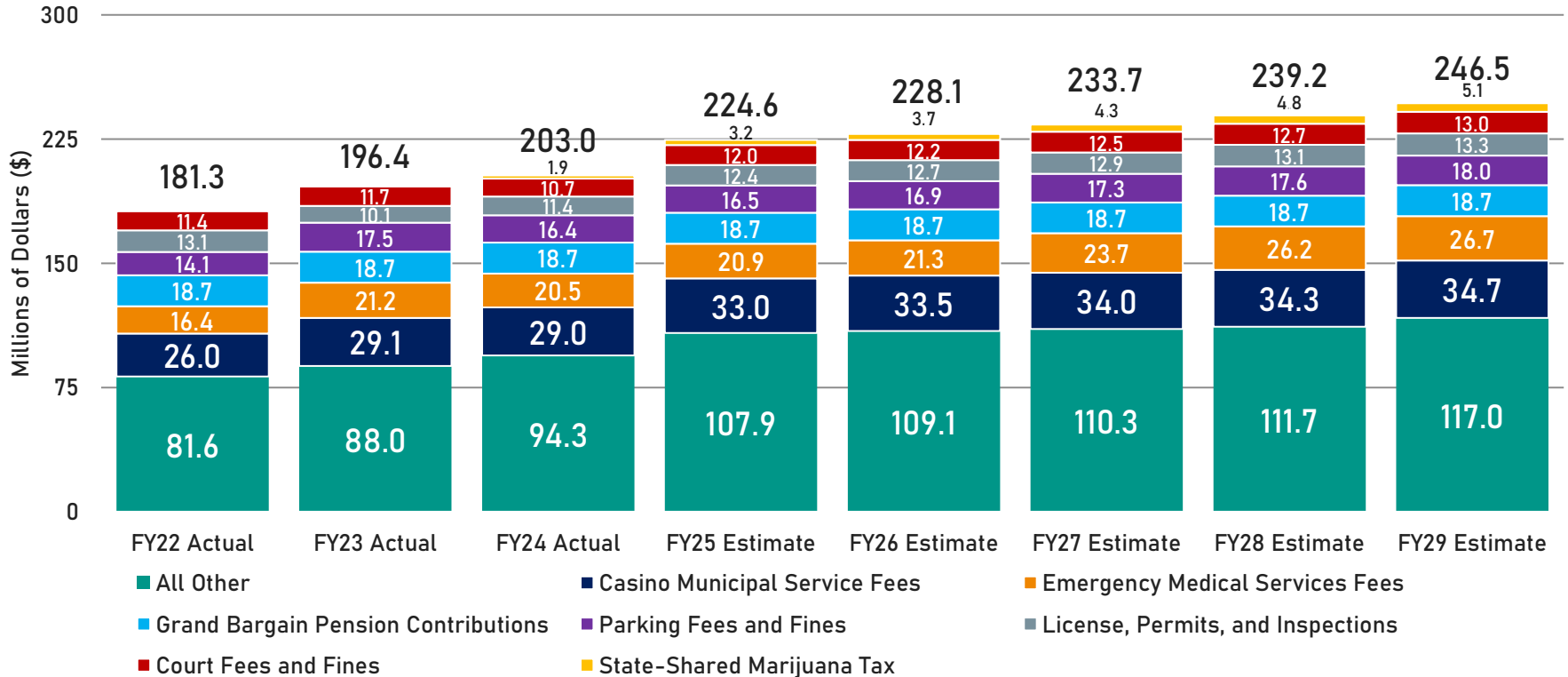
# Recurring Utility Users Tax



Note: Utility Users Tax for the General Fund is net of annual \$12.5M dedicated to Public Lighting Authority debt service.



