



City of Detroit
FOUR-YEAR
FINANCIAL PLAN
FY 2017-2020

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Mayor

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CITY OF DETROIT
FOUR-YEAR FINANCIAL PLAN
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OVERVIEW

Founded in 1701 and incorporated in 1806, Detroit is a political subdivision of the State of Michigan and is its largest city. Detroit is located on an international waterway, which is linked via the St. Lawrence Seaway to seaports around the world. As of July 2015, the city had a population of approximately 685,000 (down from a peak population of nearly 2 million in 1950). However, Detroit remains the 18th most populated city in the United States of America.

Detroit is a home rule city and body corporate organized under Michigan Public Act 279 of 1909 (as amended), the Home Rule City Act, MCL §§ 117.1 *et seq.* (the "Home Rule City Act"). Detroit has comprehensive home rule power under the Michigan Constitution, the Home Rule City Act and the 2012 Charter of the City of Detroit (the "City Charter"), subject to the limitations on the exercise of that power contained in the Michigan Constitution, the City Charter or applicable Michigan statutes. The City of Detroit is managed by an executive branch and a legislative branch.

The Mayor heads the executive branch. The citizens of Detroit elect the Mayor to a four-year term. On November 5, 2013 Mike Duggan was elected Mayor. The City Charter grants the Mayor broad managerial powers including the authority to appoint department directors, deputy directors and other executive branch officials. The responsibility to implement most programs, provide services and manage day-to-day operations is delegated by the City Charter to the executive branch. The legislative branch is comprised of the City Council and its agencies. The nine members of City Council also

are elected to four-year terms. Starting with the election in 2013 in accordance with Detroit's new charter, seven council members are elected by districts (one each per district) and two at-large. Many significant decisions, including budget appropriations, procurement of goods and services and certain policy matters must be approved by the City Council.

On March 1, 2013, the Governor of the State of Michigan determined that a financial emergency existed within the City of Detroit pursuant to the Local Government Fiscal Responsibility Act, Act 72, Public Acts of Michigan, 1990, as amended. On March 14, 2013, the Governor confirmed that a financial emergency existed within the City and, pursuant to Act 72, assigned to the Local Emergency Financial Assistance Loan Board established pursuant to the Emergency Municipal Loan Act, Act 243 Public Acts of Michigan, 1980, as amended the responsibility for managing the financial emergency. On March 14, 2013, pursuant to Act 72, the Board appointed Kevyn D. Orr as Emergency Financial Manager for the City. On July 18, 2013, in accordance with Act 436 and the approval of the Governor, the Emergency Manager filed on behalf of the City a petition for relief pursuant to Chapter 9 of Title 11 of the United States Code, 11 U.S.C. Sections 101-1532 in the United States Bankruptcy Court for the Eastern District of Michigan. The Emergency Manager filed on behalf of the City a Plan for the Adjustment in the Bankruptcy Court to provide for the adjustment of the debts of the City pursuant to and in accordance with Chapter 9 of the Bankruptcy Code.

On September 25, 2014, in accordance with Section 9(6)c) of PA 436, the City Council voted unanimously to remove the EM as of the Effective Date of the Plan of Adjustment. By a letter to the Governor, the Mayor approved of the Council's vote on the same day. On November 12, 2014, the United States Bankruptcy Court for the Eastern District of Michigan Southern Division entered an order confirming the Eighth Amended Plan for the Adjustment of Debts of the City of Detroit. The effective date of the Bankruptcy Order was December 10, 2014. Kevyn Orr resigned as Emergency Manager the same day and this returned the City to local control.

As required in PA 436, Sec 21(1 and 2) the emergency manager shall adopt and implement a 2-year budget, including all contractual and employment agreements, for the local government commencing with the termination of receivership. After the completion of the emergency manager's term and the termination of receivership, the governing body of the local government shall not amend the 2-year budget adopted under Subsection (1) without the approval of the state treasurer, and shall not revise any order or ordinance implemented by the emergency manager during his or her term prior to 1 year after the termination of receivership.

Public Act 181 established a Financial Review Commission (FRC) that provides oversight over of the city beginning on the effective date of the Plan of Adjustment, which was December 19, 2014. The FRC consists of 9 members. The FRC shall review and approve the City's 4-year financial plan under Section 4t of the Home Rule City Act. The Home Rule City Act Section 117.4t(b) states:

“For each fiscal year beginning after the effective date of the amendatory act that added this section, the city shall adopt a financial plan covering that fiscal year and the next 3 fiscal years. If a 2-year budget is in effect for the city under section 21, the local financial stability and choice act, 2012 PA 436, MCL 141.1561, the financial plan must be consistent with the 2-year budget. The financial plan shall be proposed by the mayor and approved by the governing body of the city. If applicable, a financial plan must be adopted by the financial review commission created in the Michigan finance review commission act before it takes effect.”

This Financial Plan includes The City of Detroit’s budget for FY 2017 and 3 forecasted years - FY 2018, FY 2019, and FY 2020. The following documents have been approved by the Detroit City Council, certified by the City Clerk and are included for your review:

1. Correction of Errors to the 2017 – 2020 Four Year Financial Plan (Errata Letter)
2. Closing Resolution – Administration
3. Resolution to Adopt the 2016 – 2017 City of Detroit Budget as amended by Schedule B – City Council
4. Detroit City Council 2016 – 2017 Financial and Budgetary Priorities, Public Policy, Planning and Action Resolution

BUDGET CALENDAR

NOVEMBER 2015	DECEMBER 2015	JANUARY 2016	FEBRUARY 2016	MARCH 2016
<ul style="list-style-type: none"> • Budget Instructions to Departments (11/6/15) 	<ul style="list-style-type: none"> • Departments submit requests (12/4/15) • Review Budget requests from major departments with Chief Financial Officer (CFO) (12/14/15 - 12/18/15) 	<ul style="list-style-type: none"> • Issue Revenue Estimating Conference Directive (1/4/16) • Budget Director's Hearings on Budget (1/21/16-1/25/16) • Internal Projections for Revenue Conference (1/26/16) • Finalize Revenue Estimates (1/29/16) • Mayor's Budget Hearings (2/02/16-2/17/16) 	<ul style="list-style-type: none"> • Revenue Estimates Presented to CFO (2/2/16) • Finalize Recommended Budget with CFO (2/12/16) • Mayor's Meetings and Approval of Budget (2/17/16) • Mayor's Budget Address (2/25/16) • City Council Budget Hearings (2/25/16 -3/7/16) 	<ul style="list-style-type: none"> • Public Hearing on Budget (3/7/16) • City Council Vote on Budget (3/11/16) • Mayor's Veto (3/14/16) • City Council Override (3/18/16) • Submission to the Financial Review Commission (FRC) (3/23/16)

APRIL 2016	MAY 2016	JUNE 2016	JULY 2016
<ul style="list-style-type: none"> • FRC approves or disapproves Budget (4/22/16) 	<ul style="list-style-type: none"> • If disapproved, City submits revision to Budget (5/9/16) 	<ul style="list-style-type: none"> • Tax Statement Approved (6/2016) 	<ul style="list-style-type: none"> • Fiscal Year Begins (7/01/2016)

FINANCIAL PLAN REQUIREMENTS

HOME RULE CITY ACT 279 OF 1909-117.4T		RESPONSE
(I)(b)(i)	Projection of all revenues and expenditures of the city for each fiscal year, including debt service	The Financial Plan includes budget projections for FY 2017-2020 including debt service. Debt service is reflected in Agency 18 and 35.
(I)(b)(ii)	Projection of cash flow for each fiscal year	The Financial Plan includes cash flows for each fiscal year.
(I)(b)(iii)	A schedule of projected capital commitments for each fiscal year	A schedule of projected capital commitments is included in the Financial Plan.
(I)(b)(iv)	Measures to assure that projected employment levels, collective bargaining agreements, and other employee costs are consistent with projected expenditures and available revenue	The budget for each fiscal year includes funding for each budgeted position and other employee costs consistent with the collective bargaining agreements and are based on current cost levels. These costs were allocated based on available revenues.
(I)(b)(v)	Measures to assure compliance with mandates under state and federal law consistent with projected expenditures and available revenue	The city continually reviews state and federal requirements to ensure compliance. The Financial Plan includes these requirements in the projections of revenues and expenditures.
(I)(b)(vi)	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	Budget Reserve Schedule is included in this document.
(I)(b)(vii)	A statement of significant assumptions and methods of estimation used for projections included in the financial plan	The Financial Plan includes statement of assumptions for revenues and expenditures.
(I)(b)(viii)	Any other information the mayor, governing body, or chief financial officer of the city considers appropriate	

(I)(c)(i)	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 uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a	The Financial Plan reflects a balanced budget using generally accepted accounting principles and is in compliance with Uniform Budgeting and Accounting Act.
(I)(c)(ii)	Include contributions necessary to assure that pension systems for employees and retirees of the city are adequately funded	Funding for the pension system is reflected in budget for each year in excess of amounts required in the Plan of Adjustment.
(I)(c)(iii)	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	The Financial Plan does not contemplate the issuance of debt. All requirements have been met.
(I)(c)(iv)	Provide for the payment in full of debt service on all debt issue or incurred by or on behalf of the city	The Financial Plan includes funding for full debt service on all debt issues.
(I)(c)(v)	Provide for operations of the city to be conducted with projected cash resources based upon projected cash flow for each fiscal year	Cash flow is monitored and reviewed daily. Monthly reports are submitted to the CFO and Mayor for review.
(I)(c)(vi)	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	The city maintains a cash and budget reserve in excess of 5% in each fiscal year to provide for mandated and essential programs to cover potential reductions in projected revenues and increases in projected expenditures.
(I)(c)(vii)	For each fiscal year, provide for the elimination of any deficit incurred in the prior fiscal year according to generally accepted accounting principles	The Financial Plan does not project a deficit in any fiscal year.

(I)(c)(viii)	Rely upon revenue and expenditure projections based upon reasonable and appropriate assumptions and methods of estimation	<p>The revenues included in the Financial Plan are based on the result of the Revenue Consensus Estimating Conference held February 18, 2016.</p> <p>Expenditures are based on projected salary and benefit costs and non-personnel operating expenses needed to support improved levels of service.</p>
(I)(c)(ix)	Rely upon cash flow projections based upon reasonable and appropriate assumptions as to sources and uses of cash, including timing	The city is relying on the projections in the cash flow which were based on the information in the budget, current trends, and required payments including the timing of all payments.

REVENUES

The budget reflects revenue consistent with the Plan of Adjustment and the Revenue Estimating Conference. Below is the draft report from the FY 2016 Revenue Estimating Conference which outlines assumptions, forecast and estimates used to determine General Fund revenues.

The Directors of the City of Detroit Office of Budget, Office of the Auditor General and City Council Legislative Policy Division met in January and February 2016 to discuss the City's revenue collections for the current fiscal year and estimate collections for the next four fiscal years. The participants reviewed and recommended revenue estimates for the current Fiscal Year 2016 and projected revenues for FY 2017 through FY 2020. Discussions included a forecast of economic conditions that impact the City of Detroit revenues presented by Dr. Eric Scorsone, of Michigan State University.

The following economic report was provided by Dr. Carol O'Cleireacain, City of Detroit Deputy Mayor for Economic Policy, Planning and Strategy.

The Economic Environment for City Revenues

National Context

The volatile manner in which asset markets have begun this year should cause any forecaster to include a large dose of humility—and a wide range of forecast errors – into her work for 2016 and 2017. On the other hand, recent data show that the housing market is [continuing to improve](#), layoffs [remain low](#) and [consumer confidence rose in January](#).

The relative strong state of the national economy is one output expanding at a solid, if not spectacular pace; the longest stretch of private sector job growth in history – employers added an average of 200,000 jobs per month over the past five years. Unemployment has fallen to 4.9 percent and home prices have rebounded up 25 percent since late 2011.

If we measure the strength of the economy by the job market – and after the Great Recession many do – the past two years are tough to follow. Almost 6 million new jobs in 24 months represent the strongest job gains since the boom of the late 1990s. This has driven the unemployment rate down to 4.9 percent, from 6.7 percent at the end of 2013. The ratio of the population working is 60 percent, the highest since May 2009. And, labor force participation increased by almost half a million people in December 2015.¹ With the labor market tightening, wage growth has finally picked up and the January 2016 BLS data registered wage growth of 2.5 for the past year.²

¹ Neil Irwin, "In Terms of the Creation of Jobs, 2016 Has a Tough Act to Follow," *NY Times* Jan. 9, 2016.

² <http://www.bls.gov/news.release/empsit.nr0.htm> accessed Feb. 8, 2016

According to the NBER Business Cycle Dating Committee, the US economy has been growing since June 2009---an expansion approaching its sixth year and already exceeding the 58 month average of postwar expansions. GDP growth in 2015, at 2.4%, matched the 2014 growth rate. As NY Federal Reserve President William Dudley noted recently, “Even so, recession risk did not play a major factor in my thinking. Economic expansions don’t simply die of old age. They primarily end either because monetary policy is kept too loose for too long, thereby necessitating a subsequent sharp tightening in monetary policy to prevent a significant inflation overshoot, or because some large adverse shock hits the economy that the central bank cannot easily offset.”³ Yes, expansions inevitably end and, just as inevitably, the turning point is only recognized after the fact.

There is broad agreement among major forecasters on the outlook for 2016 and 2017, although 2016 growth forecasts continue to be revised downwards as more data become available.

- The February 2016 Blue Chip Indicators consensus forecast puts *real* economic growth in 2016 at 2.1% and 2.4% in 2017, with almost all forecasters *shaving their 2016 y/y estimates sharply to the downside in recent months*. However, the consensus saw a less than 20% probability of a 2016 recession.
- In January, the Congressional Budget Office economic forecasts expected the US economy to grow more rapidly in the next two years, compared with the 2% *real* GDP growth rate of 2015, forecasting 2016 and 2017 *real* GDP growth of 2.7% and 2.5% (*slight revisions downwards* from the August 2015 projections). CBO projects unemployment rates of 4.5% in each year.⁴
- These estimates are not materially different from those of the participants in the Federal Reserve’s Open Market Committee meeting of December 2015 in which the median estimate of GDP growth for 2016 was 2.4%, a slight upward revision of their September 2015 estimate partly attributed to the fiscal stimulus contained in the Bipartisan Budget Act of October 2015.⁵
- Meanwhile, the IMF’s updated January 2016 World Economic Outlook sees “risks to the global outlook tilted to the downside” and forecasts global *real* growth of 3.4% and 3.6% in 2016 and 2017, with US *real* growth of 2.6% each year (*downward revision* of 0.2% since its October 2015 projections).⁶
- Also tilting slightly to the downside is the latest Financial Times survey of 51 economists which raised the probability of a U.S. recession in the next two years to 20% from the December 2015 estimate of 10%.⁷

State and Local

The U-M forecast extends Michigan's economic growth through at least 2017 with 61,100 jobs in 2016 and 64,800 in 2017 in what is characterized as a “fairly stable economic environment.” By 2018, Michigan will recover about 73 percent of the jobs lost during the last decade. The auto industry has been running at close to capacity for a while now, so there has been little new firing associated with the record-breaking output. Looking ahead, manufacturing contributes only about 1 in 12 new jobs in the next two years and auto-related manufacturing jobs ultimately decline by about 2,000 from 2017 to 2018. Business and

³ <https://www.newyorkfed.org/newsevents/speeches/2016/dud160115> accessed Jan. 19, 2016

⁴ https://www.cbo.gov/publication/51129?utm_source=feedblitz&utm_medium=FeedBlitzEmail&utm_content=812526&utm_campaign=Express_2016-01-19_11%3a30 accessed Jan. 19, 2016

⁵ Federal Reserve Board, “Minutes of the Federal Open Market Committee December 15-16, 2015.

⁶ <http://www.imf.org/external/pubs/ft/weo/2016/update/01/pdf/0116.pdf> accessed Jan. 19, 2016

⁷ Eric Platt, “Experts less upbeat on US outlook” Financial Times Feb. 1 2016.

professional services are expected to account for a quarter of the new jobs, with nearly 60 percent of them in the professional, scientific and technical classification. Local inflation – the Detroit CPI – is forecast to be 1.6 percent in 2016 and rise to 2.4 percent in 2017, after a negative 1.4 percent in 2015. Personal income growth rises from 4.1 percent in 2015 to 4.4 percent in 2016 and ticks down to 4.3 percent in 2017.

The record auto/light vehicle sales registered in 2015 occurred during a period when the slow economic growth was combined with exceptionally low interest rates, a need to replace aging vehicles and a lengthening of auto loan maturities. Forecasts are for the record breaking sales to stabilize up at around 18 million units annually during 2016-2018. The Detroit Three's share approaches 45 percent or 8 million units.⁸

Detroit is tied more closely than many other American cities to the global economy. The region's concentration of transportation-related manufacturing places it among the nation's top metro areas for exports with a strong specialization in highly-traded advanced industries and tech-based employment. Many of the risks to the economy in the near future appear to emanate from abroad with slowing Chinese growth, poor performance in many emerging markets and resource-based economies suffering from falls in commodity prices. At least the drag that fiscal policy has been in recent years has been abated; monetary policy is becoming regularized. But, uncertainties abound, including domestic and international political events, which might dampen growth and foster volatility.

The national unemployment rate, at 4.9 percent, is at its lowest level in seven years (since April 2008). Michigan's seasonally adjusted December 2015 unemployment rate, at 5.1%, represents a drop of 1.3 percentage points from December 2014 and included job gains of just under 80,000 or almost 2%.⁹

In the Detroit area, the decline in unemployment has been slightly more pronounced than the national decline. Detroit is part of the six-county metro statistical area –Detroit-Warren-Dearborn MSA (DWD) – and also of the smaller, Wayne County metro division of Detroit-Dearborn-Livonia area (DDL). DWD had a *seasonally adjusted* unemployment rate of 6.2% in December 2015, down from 7.7% a year earlier.¹⁰ The *provisional unadjusted* December 2015 rates for both the DWD and DDL areas also show considerable improvement from a year earlier. The DWD unemployment rate, at 5.4%, was down from 6.5% in December 2014, while DDL's rate of 6.4% improved on the 7.6% rate of a year earlier.¹¹ Regional unemployment is still above the U.S. average. And, on these *provisional unadjusted* December 2015 numbers, DWD's unemployment rate ranks close to the highest for metros greater than 1 million people (45th out of 51).¹²

These declines in unemployment have been accompanied by job growth. The (unadjusted) data for employees on non-farm payrolls grew 2.1% in DWD but only 1.2% in DDL from December 2014 to December 2015.¹³

⁸ RSQE Outlook for 2016-2018, presented at the Consensus Revenue estimating Conference, Lansing. January 14, 2016.

⁹ http://www.bls.gov/news.release/archives/laus_01262016.pdf accessed Jan 29, 2016

¹⁰ http://www.bls.gov/news.release/archives/laus_01262016.pdf accessed Jan 29, 2016.

¹¹ Table 2, BLS press release Feb. 3, 2016. <http://www.bls.gov/news.release/pdf/metro.pdf> accessed Feb 3, 2016

¹² <http://www.bls.gov/web/metro/laulrgma.htm> accessed Feb. 3, 2016.

¹³ Table 4, BLS press release Feb. 3, 2016. <http://www.bls.gov/news.release/pdf/metro.pdf> accessed Feb 3, 2016

The national recovery has been slow and uneven across metro and city economies. As the most recent Metro Monitor notes, while “most metropolitan areas achieved robust growth during the economic recovery, [it] was not enough to assure better outcomes for all groups...”¹⁴ Brookings provides broad performance measures aimed at three aspects of economic well-being: growth; prosperity; inclusion. *Economic performance* is measured by levels and growth of production and employment. *Prosperity* is meant to assess the quality of the economic growth from the standpoint of workers or residents, measured by changes in income and wealth produced on a per-capita or per-worker basis. *Inclusion by race/ethnicity* attempts to measure distributional concerns through changes in the median wage; the relative income poverty rate and the employment rate between groups.

From 2009 – 2014, among the 100 largest metros, the DWD area’s economic *growth* performance has been solidly in the second quartile. It ranks 22nd, with employment growth of 9.1% (rank 26), gross real product growth of 18.1% (rank 9) – reflecting the large manufacturing sector, and aggregate employment growth of 11% (rank 32).

As to *prosperity*, DWD metro performance ranks 4th among the 100 metros: productivity growth of 8.3% (rank 8); average annual wage growth of 1.7% (rank 57); 18.5% improvement in the standard of living (gross product per capita) (rank 2). Unfortunately, DWD *inclusion* measures are ambiguous. Like other Great Lake regional metros, DWD experienced divergent outcomes between whites and people of color; the increase in the median wages for whites was statistically significant but the decrease for people of color was not statistically significant.¹⁵

Yet, worsening income inequality is a metro and city problem.¹⁶ In general, in 2014 (the latest year) both large metro areas and their big cities were more unequal places than the nation as a whole. The difference between household incomes near the top and those closer to the bottom of the distribution – the 95/20 ratio – was 9.3 for the nation, 9.7 for the 100 largest metros, and 11.8 for the big cities in those metros.¹⁷ In general, cities with higher income inequality are in metros with higher inequality, and that is the case of Detroit, too. The City of Detroit ranked 33rd out of the 100 largest metro cities; the 95/20 ratio was 10.9 (20th percentile household income was \$9,519; the 95th percentile was \$103,597). The DWD metro area ranked 24th out of 100 metros on this inequality measure; the 95/20 ratio was 9.1 (20th percentile household income was \$21,132; the 95th percentile was \$192,634).

As is well known, the City’s resident population exhibits significant labor market problems. Black unemployment rates -- regardless of age, education/skill, and gender – are higher and more volatile than whites everywhere; even in the best of times there was a 4.1 percentage point gap.¹⁸ The national unemployment rate of 5 percent breaks down (Dec. 2015, SA):¹⁹

¹⁴ The “recovery” is 2009 – 2014. See MetroMonitor 2016. Brookings.

<http://www.brookings.edu/~media/research/files/interactives/2016/metro-monitor/metromonitor.pdf>

¹⁵ See note 28 *supra*.

¹⁶ <http://www.brookings.edu/research/papers/2016/01/14-income-inequality-cities-update-berube-holmes>

¹⁷ The 95/20 ratio is the difference between those making more than 95 percent of all households and those earning more than only 20 percent of all other households (bottom).

¹⁸ <http://www.epi.org/files/2015/the-impact-of-full-employment-on-african-american-employment-and-wages.pdf> accessed Jan. 20, 2016

¹⁹ <http://www.bls.gov/news.release/empsit.t02.htm> accessed Jan, 20, 2016

	White	Black
Total	4.5%	8.3%
Men	4.2%	8.7%
Women	3.9%	6.9%
Youth (16-19 yrs.)	14.9%	23.7%

Black unemployment in Detroit-Warren-Livonia averaged 15.1 percent in 2014.²⁰

	All	White	Black
Total	8.3%	6.6%	15.1%
Men	8.5%	7.0%	16.2%
Women	8.2%	6.0%	14.2%
Youth (16-19 yrs.)	23.0%	20.8%	≈ 25+% (inferred)

OVERVIEW OF CONFERENCE RESULTS

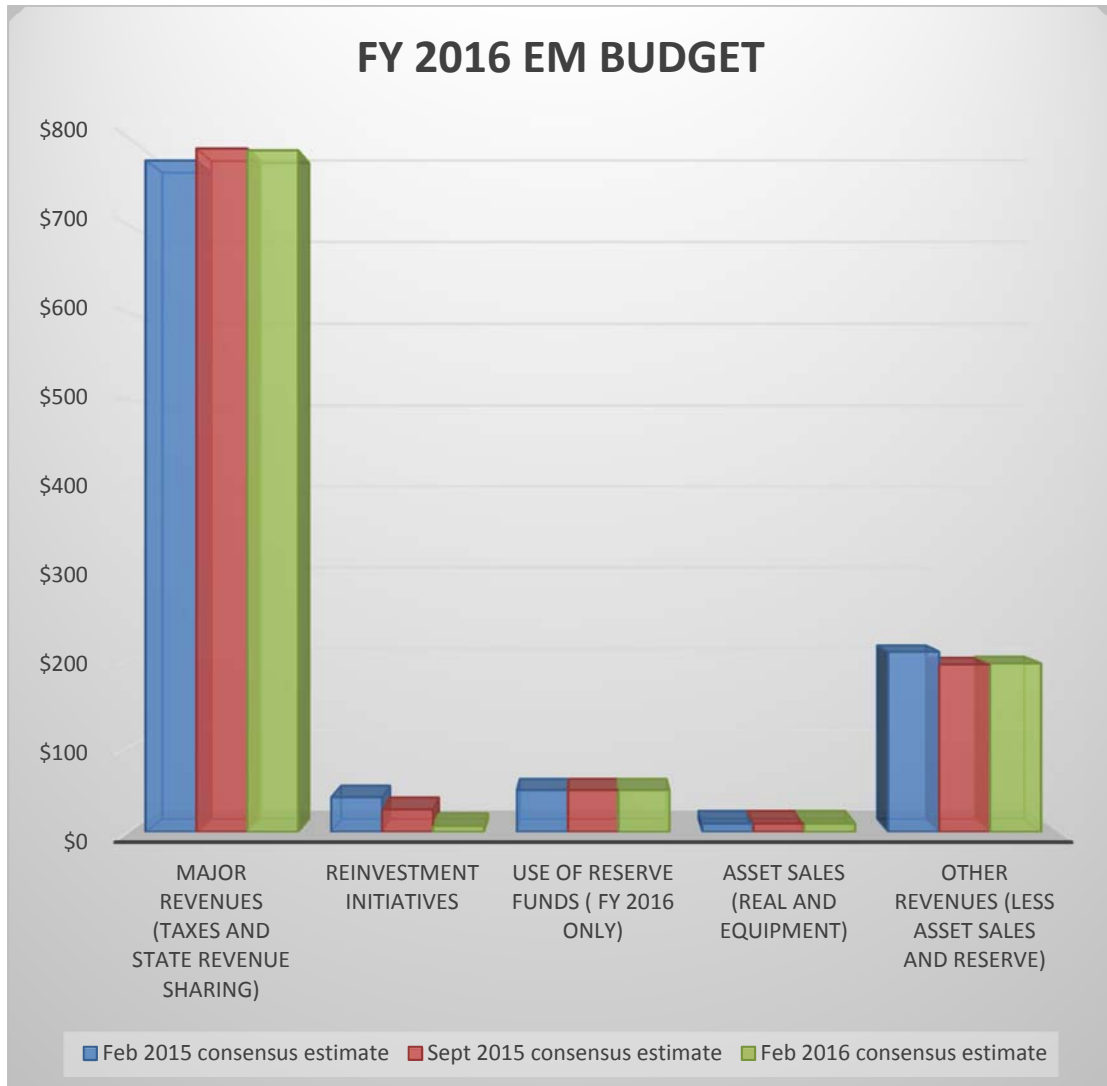
The February consensus estimate for General Fund revenues for FY 2016 is \$1,048.5 million, a \$23 million decrease from the adopted budget of \$1,071.5 million. Revenues are estimated to increase 2.7% over unaudited FY 2015 collections after adjustments for one-time activity (excludes the budget reserve of \$49 million in FY 2016 and bond sales in both FY 2015 and 2016 of \$154.9 million and \$245.0 million, respectively).

FY 2016 EM BUDGET

<i>General Fund (in millions)</i>	FY 2016 Baseline Budget	One Time/ Reinvestment Initiatives	FY 2016 Total Budget	2015 February Consensus Estimate	2015 September Consensus Estimate	2016 February Consensus Estimate
<i>Major Revenues (Taxes and State Revenue Sharing)</i>	\$ 751.5		\$ 751.5	\$ 774.7	\$ 788.5	\$ 786.4
<i>Reinvestment Initiatives</i>		40.7	40.7	40.7	26.3	7.2
<i>Use of reserve funds (2016 only)</i>		49.0	49.0	49.0	49.0	49.0
<i>Asset Sales (real and equipment)</i>	9.9		9.9	9.9	9.9	9.9
<i>Other revenues (less asset sales and reserve)</i>	220.4		220.4	209.4	194.8	196.0
<i>Total (adjusted for bond sales)</i>	\$ 981.8	\$ 89.7	\$ 1,071.5	\$ 1,083.7	\$ 1,068.5	\$ 1,048.5

²⁰ http://www.bls.gov/opub/gp/pdf/gp14_27.pdf. Annual average 2015 expected to be available July 1, 2016.

The FY 2016 Adopted Budget to February 2016 estimate variance of \$23 million is due to an increase in the major revenues (\$34.9 million), offset by a decrease in the reinvestment initiatives of \$33.5 million with a decline in the city’s core revenues of \$24.4 million.



The February 2016 consensus estimate for FY 2016 reflects anticipated increased collections in Income Taxes, State Revenue Sharing and Wagering Taxes over 2015 fiscal year-end results. Property Taxes and Utility Users Taxes estimates decline. Other General Fund revenues, after adjustments, are expected to increase from FY 2015 year-end actual collections. Other General Fund revenues are generated from city departments and miscellaneous sources. 2015 Year-end results for revenues are subject to further adjustments until the city’s audit is completed.

FEBRUARY 2016 REVENUE CONSENSUS ESTIMATES COMPARISON

\$ in millions	FY 2015				FY 2016			
	EM2-Year Budget	Actuals-Unaudited	Variance	February 2015 Revised Consensus Estimate	EM2-Year Budget	September 2015 Revised Consensus Estimate	February 2016 Consensus Estimate	February 2016 to September 2015 Consensus Variance
Income Tax	\$ 264.8	\$ 263.4	\$ (1.4)	\$ 254.0	\$ 268.4	\$ 264.0	\$ 264.0	\$ -
Property Tax	102.6	124.7	22.1	114.3	100.8	117.0	117.0	-
Utility Users' Tax*	17.0	37.9	20.9	37.5	15.9	40.0	37.0	(3.0)
Wagering Tax	168.2	172.8	4.6	168.2	169.0	172.3	173.5	1.2
State Rev. Sharing*	195.3	194.8	(0.5)	195.3	197.4	195.2	194.9	(0.3)
Other Revenues*	609.0	334.7	(274.3)	622.0	320.0	280.0	262.1	(17.9)
Total General Fund	\$ 1,356.9	\$ 1,228.4	\$ (228.5)	\$ 1,391.3	\$ 1,071.5	\$ 1,068.5	\$ 1,048.5	\$ (20.0)

	Income Tax	Property Tax	Utility Users	Wagering Tax	State Rev Sharing	Other Revenues	Total General Fund Revenues
FY 2017							
Sept 2015 Consensus	\$ 266.6	\$ 117.0	\$ 40.2	\$ 173.2	\$ 197.1	\$ 235.0	\$ 1,029.1
Feb 2016 Consensus	266.6	117.0	37.0	175.2	195.9	218.1	1,009.8
Variance (Feb over Sept)	\$ -	\$ -	\$ (3.2)	\$ 2.0	\$ (1.2)	\$ (16.9)	\$ (19.3)
Long Term Trend							
FY 2018	\$ 269.3	\$ 117.6	\$ 37.0	\$ 177.0	\$ 196.9	\$ 220.9	\$ 1,018.7
	1.0%	0.5%	0.0%	1.0%	0.5%	1.3%	0.9%
FY 2019	\$ 272.0	\$ 118.2	\$ 37.0	\$ 178.8	\$ 197.9	\$ 222.6	\$ 1,026.4
	1.0%	0.5%	0.0%	1.0%	0.5%	0.8%	0.8%
FY 2020	\$ 274.7	\$ 118.8	\$ 37.0	\$ 180.5	\$ 198.9	\$ 224.4	\$ 1,034.3
	1.0%	0.5%	0.0%	1.0%	0.5%	0.8%	0.8%

- **Utility Users Tax Budget*** is shown net of \$12.5 million due to Public Lighting Authority in the EM Two Year Budget- FY 2015 and FY 2016. FY 2015 Actuals-unaudited are shown at gross amount.
- The FY 2016 and FY 2017 Consensus estimates for **State Revenue Sharing*** were revised downward by the Revenue Conference Principals after receiving new information from the MI Department of Treasury.
- **Other Revenues FY 2015 Un-audited Actuals*** do not include Prior Years Surplus amount of \$151.3 million (CAFR adjustment). Additional year-end adjustments include: Federal Grant- Hardest Hit Funds (\$43.3 million) was paid directly to the Detroit Land Bank; and Fire Escrow funds allocated to Blight remediation will not post to the General Fund, but pass directly to the Detroit Land Bank. Public Lighting revenues of \$29 million will not be realized by the General Fund; reimbursements by DTE are made directly to the contractor.