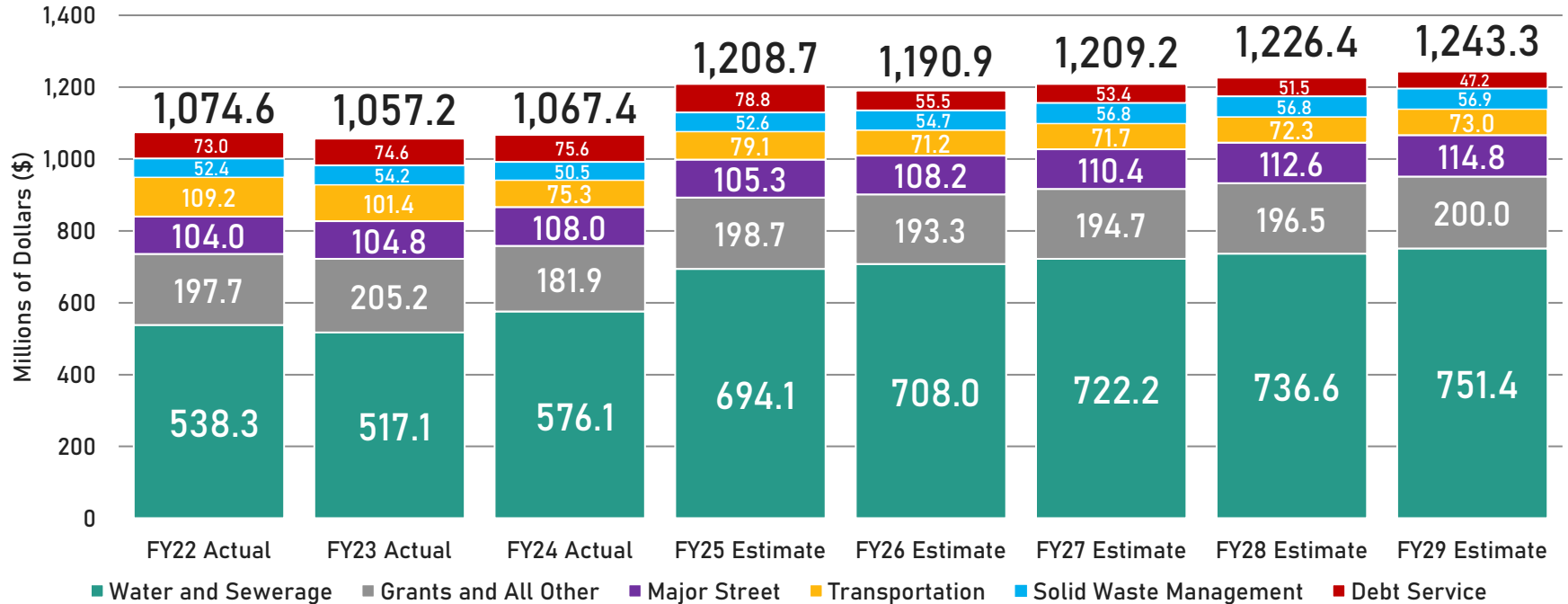
# Recurring Other Revenues (General Fund)



Note: Recurring revenues exclude one-time items like asset sales and bond proceeds.