REVENUES FOR CONSIDERATION

The City of Detroit has five major revenues that represent over 75% of General Fund revenues per the February 2016 consensus estimate: Income Tax, Property Tax, State Revenue Sharing, Wagering Tax (Casinos) and Utility Users' Tax. This year, the city's internal participants began the process with an in-depth review of department revenues followed by a discussion of the city's major revenues and current economic climate. The task was to estimate General Fund major revenues and department revenues for the current fiscal year 2016, and project revenues for fiscal years 2017 through 2020. Using financial system reports (DRMS), department sub-ledger reports, current operational analysis and local economic data, the participants individually determined their forecasts. Department- "Other revenues" of the General Fund were discussed in terms of baseline- on-going revenues, one-time activity and reinvestment initiatives. Revenues from all city funds were also considered as required by state law.

Municipal Income Tax

As authorized under Public Act 284 of 1964, as amended by PA 56 of 2011 and again in 2012, the City of Detroit levies an Income Tax on income from all sources with minimum exemptions. Income Tax revenue includes withholding- annual and quarterly payments. More than 85% of income tax actual collections are derived from withholdings. The current Municipal Income tax rate is 2.4% for residents, 1.2% for non-residents and 2.0% for corporations.

Public Act 394 of 2012 designated income tax revenues of .2% of resident individual tax collections and .1% of non-resident individual tax collections for Police operations. This public act also fixed income tax rates at 2.4% (residents, 1/2 – non-residents) until the repayment of any debt issued by the Public Lighting Authority.

Beginning January 2016, the State of Michigan started processing the City's resident and non-resident individual income tax returns. Taxpayers will have an opportunity to e-file their city tax returns for the first time. The city will continue to process withholding activity, corporate and partnership returns for this first year of the transition to the state of Michigan. Processing of this activity will subsequently transfer to the state January 1, 2017. Under this arrangement, the city is expected to pre-fund refunds in year 1.

- Income Tax FY 2015 actual collections grew at a rate of 3.7% over the February/May 2015 revised consensus estimate for FY 2015 of \$254.0 million. Unaudited fiscal year 2015 year-end results of \$263.4 million were \$9.4 million over the FY 2015 consensus estimate.
- The February 2016 revised consensus estimate includes some reinvestment initiatives to increase delinquent income tax collections; however, implementation of certain initiatives is still in process. Reinvestment initiatives include external collection efforts, increased staffing and internal process changes.

- The September 2015 and February 2016 revised consensus estimate for FY 2016 holds steady at \$264.0 million with no growth. Anticipated increased refund activity tempers overall collections in FY 2016. Projections for FY2017 through FY 2020 included growth of 1%.
- The February 2016 revised consensus estimate considered improved local economic conditions based upon blue chip economic forecasts as presented by Dr. Eric Scorsone, Michigan State University.

Current Property Taxes

Article IX of the State Constitution, Sections 3 and 6 (General Property Tax) authorize the levy of taxes on real and personal property not otherwise exempt. The City currently levies the maximum tax permitted by law.

- The June 30, 2015 actual collections is \$124.7 million, a 9.9% increase over 2014 collections. The FY 2015 Budget assumed a 10% decline in collections that did not materialize. FY 2015 actual collections benefited from an internal process change to checks received by mail. This activity was previously handled through a lockbox arrangement, but now checks are processed in-house eliminating a 6- 8 week lag in cash receipts. In addition, the city received unanticipated proceeds of \$6 million from the Wayne County auction of foreclosed property. Again, actual collections were enhanced by an internal change in processing that included the summer tax levy in the auction bids.
- The FY 2016 budget assumed a 10% decline in collections that the prior year's actual collections did not support. The February/May 2015 consensus estimate was increased to reflect actual collections activity. The original estimates were based on continued decline in property taxable values due to required citywide reassessments and foreclosure activity. Current collection activity is higher than anticipated due to, among other items, the citywide reappraisal.
- FY 2016 revised consensus estimate of \$117.0 million reflects an upward revision of 2.4% over the February/May consensus estimate due to increased collection results from the previous two fiscal years. Improvement in the city's collection rate from 50% to over 70% is a factor in the increased collections. The September 2015 and the February 2016 consensus estimate holds steady Current Property Tax collections for FY 2016 at \$117.0 million. This represents a 6.2% decline over FY 2015 actual collections. Consensus projections remain flat for property tax revenues for FY 2017 and includes .5% growth for FY 2018 through FY 2020.
- The City Assessor's outlook on the Ad Valorem valuations for fiscal years 2017 indicate a continued decline in assessed values, but at a slower rate than previously estimated. Of note, the city is experiencing growth in property values in certain areas of the city that may eventually lead to increased taxable valuation for the city. The citywide reassessment of residential properties is expected to be completed by December 2016 impacting the FY 2018 Budget.

Utility Users' Tax

The City of Detroit levies a Utility Users' Tax as permitted under Public Act 100 of 1990 and as amended in 2012. The tax is based on consumption of electricity, gas, steam and telephone (land lines) in the City of Detroit. The City currently levies the maximum tax rate of 5%. These revenues are budgeted in the Police Department per the public act and have a restricted purpose to retain or hire police officers. In 2012, the law was amended to provide \$12.5 million annually for the Public Lighting Authority for the repayment of debt proceeds used for street lighting infrastructure improvements in the City. To offset the loss of Utility Users' tax revenue to the Police Department, state law (Public Act 394 of 2012) authorized the payment of income tax revenues for police officers (to hire/retain).

- FY 2015 unaudited actual collections is \$37.9 million- gross; this resulted in a \$.4 million increase over the February/May revised consensus estimate.
- The consensus estimate for FY 2016 was revised upward to \$40 million in the September 2015 conference; this was an increase of \$2.5 million over the previous consensus estimate based on current run rates and previous year-end results.
- The February 2016 consensus was revised downward to \$37 million from our previous FY 2016 estimate for Utility Users' Taxes. This downward revision was based on lower natural gas prices and lower utility consumption due to a warmer than expected winter.
- We estimate similar collections for FY 2017 through FY 2020 with no growth for this period.
- Estimates/projections were determined on a gross basis.

Wagering Taxes (Casino Revenues)

The City is authorized to levy a tax on the adjusted gross receipts of a gaming licensee under Initiated Law 1 of 1996, as Amended by Public Act 306 of 2004. The current tax rate in effect is 10.9% for the three casinos operating in Detroit. The City receives additional revenues from the casinos as specified in the casinos' operating agreements.

- Original Wagering Tax estimates recognized downward pressure on revenues resulting from the opening of casinos in Ohio. Although Detroit's casino revenues did not decline to levels previously speculated by some, the city's budget anticipated continued downward pressure on revenues for fiscal year 2015.
- The June 30, 2015 unaudited actual collections is \$172.8 million, a 2.7% increase over the fiscal year 2015 Budget and the February/May revised consensus estimate of \$168.2 million.
- September 2015 consensus estimate revised previous consensus estimates upward due to increased actual collections. The February 2016 consensus estimate further increased the FY

2016 estimate by \$1 million to \$173.5 million, a \$4.5 million or 2.6% increase over the adopted budget. The consensus estimate increased the trend line for fiscal years 2017 through 2020 to include a growth factor of 1%, up from .5% growth factor included in the previous consensus.

State Revenue Sharing

Revenue Sharing payments from the State are based upon two elements. Constitutional payments are guaranteed under the State Constitution and are calculated as 15% of 4% of the State Sales Tax gross collections. Statutory payments are based upon municipalities meeting the requirements of the City, Village and Township Revenue Sharing (CVTRS). For FY 2016, the maximum amount available is 78.51044% of the FY 2010 total statutory payment (if a municipality complies with all requirements).

- Year-end Revenue Sharing payments for fiscal year 2015 of \$194.8 million was \$.5 million less than the FY 2015 Budget and the February 2015 revised consensus estimate of \$195.3 million.
- For FY 2016, the February 2016 consensus estimate of \$194.9 million is based on the current State Revenue Sharing payments projected by the Michigan Department of Treasury and revised Sales Tax revenue projections. Treasury payments are based on the State of Michigan January 2016 Consensus Revenue Estimates and FY 2016 appropriation. This estimate is .1 million more than the FY 2015 actual payment, but 1.3% less than the Adopted Budget amount of \$197.4 million.
- The February 2016 consensus estimate for FY 2017 through FY 2020 includes a growth rate of .5% based on growth in Constitutional payments from Sales Tax revenues.
- Risks from economic trends forecasting lower National/Local Sales Tax Revenues, in addition to challenges to the state budget due to several crises in local finances may exert downward pressure on this revenue source.

All Other General Fund Revenues

The following is a brief description of the types and sources of revenue that are included in each category shown in departmental budgets:

1. *Sales and Charges for Services* – Intra-fund revenue generated from maintenance and construction, Casino Municipal Service fees, Cable Franchise fees, solid waste, recreation, utilities, intra-fund reimbursements, Emergency Medical Services billings, and other minor sales and service fees.
2. *Revenue From Use of Assets* - Earnings on investments, various interest earnings, building rentals, marina rentals, concessions, equipment rentals and sales of real property.
3. *Other Taxes, Assessments, and Interest* - Special assessments, Industrial Facilities Taxes, other miscellaneous property taxes and interest paid on delinquent property taxes.

4. *Fines, Forfeits, and Penalties* - Ordinance, court and parking fines, property tax penalties, and various fines, forfeits, and penalties.
5. *Licenses, Permits and Inspection Charges* - Various permits and licenses, safety inspection charges, and business licenses charges.
6. *Contributions, Transfers, and Miscellaneous* – Various revenues and contributions due to/or due from one fund resulting in revenues to one fund and an expenditure for another; other miscellaneous revenues and receipts, and sales of equipment.

Departmental Revenue Analysis

The consensus for Other General Fund department revenues was developed with a discussion of the individual department revenues including departments with General Fund operations or departments receiving General Fund assistance. Our departmental analysis began with discussions on baseline assumptions for each department as presented in the Four Year Financial Plan and any adjustments to the baseline. Revenue initiatives are included in the consensus numbers presented in this conference if deemed achievable within the period under review.

Due to the inclusion of revenue initiatives in the Other General Fund Revenue estimates, lengthy discussions occurred regarding the determination of baseline revenues and reinvestment initiatives. Internal participants convened and discussed alternative calculations by staff of the City Council, Auditor General and Office of Budget. Upon review, the total revenue estimate differed among the three estimators due to a difference in assumptions of reinvestment initiatives and non-recurring budget items.

The varying methodologies were utilized by the participants, which included analysis of historical collection patterns, trend line fitting, moving averages, major revenue category analysis, individual agency revenue account analyses, and the utilization of run rates. All participants considered and accounted for other known items that impact collections. Participants took a more conservative approach in projecting future revenues.

FEBRUARY 2016 CONSENSUS FORECAST					
Other- Departmental General Fund Revenues (in millions)					
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Baseline (on-going) revenues	\$ 205.9	\$ 205.5	\$ 205.5	\$ 205.4	\$ 207.0
One Time Activity	294.0	-	-	-	-
Reinvestment Initiatives	7.2	12.6	15.4	17.2	17.3
Total	\$ 507.1	\$ 218.1	\$ 220.9	\$ 222.6	\$ 224.3

- Other Revenues forecast for FY 2016 include \$205.9 million from on-going sources, \$49 million for use of budget reserve funds, reinvestment initiatives of \$7.2 million and bond sale proceeds of \$245 million (a one-time activity involving the sale of exit financing debt). This represents an increase of \$1.9 million in on-going, baseline revenues and a decrease in reinvestment initiatives of \$20 million from the September 2015 consensus estimate.

- Other Revenues projections for FY 2017 include a slight decrease in on-going, baseline revenues to \$205.5 less than a .2% decrease (\$.4 million). Reinvestment initiatives increase to \$12.6 million. No one-time activity is included in the 2017 projection.
- Projections for on-going, baseline revenues remain flat for FY 2018 and FY 2019, with reinvestment initiatives ranging from \$15.4 to 17.2 million. FY 2020 forecast a .8% increase in baseline revenues.
- Noteworthy changes to Departmental Revenues:
 1. Public Lighting revenues were reduced in the February/May 2015 consensus estimate for fiscal years 2015 through 2017 due to the city's decision to exit the power distribution business beginning March 2014 and the subsequent transfer of the customer base to DTE Energy. The September 2015 consensus estimates further eliminated all but the \$12.5 million pass through revenues to the Public Lighting Authority as it was subsequently determined that no funds would flow through the city's General Fund. The February 2016 consensus adds back reimbursements of certain operating expenses totaling \$2.1 million. In addition, scrap metal revenues are included in FY 2017 through 2020 estimates in Fund 1011 PLD Decommissioning.
 2. From the Non-Departmental agency: Deleted the Hardest Hit Funds (February/May 2015 consensus estimate) and the Fire Escrow Funds (September 2015 consensus) purposed for demolition activity administered by the Detroit Land Bank; funds were paid directly to the Land Bank. The 36 District Court reinvestment initiatives of \$8.2 million were deleted (February 2016 consensus). A Parking Advance revenue and related expense of \$6.6 million recorded in the Non-departmental agency was deleted, required under bond covenant that has subsequently been satisfied. A similar transaction in the Municipal Parking Department fund was also deleted.
 3. Restructuring initiatives were deleted or reduced for the following agencies:
 - Building & Safety- revenues reclassified, generated from the enterprise operations.
 - Fire Department- initiatives related to grants transferred to special revenue funds, certain initiatives reduced, in early stage of implementation.
 - Municipal Parking - certain revenue initiatives still under implementation- reduced by half.
 - Office of the Chief Financial Officer - initiatives still in early implementation stage.
 - Law- initiative deleted, not expected to be realized.
 - Police- certain initiatives reclassified to grant funds; other initiatives in early implementation stage, expect to realize one-half of budgeted amount.

- General Services restructuring initiatives reduced in FY 2016 and FY 2017, not expected to be realized.

Other General Fund Activity

Risk Management Fund

The City is exposed to various types of risk of loss including torts; theft of, damage to, or destruction of assets; errors or omissions; job-related illnesses or injuries to employees; natural disasters; and environmental occurrences. The City is self-insured against certain third party claims. The City currently reports the risk management activities (excluding health and dental) of non-Enterprise Funds and the Transportation Fund (an Enterprise Fund) in its General Fund. Each fund pays insurance premiums to the General Fund based on past claims activities. Because the Transportation Fund is included in the General Fund's risk management activities, it does not record a liability in its financial statements. Risk management activities for the other Enterprise Funds are recorded and reported separately in those funds. Contributions to the Risk Management Fund in the form of insurance payments total \$49.5 to \$50.9 million for fiscal years 2016 through FY 2020.

This City also has a Budget Reserve Fund and a Public Lighting Department (PLD) Decommissioning Fund recorded in the General Fund Class.

Other City Funds (Non-General Fund)

Public Act 279 of 1909 (The Home Rule City Act) requires the city to forecast anticipated revenues of the city for the current fiscal year and the succeeding two fiscal years. The chart shown below lists all of the city's Special Revenue Funds and Enterprise Funds; funds shown but not forecasted are the Trustee and Fiduciary (Retirement System) Funds. The revenue projections presented for these funds were based on historical data, trend lines and/or current department estimates. Amounts presented for the Detroit Water & Sewerage Department are based on the FY 2016 Financial Review Commission approved budget.

CITY OF DETROIT FUNDS (EXCLUDES GENERAL FUND CLASS)					
FUND NAME	FY 2015 Actuals - Unaudited	FY 2016 Revised Adopted Budget	FY 2016 Revised Consensus Budget	FY 2017 Consensus Projection	FY 2018 Consensus Projection
Community Dev Block Grant Fund	\$ 39.5	\$ 30.7	\$ 40.4	\$ 29.9	\$ 28.4
UDAG and Discretionary Grants	6.10	2.80	6.86	6.86	6.86
Sec 108 Loans - Development	20.19	-	-	-	-
Neighborhood Stabilization Program VIII (Note 1)	13.01	-	-	-	-
Department Grant Funds (Note 2):		-			
- Airport Grants Fund	2.92	-	-	-	-
- Fire Grants Fund	0.08	-	2.00	2.00	14.40
- General Services Dept. Grants Fund	1.24	-			
- Health Grants Fund	10.40	-	23.70	23.70	23.70
- Homeland Security Grants Fund	1.07	-	0.80	0.80	0.80
- Mayor's Office Grants Fund	0.10	-	0.09	0.09	0.09
- Police Grants Fund	1.81	-	6.47	6.47	7.07
- Dept. of Public Works Grants Fund	6.48	-			
- Recreation	0.81	-	0.47	0.47	0.47
- Environmental Affairs Grants	0.25	-			
Construction Code Fund	20.68	19.50	20.60	20.60	20.60
- Fire Recovery Fund (Fire Escrow)	0.09	-	-	-	-
Drug Law Enforcement Fund	3.53	1.00	1.60	1.60	1.60
- Federal Forfeiture Funds	0.27	-	-	-	-
Library Funds	32.69	30.50	33.00	33.20	33.20
Quality of Life - Special Revenue (Note 3)	-	-	-	-	-
Major and Local Streets Fund	91.30	56.60	56.60	67.50	72.00
PA 48 2002 Fund	-	2.50	2.50	2.20	2.20
Solid Waste Management	42.40	40.60	44.00	44.00	44.00
General Grants (Phase out to Dept Grants)	4.00	31.20	0.80	-	-
Sinking Interest & Redemption	26.17	61.80	61.80	68.00	66.70
Special Hsg Rehab programs	11.50	6.63	6.07	4.20	4.20
Airport Funds *	1.20	1.50	1.50	1.50	1.50
Municipal Parking Funds	14.20	17.40	8.20	8.20	8.20
Transportation Funds (DDOT) **	173.16	141.80	140.00	135.20	135.20
Sewage Disposal Funds	508.90	716.00	-	-	-
Water Funds	348.78	570.30	-	-	-
Detroit Water & Sewerage Department- Retail			529.68	529.68	529.68
Retirement Systems	31.82	-	-	-	-
Trust Funds	93.12	-	-	-	-
TOTAL	\$ 1,507.8	\$ 1,730.8	\$ 987.1	\$ 986.2	\$ 1,000.9

Note 1: NSP I and III Federal funding closed; no allocations expected. The city has permission to expend existing allocation.

Note 2: Department Grant Funds represent the reorganization of grants previously recorded in the General Grants Fund 3601; not all departments will receive annual grant awards. Grants are budgeted upon receipt of award.

Note 3: Quality of Life Fund records the proceeds of a one-time sale of bond for reinvestment initiatives in FY 2015.

* Totals include Contributions from the General Fund: Airport FY 2015: \$668,064; FY 2016- \$666,053; and FY 2017 and FY 2018 - \$785,731.

** Totals include Contributions from the General Fund: DDOT: FY 2015- \$63.3 million; FY 2016- \$62.5 million and the same for FY 2017- FY 2018: \$62.5 million.

FUNDS WITH GENERAL FUND IMPACT

Airport

The [Coleman A. Young International Airport](#) is an Enterprise Agency of the City of Detroit. Revenues from landing fees, rentals, fuel concessions and Federal/State grants maintain the operations of the Airport. In addition, the Airport FY 2016 Budget includes a General Fund contribution of \$666,053 which is expected to be paid. Consensus projections for FY 2017 and FY 2018 increases the contribution to \$785,731 recognizing the most likely level of support from the General Fund based on historical trends. Enterprise revenues of \$1.5 million is forecasted for 2016 through FY 2020.

Buildings & Safety

The [Buildings & Safety Engineering & Environmental Department \(BSEED\)](#) is an Enterprise Agency of the City of Detroit as mandated by state law. BSEED's mission is to safeguard public health, safety and welfare by enforcing construction, property maintenance, environmental compliance and zoning codes. Revenues from the Construction Code Fund include civil infraction fines, safety inspection charges, construction inspections and other licenses, permits and inspection charges. Revenues generated in support of the General Fund operations are from the business licensing activity. General Fund revenues are expected to remain at their current levels (\$2.2 to \$2.3 million) for FY 2016 through FY 2020. Revenues from the enterprise activity are projected at \$20 to \$21 million for the forecast period.

Transportation

The [Detroit Department of Transportation \(DDOT\)](#) is an Enterprise Agency that provides transit services to the City of Detroit. Revenues are generated from fare box, State operating assistance, State and Federal grants, contribution from the General Fund and other miscellaneous revenues. The General Fund contribution for DDOT for FY 2015 was \$63.3 million. The consensus for FY 2016 through FY 2018 estimates the General Fund contribution to remain at \$62.5 million. Without additional restructuring efforts, this level of General Fund support will continue for the foreseeable future. Revenue from State operating assistance declined in FY 2014 due to a shift in the distribution formula. This shift resulted in a \$7 million decline in grant revenues in FY 2014. Increased Transportation funding is included in the road funding bills passed by the state legislature in 2014- 2015. This legislation provides additional funding for DDOT, at the discretion of the city's administration, by authorizing a city that meets specific criteria to allocate some of its Michigan Transportation Fund (MTF) revenues for public transit purposes. Enterprise revenues of \$135 million is forecasted for 2016 through FY 2020.

Municipal Parking

The [Municipal Parking Department](#) is organized into two operations- the Parking Violation Bureau and the Automobile Parking and Area System. The Parking Violations Bureau is a General Fund operation responsible for enforcing on-street and off-street ordinances in the City of Detroit and the processing and

collection of parking violation notices. The Auto Parking and Area System revenues are currently assigned to pay debt service for post-bankruptcy loans. The future of the revenue stream for this division is uncertain as additional bankruptcy settlement items may further dilute revenues. In addition certain parking structures have been transferred or optioned for future purchase under terms of the bankruptcy settlement. Parking Violation Revenues for FY 2016 through FY 2020 is estimated as \$11.4 million from on-going, baseline operations and one-half- \$3.4 million of its budgeted reinvestment initiatives of \$6.8 million. Total agency revenues of \$23.06 million is projected for the FY 2016 through FY 2020 forecast period.

Solid Waste Fund

The [Solid Waste Management Fund](#) is a Special Revenue Fund. The City of Detroit uses the Solid Waste Management Fund to account for local revenue collected for curbside rubbish pick-up and discard. The majority of Solid Waste Management Fund revenues comes from a residential Solid Waste Fee that is assessed to every home whether or not currently occupied. The solid waste service fee replaced the 3-mill tax for solid waste collection that was eliminated in 2006. The solid waste fee is assessed annually at \$240 for single family homes, and an additional \$100 for multi-family dwellings. Commercial fees are \$1,000.

- First-half collections compared to recent history indicate small growth in collections over the revised consensus estimates. A change in processing of delinquent tax bills resulted in improved collections of solid waste fees. The February 2016 consensus projects total revenues of \$44 million and assumes similar collection rates for FY 2017 through FY 2020.
- The City privatized the Solid Waste activity in FY 2014. Contracts were awarded to two companies to service the East and West side of the City on February 21, 2014. The outsourcing of this activity is expected to be revenue/cost neutral. However, service is anticipated to greatly improve under this arrangement.

OTHER CITY FUNDS

Grants

The City receives various Federal and State Grants for various activities administered by city departments. Some of the city's largest programs are noted below.

- The Fire Department received revenues from the Staffing for Adequate Fire & Emergency Response (SAFER) grant, a Federal grant sponsored by Federal Emergency Management Agency (FEMA).
- The Health Department administers grants from Federal and State sources for HIV/AIDS, Housing Opportunities for Persons with Aids (HOPA) grants, Immunization, Women, Infants and Children (WIC) and Essential Local Public Health Services (ELPHS) grants.

- The Housing and Revitalization Department administers programs and contracts funded by the Community Development Block Grant (CDBG), the Emergency Solutions Grant, Hardest Hit funds for demolition and HOME funds.
- The Police Department receives grants from various State and Federal sources including the Department of Justice- Justice Assistance grants (JAG), Community Oriented Policing (COPS) grants, Auto Theft and Victim's Assistance grants.

Library

The Library Fund records the operations of the Detroit Public Library (DPL). DPL is an enterprise agency of the City of Detroit. It is Michigan's largest public library system consisting of a Main Library and 21 neighborhood branches. The DPL serves people of all ages by providing access to critical information, opportunities for learning new skills and enrichment through special programs. DPL has a collection of 6.6 million items that includes books, journals, photographs, government documents, and DVDs. A bookmobile makes weekly visits to schools and community centers, and the Library for the Blind & Physically Handicapped serves those with various physical challenges. The February consensus projects revenues of \$33 million for this fund for the forecast period.

Major and Local Street Funds

Activity recorded in this fund provides for the construction and maintenance of streets, bridges, traffic signals and non- motorized improvements. This fund accounts for State Gas and Weight Tax revenue that support various projects and accounts for State and Federal grants on a project basis. The Department of Public Works staff manages the Street Fund. The following three divisions are wholly or partially funded through the Street Fund: Street Maintenance Division, City Engineering Division and the Traffic Engineering Division. An increase in road funding was enacted with the passage of state legislature amending various public acts in 2014- 2015. The city projects receiving \$10-15 million in additional Gas & Weight Taxes for the forecast period. Revenues from this source are projected to range from \$56 to \$83 million for FY 2016 through FY 2020.

Sinking and Interest Funds

Sinking (bond) and interest redemption provides for the scheduled retirement of principal and interest on long-term City debt. This debt derives from general obligation bond sales. The debt service on Enterprise Funds appears in the Enterprise Agency Sections. The revenues for the Sinking and Interest (Debt Service) Fund are derived from a separate debt service millage on real and personal property located in the City of Detroit. Current debt service schedules require funding totaling \$61.8 to \$68 million for the forecast period.

Detroit Water & Sewerage- Retail

The Department was reorganized into two separate entities: the regional Great Lakes Water Authority (GLWA) and the Detroit Department of Water and Sewage Disposal- Retail (DWSD-Retail), effective January 1, 2016. Projections presented for the forecast period are for DWSD-Retail only.

Under the reorganization, Detroit maintains its own local system. Detroit keeps exclusive control of the local water and sewer system in DWSD – under authority of Mayor and City Council. The Detroit local system is made up of approximately 3,000 miles of local sewer pipe and 3,400 miles of local water mains serving the neighborhoods of Detroit. Detroit has full authority to repair and rebuild the local system.

Great Lakes Water Authority (GLWA) is an authority formed to operate the regional system. GLWA operates the regional water and sewer assets. The GLWA Board is made up of 6 members: 2 appointed by the Mayor of Detroit, 1 each by Wayne, Oakland and Macomb Counties, and 1 by the Governor from the service area outside the three counties. The Authority provides services to communities in Oakland, Wayne and Macomb counties, estimated as 4 million customers from 127 communities.

The Authority sets the rates for all water and sewerage services, in which increases are capped at 4% annually per agreement. GLWA entered into a long-term 40-year lease of the water and sewer assets owned by the Detroit Water and Sewerage Department. Lease terms provide for the payment of \$50 million per year for the next 40 years to the City of Detroit for water and sewer infrastructure improvements. This will allow Detroit to finance up to \$500-800 million in bonds to rebuild the city's aged water and sewer system.

SET ASIDES

The FY 2015 Budget included a reserve of \$111.3 million, which more than satisfied the State's budget reserve requirement of 5% of expenditures. In FY 2016, \$49 million of the excess Budget Reserve is designated for use in General Fund operations leaving a remaining balance of \$62.3 million in reserves for FY 2016. This represents 5.8% of estimated General Fund appropriations for FY 2016. The Plan of Adjustment allows for surplus funding to be used for reinvestment projects.

RISKS TO FORECAST

These estimates take into account the expected real revenue to the City subject to certain inherent risks outlined below:

- Lower inflation rate 0% or negative inflation rate reduces growth in property taxable valuations. State law limits growth to the lower of 5% or the rate of inflation.
- Trigger of a Headlee roll-back in property tax millage assessed due to possible loss in the personal property tax base, in combination with near zero/negative inflation factor.
- Risks to estimated Property Tax collections due to the impact of Wayne County chargebacks netted against the delinquent accounts revolving fund payment.
- Continued property valuation declines; increased foreclosure activity in the near future.

- Possible negative impact in reductions to Personal Property Tax collections due to state legislation.
- Decline in property tax collections due to cleansing of the tax rolls.
- Lower consumer confidence depresses spending and reduces sales tax revenues.
- Rising interest rates resulting in lower consumer spending.
- Further declines in Michigan Sales Tax revenues negatively impacts local government share.
- Lower gas prices impacts MI Sales Tax revenues and negatively impacts local government share.
- Declines in Sales and Charges for Services due to economic factors.
- Implementation risks due to deferred/delayed results from restructuring efforts.
- Reinvestment initiatives resulting in less than expected revenue growth.
- Proposed casino developments in Lansing and Romulus could dampen Detroit casino's long-term revenue projections.

POTENTIAL UPWARD ADJUSTMENTS TO FORECAST

- Ongoing improvements to collection efforts in FY 2016 may result in additional tax revenues not currently reflected in the consensus estimates.
- State of Michigan processing of the city's income tax, and subsequent withholding collections should result in increased compliance and generate additional revenues for the city.
- Passage of state legislation requiring non-Detroit businesses to withhold income taxes of employees residing in Detroit should result in increased income tax collections.
- Revenue initiatives in the Four Year Financial Plan, but not included in the consensus estimates/projections may result in additional revenues if timely and successfully implemented.
- Sales tax on internet purchases may increase local share distributions to city/villages/townships.
- Increased economic development will generate additional revenues for the city.