# Enterprise and Special Revenue Funds

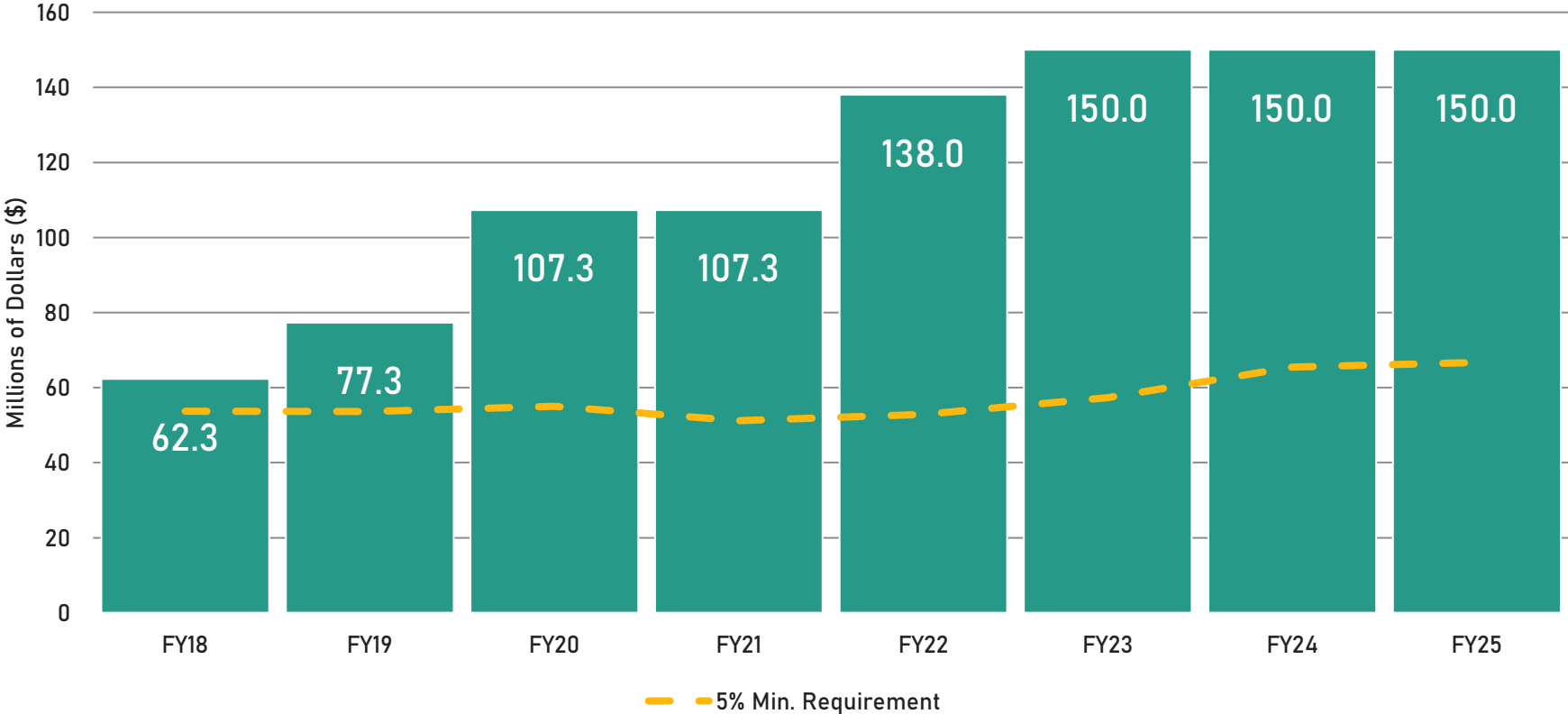


Notes: Does not include contributions and transfers across funds (e.g., General Fund contribution to Transportation).

- Amounts exclude inter-fund transfers. Actuals include various grant reimbursements and other one-time items not included in forecasts.
- DWSD estimates include use of bonds and other fund balances not reported in revenue actuals.
- All Other Funds includes Risk Management, Blight, and Gordie Howe Bridge Project revenues not expected to be recurring.
- Solid Waste Fund includes \$10 per year residential fee increase for the next three years, approved by City Council on 2/6/24.



# Budget Reserve (“Rainy Day Fund”)



# Potential forecast risks and upside potential

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## Downside risks

- Uncertainty and unpredictability to employment and personal income from federal trade and fiscal policy, and corresponding uncertainty on resulting federal monetary policy
- Pace of growth in employment
- Lower state revenue sharing from reduction in state sales tax collections, driven by change in personal income and propensity to spend
- Shift in wagering behavior pattern from historically positive trend

## Upside potential

- Incremental employment from economic development initiatives (e.g., healthcare, research & development, start-up tech, entertainment & sports)
- Larger share of tax derived from income earned (hours of work) within City, driven by above trend wage growth, more in-person work, and employment job growth
- Increased individual and corporate tax compliance
- Increase in property sales (leading to uncapping) and improvement in market value conditions of residential, commercial, and industrial properties, impact mitigated by Headlee inflation cap
- Passing of legislation authorizing allocation of public safety trust fund

# THANK YOU

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Revenue & Economic Reports