Conference Participants

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City of Detroit
Budget Reserve Schedule

	FY 2014-2015	FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020
Beginning Balance	\$ -	\$ 111,264,397	\$ 62,280,192	\$ 62,280,192	\$ 62,280,192	\$ 62,280,192
Transfer In/ (Out)	\$ 111,264,397	(48,984,205)	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ 111,264,397	\$ 62,280,192	\$ 62,280,192	\$ 62,280,192	\$ 62,280,192	\$ 62,280,192
Minimum Balance (5% of appropriations)	\$ 62,280,192	\$ 53,573,311	\$ 53,884,029	\$ 50,900,356	\$ 51,305,830	\$ 51,712,933
Cushion above 5%	\$ 48,984,205	\$ 8,706,881	\$ 8,396,163	\$ 11,379,836	\$ 10,974,362	\$ 10,567,259

PA 182 Sec 4t (1) (c) (vi)

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 projected expenditures for the fiscal year

City of Detroit

General Fund 5 Year Cash Flow Forecast - FY 2016 to FY 2020

\$ in millions

	Actual	Forecast					Forecast
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	5 year
Receipts							
Property tax collections (all taxing authorities)	\$ 534.0	\$ 500.3	\$ 469.0	\$ 471.4	\$ 473.9	\$ 476.3	\$ 2,391.0
Income taxes	276.2	284.1	281.6	284.3	287.0	289.7	1,426.7
Utility taxes	26.6	24.5	24.5	24.5	24.5	24.5	122.5
Gaming taxes	174.4	173.5	175.2	177.0	178.8	180.5	885.0
Municipal service fee to casinos	16.5	17.0	17.3	17.3	17.3	17.3	86.2
Distributable state aid	194.0	194.9	195.9	196.9	197.9	198.9	984.6
Other	263.6	218.7	191.2	193.1	194.9	196.8	994.8
Financing/escrow proceeds (1)	259.2	75.2	64.4	-	-	-	139.6
Total receipts (2)	1,744.4	1,488.3	1,419.1	1,364.6	1,374.3	1,384.1	7,030.3
Disbursements							
Payroll, taxes, & deductions	(352.8)	(376.6)	(428.4)	(438.3)	(448.5)	(456.9)	(2,148.6)
Benefits	(68.7)	(68.5)	(87.6)	(89.8)	(91.9)	(93.7)	(431.6)
Pension contributions - actives	(20.3)	(28.6)	(30.8)	(31.4)	(32.1)	(32.6)	(155.5)
Subsidy payments (3)	(72.7)	(144.2)	(98.3)	(63.9)	(62.1)	(59.7)	(428.2)
Property tax distributions	(396.5)	(379.6)	(352.0)	(353.8)	(355.7)	(357.5)	(1,798.6)
Income tax refunds	(5.9)	(20.1)	(15.0)	(15.0)	(15.0)	(15.0)	(80.1)
A/P vendors & other	(368.9)	(365.0)	(343.9)	(272.8)	(256.5)	(266.9)	(1,505.1)
Bankruptcy related professional Fees	(133.6)	-	-	-	-	-	-
Sub-total operating disbursements	(1,419.3)	(1,382.6)	(1,356.0)	(1,265.2)	(1,261.8)	(1,282.3)	(6,547.8)
Debt-related payments	(299.0)	(130.7)	(99.4)	(99.4)	(112.5)	(101.8)	(543.9)
Total disbursements (2)	(1,718.3)	(1,513.3)	(1,455.4)	(1,364.6)	(1,374.3)	(1,384.1)	(7,091.7)
Net cash flow	26.2	(25.0)	(36.3)	-	-	-	(61.4)
Beginning cash balance	216.8	242.9	217.9	181.6	181.6	181.6	242.9
Net cash flow	26.2	(25.0)	(36.3)	-	-	-	(61.3)
Cash before required distributions	242.9	217.9	181.6	181.6	181.6	181.6	181.6
Accumulated property tax distributions	(52.8)	(50.5)	(50.5)	(50.5)	(50.5)	(50.5)	(50.5)
Cash net of distributions	\$ 190.1	\$ 167.5	\$ 131.2	\$ 131.2	\$ 131.2	\$ 131.2	\$ 131.2
Memo:							
Refunding bonds / self insurance escrow	86.9	86.9	86.9	86.9	86.9	86.9	86.9
Exit proceeds in escrow	167.1	91.9	27.5	27.5	27.5	27.5	27.5

Note:

- (1) FY 16 and FY 17 reflect proceeds from Exit Financing.
- (2) FY 15 activity includes General fund, Street funds, and General Grants fund. Beginning FY 16 activity includes General fund (funds 1000, 1002 and 3100).
- (3) FY 16 subsidy payment includes \$76.0M and FY 17 includes \$32.8M transfer for segregating cash primarily related to Solid Waste, Street funds and BSED.

**CITY OF DETROIT
2017- 2020 FINANCIAL PLAN
Appropriations and Revenues by Agency**

	2014-15			2015-16			2016-17		
	EXP	REV	NTC	EXP	REV	NTC	EXP	REV	NTC
GENERAL CITY AGENCIES									
EXECUTIVE AGENCIES									
A12000 Budget.....	1.4	-	1.4	1.7	-	1.7	-	-	-
A19000 Department of Public Works.....	144.8	167.6	(22.8)	101.2	103.4	(2.2)	116.0	117.5	(1.5)
A23000 Office of the Chief Financial Officer	21.8	0.7	21.0	57.4	3.1	54.4	55.0	8.0	47.0
A24000 Fire.....	113.9	24.6	89.3	142.5	29.0	113.5	124.7	24.7	100.0
A25000 Dept of Health and Wellness Promotion.....	32.5	31.1	1.3	33.1	27.9	5.3	28.9	23.8	5.2
A28000 Human Resources.....	7.1	0.7	6.4	14.3	1.9	12.4	10.8	1.9	8.9
A29000 Human Rights.....	0.4	0.3	0.2	1.1	0.5	0.6	1.3	0.4	0.9
A31000 Dept of Innovation Technology	17.4	0.1	17.3	15.7	0.1	15.6	31.3	0.1	31.2
A32000 Law.....	11.7	0.3	11.4	13.9	2.2	11.7	15.5	0.9	14.6
A33000 Mayor's Office.....	8.4	1.3	7.1	10.4	0.1	10.3	10.2	0.9	9.3
A36000 Housing and Revitalization.....	90.0	99.5	(9.4)	46.9	49.3	(2.4)	43.5	43.3	0.2
A37000 Police.....	263.9	60.6	203.3	315.7	52.2	263.4	310.2	60.7	249.6
A38000 Public Lighting.....	16.6	(1.5)	18.1	38.8	26.1	12.7	31.3	14.6	16.7
A39000 Recreation.....	15.3	1.4	14.0	19.6	0.8	18.7	20.8	1.5	19.3
A43000 Planning & Development.....	-	-	-	2.3	-	2.3	6.1	4.1	2.0
A45000 Department of Administrative Hearings	1.0	1.0	0.1	1.2	0.5	0.6	1.0	0.9	0.2
A47000 General Services	44.5	10.9	33.6	66.5	13.1	53.4	64.0	12.2	51.8
LEGISLATIVE AGENCIES									
A50000 Auditor General.....	3.0	-	3.0	3.8	0.8	3.0	3.2	-	3.2
A51000 Board of Zoning Appeals	0.4	0.1	0.4	0.5	0.1	0.4	0.6	0.1	0.5
A52000 City Council.....	7.2	0.0	7.2	7.3	-	7.3	9.1	-	9.1
A53000 Ombudsperson.....	0.7	-	0.7	0.8	-	0.8	0.8	-	0.8
A54000 Inspector General.....	0.9	-	0.9	0.9	-	0.9	1.1	-	1.1
A70000 City Clerk.....	1.5	0.0	1.5	2.1	0.0	2.1	2.0	0.0	2.0
A71000 Department of Elections.....	7.2	-	7.2	4.3	0.0	4.2	11.1	0.0	11.1
JUDICIAL AGENCY									
A60000 36th District Court.....	26.6	17.4	9.1	33.5	16.6	17.0	33.5	17.5	16.0
A35000 Non-Departmental.....	393.8	1,222.5	(828.7)	295.6	895.0	(599.4)	321.0	910.3	(589.4)
TOTAL GENERAL CITY AGENCIES.....	1,232.1	1,638.5	(406.4)	1,231.2	1,222.7	8.5	1,253.2	1,243.3	9.9
A18000 Debt Service.....	20.9	26.2	(5.3)	61.8	61.8	-	68.0	68.0	-
ENTERPRISE AGENCIES									
A10000 Airport.....	4.5	5.4	(0.8)	6.9	1.5	5.4	1.5	1.5	-
A13000 Buildings and Safety.....	18.7	23.0	(4.3)	20.4	21.8	(1.4)	21.8	22.9	(1.1)
A20000 Department of Transportation.....	119.5	173.2	(53.7)	141.8	141.8	-	134.2	134.2	-
A34000 Municipal Parking.....	29.5	28.3	1.3	23.3	35.7	(12.4)	14.3	23.1	(8.8)
A41000 Water.....	354.9	350.3	4.6	570.6	570.6	-	-	-	-
A42000 Sewerage.....	519.2	512.0	7.2	718.3	718.4	(0.1)	-	-	-
A48000 Water - Retail.....	-	-	-	-	-	-	115.3	115.3	-
A42000 Sewerage - Retail.....	-	-	-	-	-	-	268.5	268.5	-
A72000 Library.....	27.9	32.7	(4.8)	30.5	30.5	-	33.1	33.1	-
TOTAL ENTERPRISE AGENCIES.....	1,074.3	1,124.9	(50.6)	1,511.9	1,520.3	(8.5)	588.8	598.7	(9.9)
GRAND TOTAL.....	2,327.3	2,789.6	(462.2)	2,804.8	2,804.8	0.0	1,910.0	1,910.0	(0.0)

**CITY OF DETROIT
2017- 2020 FINANCIAL PLAN
Appropriations and Revenues by Agency**

	2017-18			2018-19			2019-20		
	EXP	REV	NTC	EXP	REV	NTC	EXP	REV	NTC
GENERAL CITY AGENCIES									
EXECUTIVE AGENCIES									
A12000 Budget.....	-	-	-	-	-	-	-	-	-
A19000 Department of Public Works.....	120.7	122.2	(1.5)	120.7	122.2	(1.5)	120.7	122.2	(1.5)
A23000 Office of the Chief Financial Officer	55.8	8.3	47.5	56.3	8.3	48.0	56.7	8.3	48.4
A24000 Fire.....	141.6	37.7	103.8	129.4	25.0	104.4	131.2	25.0	106.2
A25000 Dept of Health and Wellness Promotion.....	33.7	23.8	9.9	33.7	23.8	9.9	33.7	23.8	9.9
A28000 Human Resources.....	10.9	1.9	9.0	10.9	1.9	9.0	10.9	1.9	8.9
A29000 Human Rights.....	1.3	0.5	0.8	1.3	0.6	0.7	1.3	0.6	0.7
A31000 Dept of Innovation Technology	31.4	0.1	31.3	31.3	0.1	31.2	31.1	0.1	31.0
A32000 Law.....	15.7	0.9	14.7	15.8	0.9	14.8	15.8	0.9	14.9
A33000 Mayor's Office.....	10.3	0.9	9.4	10.5	0.9	9.6	10.6	0.9	9.7
A36000 Housing and Revitalization.....	42.2	42.0	0.2	42.0	42.0	(0.0)	41.8	42.0	(0.2)
A37000 Police.....	314.2	61.7	252.5	316.9	62.0	254.9	320.4	62.3	258.1
A38000 Public Lighting.....	31.1	14.6	16.5	30.8	14.6	16.2	30.5	14.6	15.9
A39000 Recreation.....	20.7	1.5	19.2	20.5	1.5	19.0	20.2	1.5	18.7
A43000 Planning & Development.....	6.2	4.2	2.0	6.2	4.2	2.0	6.2	4.2	2.0
A45000 Department of Administrative Hearings	1.0	0.9	0.2	1.0	0.9	0.1	1.0	0.9	0.1
A47000 General Services	60.7	13.6	47.1	55.9	13.6	42.3	55.4	13.6	41.7
LEGISLATIVE AGENCIES									
A50000 Auditor General.....	3.2	-	3.2	3.2	-	3.2	3.1	-	3.1
A51000 Board of Zoning Appeals	0.6	0.1	0.5	0.6	0.1	0.5	0.6	0.1	0.5
A52000 City Council.....	9.4	-	9.4	9.7	-	9.7	9.8	-	9.8
A53000 Ombudsperson.....	0.8	-	0.8	0.8	-	0.8	0.8	-	0.8
A54000 Inspector General.....	1.1	-	1.1	1.1	-	1.1	1.1	-	1.1
A70000 City Clerk.....	2.0	0.0	2.0	2.0	0.0	2.0	1.9	0.0	1.9
A71000 Department of Elections.....	11.0	0.0	11.0	10.9	0.0	10.9	10.8	1.6	9.2
JUDICIAL AGENCY									
A60000 36th District Court.....	34.0	18.0	16.0	34.3	18.0	16.3	34.6	18.0	16.6
A35000 Non-Departmental.....	251.8	848.6	(596.8)	259.6	854.6	(595.0)	263.2	860.7	(597.5)
TOTAL GENERAL CITY AGENCIES.....	1,211.5	1,201.6	9.9	1,205.3	1,195.3	10.0	1,213.6	1,203.4	10.2
A18000 Debt Service.....	66.7	66.7	-	64.0	64.0	-	63.2	63.2	-
ENTERPRISE AGENCIES									
A10000 Airport.....	1.5	1.5	-	1.5	1.5	-	1.5	1.5	-
A13000 Buildings and Safety.....	21.8	22.9	(1.1)	21.8	22.9	(1.0)	21.8	23.0	(1.2)
A20000 Department of Transportation.....	134.2	134.2	-	134.2	134.2	-	134.2	134.2	-
A34000 Municipal Parking.....	14.4	23.2	(8.8)	14.3	23.3	(8.9)	14.3	23.3	(9.0)
A41000 Water.....	-	-	-	-	-	-	-	-	-
A42000 Sewerage.....	-	-	-	-	-	-	-	-	-
A48000 Water - Retail.....	119.8	119.8	-	124.6	124.6	-	129.6	129.6	-
A42000 Sewerage - Retail.....	278.6	278.6	-	289.1	289.1	-	299.9	299.9	-
A72000 Library.....	33.1	33.1	-	33.1	33.1	-	33.1	33.1	-
TOTAL ENTERPRISE AGENCIES.....	603.6	613.5	(9.9)	618.8	628.8	(10.0)	634.5	644.8	(10.2)
GRAND TOTAL.....	1,881.8	1,881.8	0.0	1,888.1	1,888.1	0.0	1,911.3	1,911.3	(0.0)

CITY OF DETROIT
BUDGET DEVELOPMENT
APPROPRIATIONS AND REVENUES BY MAJOR CLASSIFICATIONS - ALL FUNDS

	2014-15 Actuals	2015-16 Adopted	2016-17 Recommended	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast
EXPENDITURES - Recurring						
Salaries and Wages	461,700,979	508,157,092	523,321,253	535,008,756	546,347,082	557,265,712
Employee Benefits	243,311,283	217,077,561	241,691,569	246,812,683	251,979,658	236,528,481
Professional and Contractual Services	544,727,670	232,909,726	170,979,729	169,792,541	163,389,051	161,466,038
Operating Supplies	96,599,906	106,081,653	73,580,167	74,151,248	72,278,944	70,548,165
Operating Services	189,617,633	264,502,406	187,061,094	185,618,168	181,705,040	178,824,471
Other Expenses	204,798,322	347,539,440	299,287,426	320,023,182	304,096,334	321,952,892
Capital Equipment	30,914,030	9,930,799	21,234,247	23,089,863	23,323,179	23,708,713
Capital Outlays	45,390,819	472,689,223	14,722,909	11,731,493	11,731,858	11,783,327
Fixed Charges	510,580,953	593,877,230	310,245,902	315,566,305	333,215,424	349,180,140
Total Expenditures	2,327,641,596	2,752,765,130	1,842,124,296	1,881,794,239	1,888,066,570	1,911,257,939
REVENUES - Recurring						
Grants, Shared Taxes, and Revenues	375,191,797	285,814,366	275,927,257	290,195,886	276,829,789	277,863,855
Revenues from Use of Assets	(18,397,234)	19,244,584	36,855,113	38,040,179	39,197,406	40,398,789
Sales of Assets and Compensation for Losses	37,044,991	11,565,003	14,442,300	14,491,245	14,499,010	14,499,010
Miscellaneous	141,330,074	376,478,538	21,461,830	23,280,030	24,544,684	24,617,958
Sales and Charges for Services	1,105,053,836	1,181,823,011	569,270,471	582,747,845	597,147,548	613,162,249
Fines, Forfeits and Penalties	9,460,361	27,419,118	29,243,124	29,609,376	29,792,416	29,982,778
Licenses, Permits, and Inspection Charges	30,661,285	27,527,444	31,998,917	31,873,122	32,201,880	32,366,886
Taxes, Assessments, and Interest	748,948,030	705,434,660	767,398,025	775,983,268	778,486,095	782,987,197
Contributions and Transfers	359,985,373	120,523,624	95,527,259	95,573,288	95,367,742	95,379,217
Total Revenues	2,789,278,513	2,755,830,348	1,842,124,296	1,881,794,239	1,888,066,570	1,911,257,939
EXPENDITURES - Surplus Funded						
Blight Reduction	-	46,000,000	40,000,000	-	-	-
Capital Projects	-	2,984,205	27,851,803	-	-	-
Surplus Funded Expenditures	-	48,984,205	67,851,803	-	-	-
REVENUES - Prior Year Surplus						
Prior Year Surplus/(Deficit)	-	48,984,205	67,851,803	-	-	-
Prior Year Surplus	-	48,984,205	67,851,803	-	-	-

CITY OF DETROIT
BUDGET DEVELOPMENT
APPROPRIATIONS AND REVENUES BY MAJOR CLASSIFICATIONS - GENERAL FUND

	2014-15 Actuals	2015-16 Adopted	2016-17 Recommended	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast
EXPENDITURES						
Salaries and Wages	292,780,260	331,194,980	404,489,652	413,025,022	420,993,962	428,939,337
Employee Benefits	112,075,148	146,043,584	186,900,765	190,469,578	193,985,900	177,045,110
Professional and Contractual Services	118,752,378	50,987,038	65,980,862	64,494,944	58,018,193	55,939,412
Operating Supplies	20,300,715	21,305,617	28,309,698	27,602,653	26,404,204	25,344,454
Operating Services	57,407,464	107,861,352	108,729,148	107,218,367	103,995,299	101,584,604
Other Expenses	9,556,220	278,139,663	130,658,959	133,563,363	127,973,098	141,332,237
Capital Equipment	5,818,570	301,047	504,047	504,047	504,047	504,047
Capital Outlays	3,026,005	3,133,504	8,851,098	5,726,725	5,724,828	5,724,311
Fixed Charges	149,801,721	83,515,224	75,404,541	75,402,415	88,517,064	97,845,150
Total Expenditures	769,518,480	1,022,482,009	1,009,828,770	1,018,007,114	1,026,116,595	1,034,258,662
REVENUES						
Grants, Shared Taxes, and Revenues	195,625,901	198,509,132	196,618,700	197,619,410	198,619,465	199,619,413
Revenues from Use of Assets	(10,011,982)	1,187,519	1,345,043	1,348,858	1,348,858	1,348,858
Sales of Assets and Compensation for Losses	36,518,728	11,565,003	14,442,300	14,491,245	14,499,010	14,499,010
Miscellaneous	164,193,805	56,238,585	10,565,230	11,998,508	12,863,755	12,523,726
Sales and Charges for Services	92,781,170	115,189,017	123,385,075	123,790,265	124,625,388	126,630,795
Fines, Forfeits and Penalties	22,252,859	25,248,124	22,212,235	22,402,487	22,402,487	22,402,487
Licenses, Permits, and Inspection Charges	11,040,851	9,204,374	11,203,192	11,077,397	11,406,155	11,571,161
Taxes, Assessments, and Interest	604,058,909	564,637,671	604,863,041	610,178,961	615,457,040	620,757,300
Contributions and Transfers	27,519,909	40,702,584	25,193,954	25,099,983	24,894,437	24,905,912
Total Revenues	1,143,980,151	1,022,482,009	1,009,828,770	1,018,007,114	1,026,116,595	1,034,258,662
EXPENDITURES - Surplus Funded						
Blight Reduction	-	46,000,000	40,000,000	-	-	-
Capital Projects	-	2,984,205	27,851,803	-	-	-
Surplus Funded Expenditures	-	48,984,205	67,851,803	-	-	-
REVENUES - Prior Year Surplus						
Contributions and Transfers	-	48,984,205	67,851,803	-	-	-
Prior Year Surplus	-	48,984,205	67,851,803	-	-	-

CITY OF DETROIT CAPITAL PROJECTS SCHEDULE

CAPITAL COMMITMENTS

DEPARTMENT	<i>(\$ in millions)</i>	FY'17	FY'18	FY'19	FY'20
Airport		\$ 0.3	\$ -	\$ -	\$ -
Office of the Chief Financial Officer		\$ 0.5	\$ -	\$ -	\$ -
Fire		\$ 8.0	\$ -	\$ -	\$ -
Department of Innovation and Technology (DoIT)		\$ 10.6	\$ -	\$ -	\$ -
Recreation		\$ 3.8	\$ -	\$ -	\$ -
GSD		\$ 4.6	\$ -	\$ -	\$ -
Total Capital Commitments		\$ 27.8	\$ -	\$ -	\$ -

In Fiscal Year 2017, prior year surplus funding (unassigned fund balance) will be committed to capital projects.

CITY OF DETROIT
PRIOR YEAR SURPLUS SCHEDULE

PRIOR YEAR SURPLUS COMMITMENTS		
DEPARTMENT	<i>(\$ in millions)</i>	FY'17
Airport		\$ 0.3
Officer of the Chief Financial Officer		\$ 0.5
Fire		\$ 8.0
Department of Innovation at Technology		\$ 10.6
Recreation		\$ 3.8
GSD		\$ 4.6
Non-Departmental / Blight		\$ 40.0
Total Prior Year Surplus Commitments		\$ 67.8

Prior year surplus is restricted to capital projects and blight.

CITY OF DETROIT BUDGETED POSITIONS

	FY 2015-16 Budget	FY 2016-17 Recommend	FY 2017-18 Forecast	FY 2018-19 Forecast	FY 2019-20 Forecast
GENERAL CITY AGENCIES					
EXECUTIVE AGENCIES					
12 Office of Budget (FYs 17-20 budgeted in OCFO)	16	0	0	0	0
19 Department of Public Works	345	376	376	376	376
23 Office of the Chief Financial Officer.....	219	453	445	434	431
24 Fire - Civilian	374	350	350	350	350
24 Fire - Uniform	815	982	982	982	982
Total 24 Fire.....	1,189	1,332	1,332	1,332	1,332
25 Dept. of Health and Wellness Promotion.....	8	51	51	51	51
28 Human Resources	82	65	65	65	65
29 Human Rights	5	7	7	7	7
31 Dept. of Innovative & Information Services	45	134	134	134	134
32 Law	86	108	108	108	108
33 Mayor's Office	62	73	73	73	73
36 Housing and Revitalization Department	92	59	59	59	59
37 Police - Civilian	609	563	563	563	563
37 Police - Uniform	2,595	2,564	2,564	2,564	2,564
Total 37 Police.....	3,204	3,127	3,127	3,127	3,127
38 Public Lighting	17	6	6	6	6
39 Recreation	117	219	219	219	219
43 Planning Department	19	22	22	22	22
45 Department of Administrative Hearings	4	4	4	4	4
47 General Services	345	453	453	453	453
LEGISLATIVE AGENCIES					
50 Auditor General	10	12	12	12	12
51 Board of Zoning Appeals	3	5	5	5	5
52 City Council	0	69	69	69	69
53 Ombudsperson	6	6	6	6	6
54 Inspector General	7	7	7	7	7
70 City Clerk	14	14	14	14	14
71 Department of Elections	57	56	56	56	56
JUDICIAL AGENCY					
60 36th District Court	326	326	326	326	326
OTHER AGENCIES					
35 Non - Departmental	56	56	56	56	56
Apprn. 13637 Elected Officials' Compensation	11	11	11	11	11
Total 35 Non - Departmental.....	67	67	67	67	67
TOTAL GENERAL CITY AGENCIES	6,345	7,051	7,043	7,032	7,029
ENTERPRISE AGENCIES					
10 Airport	4	4	4	4	4
13 Buildings and Safety	207	204	204	204	204
20 Department of Transportation	917	900	900	900	900
34 Municipal Parking	93	89	89	89	89
41 Water	1,115	0	0	0	0
42 Sewerage.....	559	0	0	0	0
48 Water Retail.....	0	488	488	488	488
49 Sewerage Retail (Positions budgeted in Water).....	0	0	0	0	0
72 Library	334	325	326	326	326
TOTAL ENTERPRISE AGENCIES	3,229	2,010	2,011	2,011	2,011
GRAND TOTAL	9,574	9,061	9,054	9,043	9,040

Correction of Errors to the 2017 -2020 Four Year Financial Plan

TRUE COPY CERTIFICATE

STATE OF MICHIGAN }
City of Detroit } SS

CITY CLERK'S OFFICE, DETROIT

I, JANICE M. WINFREY, City Clerk of the City of Detroit, in said State, do hereby certify

that the annexed paper is a TRUE COPY OF RESOLUTION

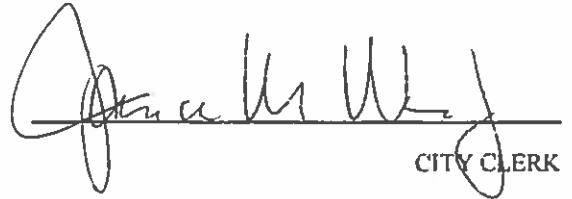
adopted (passed) by the City Council at session of FRIDAY, MARCH 11, 20 16

and approved by Mayor WEDNESDAY, MARCH 16, 20 16

as appears from the Journal of said City Council in the office of the City Clerk of Detroit, aforesaid; that I have compared the same with the original, and the same is a correct transcript therefrom, and of the whole of such original.

In Witness Whereof, I have hereunto set my hand and affixed the corporate seal of said City, at

Detroit, this 23^{rs} day of MARCH A.D. 20 16


CITY CLERK



MARCH 10, 2016

HONORABLE CITY COUNCIL

Re: Correction of Errors to the 2017 – 2020 Four Year Financial Plan

After further review of the 2017 – 2020 Four Year Financial Plan presented on February 25, 2016, errors and amendments have been discovered which should be corrected. There are two categories of corrections. First, there are “substantive” errors, which must be corrected as an amendment to the Recommended Budget. Second, there are typographic and/or date entry errors, which do not affect appropriation totals or budget balancing.

Non-Departmental (35)

	Appro.# / Name	Current Recommendation	Proposed Recommendation	Variance
Exp.	Appro. 13967 - Non Dept. - Contingency Funds	10,751,113	751,113	(10,000,000)
Exp.	Appro. 13854 - Non Dept. - Retirement Systems	24,001,923	34,001,923	10,000,000
Exp.	Appro. 00341 - Non Departmental Tax Support	62,500,000	61,500,000	(1,000,000)
Exp.	Appro. 20256 - Non Departmental Citywide	2,364,325	2,520,779	156,454
	Net Tax Cost	\$99,617,361	\$98,773,815	(\$843,546)

Note – To correct the location of additional pension contributions and to adjust the reported General Fund Contribution for DDOT.

Housing and Revitalization (36)

	Appro.# / Name	Current Recommendation	Proposed Recommendation	Variance
Exp.	Appro. 10409 - Economic Development Small Business	1,500,000	1,000,000	(500,000)
Exp.	Appro. 20153 - Conventional Home Repair	0	500,000	500,000
	Net Tax Cost	\$1,500,000	\$1,500,000	\$0

Note – To allocate funds for home repairs.

Police Department (37)

	Appro.# / Name	Current Recommendation	Proposed Recommendation	Variance
Exp.	Appro. 00111 - Police Commission	3,434,388	3,581,158	146,770
Exp.	Appro. 00112 - Police Executive	8,898,536	9,045,742	147,206
Exp.	Appro. 00118 - Criminal Investigations Bureau	53,346,697	53,953,043	606,346
Exp.	Appro. 00119 - Support Services Bureau	42,945,392	42,623,945	(321,447)
Exp.	Appro. 10082 - Neighborhood Police Bureau	131,480,462	131,887,529	407,067
Exp.	Appro. 11040 - Office of Administrative Operations	2,879,296	2,732,090	(147,206)
	Net Tax Cost			\$838,736

Note – To allocate funds for the Citizens Patrol (\$270,000), increase the Board of Police Commission’s budget to better reflect operations (\$146,770) and fund the DPD’s restructuring efforts (\$421,966).



Public Lighting Department (38)

	Appro. # / Name	Current Recommendation	Proposed Recommendation	Variance
Exp.	Appro. 00128 - PLD Street Lighting	30,793,451	18,293,451	(12,500,000)
Rev.	Appro. 04737 - General Revenue - PLD	12,500,000	0	(12,500,000)
	Net Tax Cost	\$18,293,451	\$18,293,451	\$0
Exp.	Appro. 20252 - PLA Revenue Bonds Transfer	0	12,500,000	12,500,000
Rev.	Appro. 20252 - PLA Revenue Bonds Transfer	0	12,500,000	12,500,000
	Net Tax Cost	\$0	\$0	\$0

Note – To transfer funds to newly established appropriation that better reflects purpose of appropriation.

Office of the Inspector General (54)

	Appro.# / Name	Current Recommendation	Proposed Recommendation	Variance
Exp.	Appro. 13530 - Office of the Inspector General	1,104,002	1,108,812	4,810
	Net Tax Cost	\$1,104,002	\$1,108,812	\$4,810

Note – To increase budget for operational expenses.

The above changes are balanced and therefore will not have an impact on the total budget.

The following are name changes that have occurred as a result of restructuring:

Office of the Chief Financial Officer (OCFO) (23)

Appr. #	Pg. #	Cost Center #	Cost Center Names	
00060	B23-7	230120	From:	Assessment
			To:	Valuation and Field Operations
00061	B23-7	230080	From:	Purchasing
			To:	Procurement Management
00063	B23-7	230070	From:	Treasury
			To:	Tax Revenue
14057	B23-8	230201	From:	Public Safety
			To:	Public Safety - Police



Name Changes (cont.)

Police Department (37)

Appr. #	Pg. (s) #	Cost Center #		Cost Center Names
00112	B37-8 B37-13	370040	From:	Planning and Inspection
			To:	Planning and Research Unit
00118	B37-8 B37-15 B37-17	370430	From:	Office of the Dep. Chief- Criminal Investigations
			To:	Criminal Investigation Bureau Admin.
	370525	From:	Tactical Support	
		To:	Metropolitan Division	
00119	B37-8	370590	From:	Fiscal Operations - Admin.
			To:	Support Services Bureau
10082	B37-9 B37-21 B37-26	372000	From:	Office of the Deputy Chief Patrol Operations
			To:	Neighborhood Policing Bureau Admin.
		372002	From:	Homeland Security Coordinator
			To:	Night Command Section
		372011	From:	Central District
			To:	Central District - 1st Precinct
		372028	From:	Southwestern District - 3rd Precinct
			To:	Southwestern District - 4th Precinct
11040	B37-10 B37-27	372290	From:	Office of the Asst. Chief - Admn.
			To:	Office of Administrative Operations
	372299	From:	Legal Advisor	
		To:	Labor Relations Division	

Please feel free to contact me with any concerns or questions that you may have.

Respectfully submitted,

Tanya Stoudemire, J.D.
Deputy CFO / Budget Director

Cc: Michael E. Duggan, Mayor
John Hill, Chief Financial Officer
David Whitaker, Legislative Policy Division
Irvin Corley, Legislative Policy Division

BY COUNCIL MEMBER Cushingberry, Jr.

WHEREAS, the 2017-2020 Four Year Financial Plan submitted to the Detroit City Council on February 25, 2016 included errors with appropriations that must be corrected, **NOW BE IT FURTHER**

RESOLVED, that the Deputy CFO – Budget Director be and is hereby authorized to:

Decrease Appropriation No.13967 - Non-Departmental – Contingency Funds by \$10,000,000
Increase Appropriation No. 13854 – Non- Departmental – Retirement Systems by 10,000,000
Decrease Appropriation No. 00341 – Non-Departmental Tax Support by \$1,000,000
Increase Appropriation No. 20256 – Non Departmental Citywide by \$156,154
Decrease Appropriation No. 10409 – Economic Development Small Business by \$500,000
Increase Appropriation No. 20153 – Conventional Home Repair by \$500,000
Increase Appropriation No. 00111 – Police Commission by \$146,770
Increase Appropriation No. 00112 - Police Executive by \$147,206
Increase Appropriation No. 00118 – Criminal Investigations Bureau by \$606,346
Decrease Appropriation No. 00119 – Support Services Bureau by \$321,447
Increase Appropriation No. 10082 – Neighborhood Policing by \$407,067
Decrease Appropriation No. 11040 – Office of Administrative Operations by 147,206
Decrease Appropriation No. 00128 – PLD Street Lighting by \$12,500,000
Decrease Appropriation No. 04737 – General Revenue – PLD by \$12,500,000
Increase Appropriation No. 20252 – PLA Revenue Bond Transfer (Exp.) by \$12,500,000
Increase Appropriation No. 20252 – PLA Revenue Bond Transfer (Rev.) by \$12,500,000
Increase Appropriation No. 13530 – Office of the Inspector General by \$4,810

NOW BE IT FURTHER,

RESOLVED, that the 2017-2020 Four Year Financial Plan be and is hereby amended as outlined in the forgoing communication and; **NOW BE IT FURTHER**,

RESOLVED, that the Deputy CFO – Budget Director be and is hereby authorized to amend the Four Year Financial Plan in accordance with the resolution.

**ADOPTED AS FOLLOWS
COUNCIL MEMBERS**

		YEAS	NAYS
Janee	AYERS	✓	
Scott	BENSON	✓	
Raquel	CASTANEDA-LOPEZ	✓	
*George	CUSHINGBERRY, JR.	✓	
Gabe	LELAND	✓	
Mary	SHEFFIELD	✓	
Andre	SPIVEY	✓	
James	TATE	✓	
Brenda	PRESIDENT JONES	✓	
*PRESIDENT PRO TEM		9	0
WAIVER OF RECONSIDERATION (No. <u>1</u>)			
Per motions of adjournment.			

Closing Resolution (Administration)

TRUE COPY CERTIFICATE

STATE OF MICHIGAN }
City of Detroit } SS

CITY CLERK'S OFFICE, DETROIT

I, JANICE M. WINFREY, City Clerk of the City of Detroit, in said State, do hereby certify

that the annexed paper is a TRUE COPY OF RESOLUTION

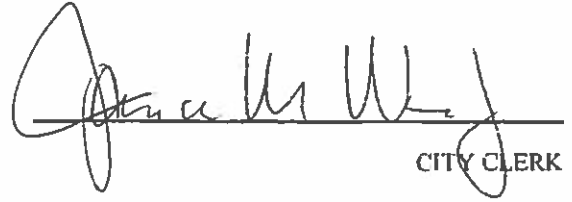
adopted (passed) by the City Council at session of FRIDAY, MARCH 11, 20 16

and approved by Mayor WEDNESDAY, MARCH 16, 20 16

as appears from the Journal of said City Council in the office of the City Clerk of Detroit, aforesaid; that I have compared the same with the original, and the same is a correct transcript therefrom, and of the whole of such original.

In Witness Whereof, I have hereunto set my hand and affixed the corporate seal of said City, at

Detroit, this 23^{rs} day of MARCH A.D. 20 16


CITY CLERK



CLOSING RESOLUTION

BY COUNCIL MEMBER Cushingberry, Jr. :

WHEREAS, The Four Year Financial Plan provides appropriations to support operations of the City for the period July 1, 2016, through June 30, 2020, including salaries, wages, pension requirements, other employee benefits, debt service and other expenses, plus meets the requirements outlined in Home Rule City Act (Act 279 of 1909) 117.4t sec (b) (i-viii) and sec (c) (i-ix);

1. RESOLVED, That employee benefits and retirement provisions for non-union employees shall be in accordance with the City Council Resolution of October 2, 1974, J.C.C., p. 2142; November 16, 1977, J.C.C., p. 2538; August 6, 1980, J.C.C. p. 2057; August 5, 1981, J.C.C., p. 1957; January 6, 1984, J.C.C., p. 45; April 15, 1987, J.C.C., p. 813; November 15, 1989, J.C.C., p. 2627; August 4, 1999, J.C.C.; p. 2375; November 30, 2001, J.C.C. p. 3810; July 30, 2003, J.C.C. p. 2470; September 13, 2006, J.C.C., p. 2341; and February 11, 2010, otherwise as authorized City Council through the 2015-2016 fiscal year; and be it further

2. RESOLVED, That the Finance Director and the Labor Relations Director continue the administration of salary and prevailing rates according to the rules as listed in the 2014-15 Official Compensation Schedule, and otherwise according to the City Council Resolution of July 13, 1954, J.C.C., p. 1713; and be it further

3. RESOLVED, That employee benefits contained in this Closing Resolution are permissive rather than mandatory for unionized employees; and be it further

4. RESOLVED, That all contracts covering unionized employees may, upon approval of the Director of Labor Relations, be extended beyond their expiration dates; and be it further

5. RESOLVED, That where no effective date is given in a resolution involving personnel procedures approved by the City Council of the City of Detroit, the effective date shall be the second Wednesday subsequent to passage of the resolution at the regular session, in accordance with the resolution of December 12, 1944, J.C.C., p. 2983; and be it further

6. RESOLVED, That the Finance Director is hereby authorized to honor payrolls for restoration of lost time by City employees as a result of a reduced or reversed suspension or discharge, provided such action is recommended by the Labor Relations Director, and otherwise in accordance with the resolution of March 11, 1969, J.C.C., p. 565; and be it further

7. RESOLVED, That employees be paid for out-of-class work according to negotiated agreements and in the absence of agreements upon recommendation of the department with approval of the Budget Director and the Civil Service Commission and otherwise in accordance with the resolution of September 17, 1968, J.C.C. p. 2269; and be it further

8. RESOLVED, That for inactive titles under the old Police and Fire pension system, changes shall apply proportionately with changes in the active titles according to the City Charter and the J.C.C. resolution of September 9, 1953, p. 2235; and be it further

9. RESOLVED, That rates of pay applied to positions in the 2015 -2016 Budget be subject to maintenance charges as approved by the City Council for all employees furnished living accommodations; and be it further

10. RESOLVED, That the Finance Director is hereby authorized to provide reimbursement to employees to the extent that they are subject to additional expense for insurance at commercial rates exclusively by virtue of driving vehicles on City business and otherwise according to the City Council Resolution of November 12, 1968, J.C.C. p. 2728; and be it further

11. RESOLVED, That the Finance Director is hereby authorized to provide reimbursement of certain expenses to persons seeking or accepting employment with the City in accordance with the Resolution adopted by the City Council on February 7, 1996; and be it further

12. RESOLVED, That the Finance Director is hereby authorized to continue honoring payrolls for payment of unused sick leave to retirees, and others who separate from service in the required manner; all according to the City Council resolution of November 8, 1961; J.C.C. p. 2292, and July 20, 1971, p. 1686; August 5, 1981, p. 1957; and July 30, 2003, p. 2470; and be it further

13. RESOLVED, That the Finance Director is hereby authorized to honor payrolls for allied class titles substituted for existing titles according to City Council resolutions of April 28, 1942, and January 9, 1945; and be it further

14. RESOLVED, That overtime credit shall be granted to employees working under the Extra Service title of Election Service Worker for all hours worked under the Extra Service title beyond eight (8) hours in one day; and be it further

15. RESOLVED, That reimbursement of private car mileage for non-union employees is authorized in accordance with the City Council resolution of October 2, 1974, J.C.C. p. 2142 and January 6, 1984, J.C.C. p. 45; August 4, 1999, J.C.C., p. 2375; and July 30, 2003, J.C.C. p. 2740; and September 13, 2006, J.C.C., p. 2341; September 18, 2012, J.C.C. be it further

16. RESOLVED, That the Labor Relations Director is hereby authorized and directed to amend the Official Compensation Schedule to incorporate changes covering title eliminations, specialties, and substitutions, and code number changes through Human Resources Department action when such changes do not necessitate additional appropriations or base rate changes; and be it further

17. RESOLVED, That uniformed Police personnel and uniformed Fire personnel continue to be provided with uniforms and/or allowances and such accessories as provided by the applicable

collective bargaining agreements, approved by the departments and the Budget Director within appropriations provided therefore; and be it further

18. RESOLVED, That regular City employees with at least 90 days of service working in continuing assignments recommended for consideration by department heads may be reimbursed not to exceed the sum of either \$170 for a clothing allowance or \$350 for a uniform allowance in any fiscal year in accordance with the J.C.C. of June 21, 1966, p. 1908, the J.C.C. of October 2, 1974, p. 2142, and the J.C.C. of July 30, 2003, p. 2470 ; September 18, 2012 J.C.C. for expenses arising out of the purchase of necessary protective clothing and accessories as provided by the applicable collective bargaining agreements or City Employment Terms, as recommended by the departments and approved by the Labor Relations Director, provided finally that the above provisions and limitations shall not be applied to duplicate allowances or change existing policy or authorized practices with respect to other assignments or employees; and be it further

19. RESOLVED, That the Finance Director is hereby authorized to provide supplemental pay for the fiscal year as requested by departments for authorized encampments for City employees in the armed forces in accordance with the City Council resolutions of February 13, 1963 J.C.C., p. 344, November 1, 1966, J.C.C., p. 3010; and February 13, 1980, J.C.C. p. 407; with the provision that the City shall not offset military pay and allowances for days the employee is not regularly assigned to work; and be it further

20. **RESOLVED, That in the event of a hardship occasioned by an unexpected or untimely separation from service, the Finance Director upon recommendation of the Budget Director and the Labor Relations Director, is hereby authorized to honor lump sum payments from available funds for vacation leave, compensatory time credit, and excused time credit, to which an employee is otherwise legally entitled; and be it further**

21. **RESOLVED, That the Finance Director is hereby authorized to honor payrolls for the induction of employees in classifications designated with Step Code "D" , Step Code "K" and Step Code "R" at advanced step levels within the pay range according to a formula to be established by the Human Resources Director and approved by the Labor Relations Director; and be it further**

22. **RESOLVED, That upon request of the department and the recommendation of the Labor Relations Director and Budget Director, that the Finance Director be authorized to permit the payment of salaried employees on an hourly basis and hourly employees paid on a salaried basis and to withdraw such permission as requested by the department; and be it further**

23. **RESOLVED, That the Finance Director is hereby authorized to honor payrolls for employees affected by the change over from standard time to daylight savings time in accordance with the resolutions of April 24, 1973, p. 1073, provided that no overtime shall be paid to any employee affected until they shall actually have worked forty (40) hours per week; and be it further**

24. RESOLVED, That the Finance Director is hereby authorized to pay employees their regular paycheck on the previous Thursday when a holiday is generally observed on Friday and on the preceding Wednesday when both Thursday and Friday of the same work week are holidays and otherwise in accordance with standard payroll procedures; and be it further

25. RESOLVED, That the Finance Director, upon recommendation of the Labor Relations Director is hereby authorized to continue reimbursement of employees for articles damaged in the course of employment according to the City Council resolutions of December 19, 1961, J.C.C., p. 2657, and November 21, 1972, J.C.C. p. 2829 and p. 2855 as implemented by rules established by the Finance Director; and be it further

26. RESOLVED, That contractors hired under titles with pay ranges may receive pay increments within the range in accordance with their contracts with approval of the Finance Director, provided funds are available; and be it further

27. RESOLVED, That the various departments are hereby authorized to hire and pay Special Service employees at any rate within the range based upon formula established by the Human Resources Director, and otherwise according to the resolution of August 20, 1963, J.C.C., p. 2190, with the provision that step increments for these employees may be granted by the department head with the approval of the Human Resources Director and Budget Director in accordance with rules established for general City employees; and be it further

28. RESOLVED, That Special Service employees upon approval of the Labor Relations Director and the Finance Director, be granted fringe benefits in accordance with the Charter, Ordinances, and the City Council resolution of August 23, 1966, J.C.C. p. 2433, provided that City Council reserves the right to adjust wages and fringes for Special Service employees during 2014-2015, and provided further that employees temporarily transferred to Special Service positions from the Regular Service shall continue to receive their regular service fringes; and be it further
29. RESOLVED, That upon interdepartmental transfer of employees, departments may make lump sum payments with supporting documentation within appropriations for unliquidated vacation time in excess of twenty days (20), provided that the time cannot be properly liquidated, prior to the following month of August but not later than September 30th. Approval may be granted by the Budget Director and Labor Relations Director; and be it further
30. RESOLVED, That unless specifically covered by labor contract, when an employee is called to work an unscheduled shift or overtime, he shall receive the overtime for the hours worked or a minimum of four (4) hours on a straight time basis, whichever is greater, and otherwise according to the resolution of the City Council of May 29, 1962, J.C.C., p. 1186; and be it further
31. RESOLVED, That City departments are hereby authorized to provide for mailing of paychecks to employees not assigned to work on paydays; provided employees affected

direct a written request to their department head or representative by noon two days prior to payday; and be it further

32. RESOLVED, That the Finance Director is hereby authorized to pay \$10,000 to the beneficiaries or estate of employees who are killed or who die as a result of injuries sustained in the actual performance of their duties or who are permanently disabled in the line of duty and otherwise in accordance with the City Council Resolutions of August 3, 1977, J.C.C. page 1638; and be it further
33. RESOLVED, That the Finance Director is hereby authorized and directed to continue funding for an Eye Care Program for non-union employees in accordance with the City Council Resolution of November 27, 1970, p. 2981; and be it further
34. RESOLVED, That apprentices will receive their designated pay increments every six (6) months upon recommendation of the department and approval of the Human Resources Department Training Division provided that they have been satisfactorily participating in related instruction and on-the-job training, in accordance with the standards established for that trade, during the six (6) month period immediately preceding the date of the increment, said increments will be paid effective on the date of the completion of the training period; and be it further
35. RESOLVED, That vacation time no matter how earned, shall not be allowed to accumulate in amounts exceeding twenty (20) days on any October 1st date, exclusive of any vacation

time earned between July 1 and the following September 30, and otherwise in accordance with the City Council Resolution of May 27, 1969, J.C.C. P. 1258 as amended; and be it further

36. RESOLVED, That an administrative fee of one percent (1%) of property taxes shall continue to be imposed, to be used to offset the costs incurred in assessing and collecting the property tax and in the review and appeal process; and be it further

37. RESOLVED, that as required by the provisions of Public Act 399 of 1984, a one-half of one percent (1/2%) per month interest charge on delinquent real and personal property taxes shall continue to be imposed from the time such property tax became due and payable until such tax is paid in full, all in accordance with Section 18-9- 89 through 18-9-100 of the Detroit City Code; and be it further

38. RESOLVED, That as required by the provisions of Public Act 399 of 1984, a one percent (1%) per month penalty on delinquent real and personal property taxes shall continue to be imposed from the time that the property tax became due and payable, until such tax is paid in full, and the penalty shall not exceed a total of twenty-five percent (25%) of the unpaid tax, all in accordance with Section 18-9-89 through 18-9-100 of the 1984 Detroit City Code; and be it further

39. RESOLVED, That as permitted by the provisions of Public Act 399 of 1984, interest and penalty from February 15 to the last day of February on a summer property tax which has

been deferred is hereby waived for the homestead property of a senior citizen, paraplegic, quadriplegic, eligible serviceman, eligible veteran, eligible widow, totally and permanently disabled person, or blind person as those persons are defined in Chapter 9 of Public Act 281 of 1967, as amended, if the person makes a claim before February 15 for a credit for such homestead property as provided by Chapter 9 of Public Act 281 of 1967, as amended, presents a copy of the form filed for that credit with the City Treasurer, and if the person has not received the credit before February 15; and be it further

40. RESOLVED, That the Finance Director, Deputy Finance Director, or his/her designee(s) is hereby authorized to continue making the necessary accrual adjustments for Compensated Employee Absences and Damage Claim Payments as a part of the 2014-2015 Fiscal Year closing process in compliance with the provisions of the National Council on Governmental Accounting Statement Number Four, "Accounting and Financial Reporting Principles for Claims and Judgments and Compensated Absences" and Governmental Accounting Standards Board Statement No. 16 "Accounting for Compensated Absences"; and be it further

41. RESOLVED, That the Finance Director, or his/her designee(s), be and is hereby authorized and directed to purchase, sell or exchange securities representing investments of cash balances as permitted by law, and in accordance with written policies established by the Finance Director and placed on file with the Office of the City Clerk, and that the Treasurer be and is hereby authorized and directed to disburse or deposit funds accordingly and to accept receipts for holding securities in lieu of definitive certificates; and be it further

42. RESOLVED, That the Finance Director is hereby authorized to appropriate investment earnings on bond proceeds to fund the cost of bond issuance expenses; and be it further
43. RESOLVED, That the Finance Director is hereby authorized to disburse funds, allocate bond proceeds and make any and all necessary declarations for the purpose of complying with applicable law and specifically with the reimbursement rules and regulations of the U.S. Department of Treasury pursuant to the Internal Revenue Code of 1986, as amended, with respect to projects identified herein, which projects are to be permanently financed from proceeds of debt to be incurred by the City; and be it further
44. RESOLVED, That the following Department, in the specified maximum amounts be authorized, for the 2015-2016 Fiscal Year only, to contract for Personal Services Contractors, in accordance with the procedure previously approved by Council (J.C.C., 2-8-89):

Recreation	\$200,000
------------	-----------

The total compensation for any one contractor cannot exceed \$3,500 during the fiscal year without execution of a formal contract, individual rates shall not exceed established rates for the classification of Personal Services Contractor - Grade III, and standard City requirements for tax and budget clearances and residency will be honored. All previous standing authorizations for such contracting are hereby rescinded; and be it further

45. RESOLVED, That as actual collections are received through June 30, 2017 from Account No. 13-7512 - Fire Insurance Escrow - P.A. 495, they are hereby authorized to be appropriated in the proper general fund or block grant account; and be it further
46. RESOLVED, That the Finance Director and is hereby authorized and directed to disburse the necessary funds as adopted and appropriated in the 2015-2016 Budget to the Charles H. Wright Museum of African American History, Zoological Institute, Detroit Institute of Arts, Detroit Port Authority, Historical Museum and the Eastern Market Corporation, be it further
47. RESOLVED, That the Budget Director is authorized and directed to establish processes, records, transfers and/or accounts necessary to implement and facilitate any reorganization of department functions or activities within the city budget; and be it finally
48. RESOLVED, That the Chief Financial Officer, Office of Budget and the Legislative Policy Division are authorized, subsequent to City Council's approval, to adjust the forecasted budgets as needed in order to balance by fund for FY 2017 – 2018, FY 2018 – 2019 and FY 2019 – 2020 so long as those adjustments are consistent with the FY 2016 – FY 2017 Budget and completed prior to the submission of the Four Year Financial Plan to the Financial Review Commission for approval, and therefore be it
49. RESOLVED, That the Finance Director is hereby authorized and directed to honor payrolls in accordance with this resolution.

**ADOPTED AS FOLLOWS
COUNCIL MEMBERS**

		YEAS	NAYS
Janee	AYERS	✓	
Scott	BENSON	✓	
Raquel	CASTANEDA-LOPEZ	✓	
*George	CUSHINGBERRY, JR.	✓	
Gabe	LELAND	✓	
Mary	SHEFFIELD	✓	
Andre	SPIVEY	✓	
James	TATE	✓	
Brenda	PRESIDENT JONES	✓	
*PRESIDENT PRO TEM			
		9	0
WAIVER OF RECONSIDERATION (No. <u>2</u>)			
Per motions of adjournment.			

**Resolution to Adopt the 2016 – 2017
City of Detroit Budget as Amended by
Schedule B
(City Council)**

TRUE COPY CERTIFICATE

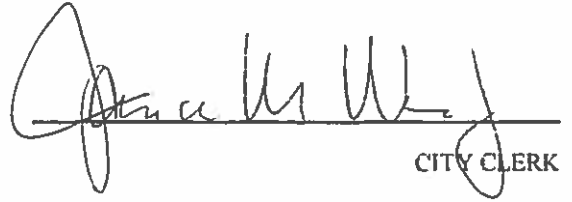
STATE OF MICHIGAN }
City of Detroit } ss

CITY CLERK'S OFFICE, DETROIT

I, JANICE M. WINFREY, City Clerk of the City of Detroit, in said State, do hereby certify that the annexed paper is a TRUE COPY OF RESOLUTION adopted (passed) by the City Council at session of FRIDAY, MARCH 11, 20 16 and approved by Mayor WEDNESDAY, MARCH 16, 20 16 as appears from the Journal of said City Council in the office of the City Clerk of Detroit, aforesaid; that I have compared the same with the original, and the same is a correct transcript therefrom, and of the whole of such original.

In Witness Whereof, I have hereunto set my hand and affixed the corporate seal of said City, at

Detroit, this 23rd day of MARCH A.D. 20 16


CITY CLERK

**RESOLUTION TO ADOPT THE 2016-2017 CITY OF DETROIT BUDGET,
AS AMENDED BY SCHEDULE B**

Honorable City Council:

Your Committee of the Whole has had under consideration the proposed Budget of the City of Detroit for the fiscal year 2016-2017 as submitted by his Honor, the Mayor, and having completed its consideration of same, herein submits the following resolution and recommends its adoption.

Respectfully submitted,

Chairperson

BY COUNCILMEMBER Cushingberry, Jr.

RESOLVED, That this Body having completed as of March 11, 2016 its consideration of the proposed Budget of the City of Detroit for the fiscal year 2016-2017 as contemplated by the Charter and ordinances of the City of Detroit, by majority vote of all members elected thereto, adopts said Budget, as amended by the foregoing schedule B, and transmits same to the City Clerk for recompilation and submission to his Honor, the Mayor, in accordance with the Charter and ordinances of the City of Detroit.

Adopted as follows:

Yeas 9
Nays 0

Waiver of Reconsideration Requested

**SCHEDULE B
CITY COUNCIL CHANGES TO THE 2016-2017 BUDGET
APPROPRIATION AND REVENUE CHANGES
SUMMARY BY AGENCY, APPROPRIATION AND FUND**

#	Agency	Action and Appropriation No.	Appropriation Name	FTEs	Appropriations	Revenues	Net Tax Cost Increase/Decrease
	Mayor's Recommended Budget to City Council			10,176	\$ 2,641,300,000	\$ 2,641,300,000	\$
29	Human Rights	Increase Appropriation	00250 Protection of Human Rights	1	55,900		
29	Human Rights	Increase Appropriation	00250 Protection of Human Rights	1	250,000		
31	Dept. of Innovation and Technology	Increase Appropriation	00024 Central Data Processing		150,000		
35	Non-Departmental	Decrease Appropriation	20256 Nondept Citywide		(2,030,223)		
51	Board of Zoning Appeals	Increase Appropriation	00183 Zoning Land Use of Controls	1	74,323		
52	City Council	Increase Appropriation	13667 City Council Council Member At-Large 1	5	104,407		
52	City Council	Increase Appropriation	13668 City Council Council Member At-Large 2	7	121,458		
52	City Council	Increase Appropriation	13669 City Council District 1 Council Member	5	104,407		
52	City Council	Increase Appropriation	13670 City Council District 2 Council Member	5	104,407		
52	City Council	Increase Appropriation	13671 City Council District 3 Council Member	5	104,407		
52	City Council	Increase Appropriation	13672 City Council District 4 Council Member	5	104,407		
52	City Council	Increase Appropriation	13673 City Council District 5 Council Member	5	104,407		
52	City Council	Increase Appropriation	13674 City Council District 6 Council Member	5	104,407		
52	City Council	Increase Appropriation	13675 City Council District 7 Council Member	5	104,407		
52	City Council	Increase Appropriation	00269 City Legislative Functions	22	543,286		
Total Changes by City Council for 2016-2017 Budget				10,248	2,641,300,000	2,641,300,000	\$

**ADOPTED AS FOLLOWS
COUNCIL MEMBERS**

		YEAS	NAYS
Janee	AYERS	✓	
Scott	BENSON	✓	
Raquel	CASTANEDA-LOPEZ	✓	
*George	CUSHINGBERRY, JR.	✓	
Gabe	LELAND	✓	
Mary	SHEFFIELD	✓	
Andre	SPIVEY	✓	
James	TATE	✓	
Brenda	PRESIDENT JONES	✓	
*PRESIDENT PRO TEM			
		9	0
WAIVER OF RECONSIDERATION (No. <u>3</u>)			
Per motions of adjournment.			

**Detroit City Council 2016 – 2017 Financial
and Budgetary Priorities, Public Policy,
Planning and Action Resolution
(City Council)**

TRUE COPY CERTIFICATE

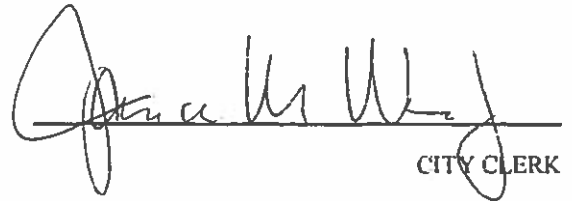
STATE OF MICHIGAN }
City of Detroit } SS

CITY CLERK'S OFFICE, DETROIT

I, JANICE M. WINFREY, City Clerk of the City of Detroit, in said State, do hereby certify that the annexed paper is a TRUE COPY OF RESOLUTION adopted (passed) by the City Council at session of FRIDAY, MARCH 11, 20 16 and approved by Mayor WEDNESDAY, MARCH 16, 20 16 as appears from the Journal of said City Council in the office of the City Clerk of Detroit, aforesaid; that I have compared the same with the original, and the same is a correct transcript therefrom, and of the whole of such original.

In Witness Whereof, I have hereunto set my hand and affixed the corporate seal of said City, at

Detroit, this 23^{rs} day of MARCH A.D. 20 16


CITY CLERK

**THE DETROIT CITY COUNCIL
2016-2017 FINANCIAL AND BUDGETARY PRIORITIES,
PUBLIC POLICY, PLANNING AND ACTION RESOLUTION**

BY ALL COUNCIL MEMBERS:

WHEREAS, The Detroit City Council has held hearings and deliberations on the Executive Budget for FY 2016-2017 submitted by the Honorable Mayor Mike Duggan; and

WHEREAS, Following the City of Detroit's (City) first full year after emerging from the largest municipal bankruptcy in our nation's history, the alignment of expenditures and revenues must be balanced with improvements in service delivery to residents. In light of the current financial climate, with uncertain major revenue sources at both the state and local levels, circumstances have created a need for fiscal conservatism and restraint balanced with the necessity of nurturing growth and redevelopment of the City; and

WHEREAS, In accordance with the newly imposed timing requirements set forth in Public Act 181 of 2014, MCL 141.1636(4), the Mayor submitted the budget to City Council on February 25, 2016, and the Council was expected to conduct hearings with City departments to determine if the proposed budget figures were sound, consider where adjustments would be necessary or beneficial, identify and propose funding changes, and ultimately vote to adopt the budget by a March 11, 2016 deadline – a total of fifteen (15) calendar days to deliberate and vote. Historically, City Council had an approximately six week period, although still not generous, in which to study and deliberate. This new compressed schedule is insufficient for effective consideration. While City Council and the Mayor have met the abbreviated deadlines, the process could be greatly improved with a more appropriate timeframe; therefore, City Council encourages the Administration to work with the State Legislature to expand the budget calendar to forty-five days; and

WHEREAS, Consistent with Sec. 8-213 of the 2012 City Charter and Public Act 181 of 2014, the City's Chief Financial Officer, Budget Director, Auditor General, City Council's Legislative Policy Division, along with other top officials held a revenue estimating conference which determined reasonable agreed upon revenue projections for the major General Fund revenues for the upcoming fiscal year of \$1.077 billion; and

WHEREAS, The City Council is currently reviewing the Mayor's proposed Executive Organization Plan (EOP) which is a statement of the generalized functional areas of each department without in-depth explanation. It appears that all organizational changes are reflected in the proposed budget as presented. Further discussion of the EOP will be scheduled after the conclusion of the budget process and should budgetary changes be necessitated, the Administration will need to seek budgetary amendments at that time; and

WHEREAS, The bankruptcy court approved a Quality of Life (QOL) loan for improvements as the City exited bankruptcy. The Mayor has elected to fund certain capital initiatives with the remaining QOL funds, which are largely reflected in the Plan of Adjustment (POA) established at the conclusion of the City's bankruptcy; and

CITY CLERK 2016 MAR 14 AM 9:19

WHEREAS, On this day, March 11, 2016, the Detroit City Council adopts a program budget that is based on sound and conservative budgetary principles for municipalities as well as stated goals and projections for City departments, divisions and agencies, and in consideration of the dictates of the “Plan for the Adjustment of Debts of the City of Detroit” (POA); and

WHEREAS, In light of these factors the Detroit City Council, in adopting this budget, has incorporated the fiscal and public policy priorities outlined below in an effort to provide effective government operations and service delivery to the residents, citizens, institutions and businesses of this City; and

WHEREAS, The Michigan Department of Treasury is currently holding in escrow, \$86.9 million from the proceeds of the sale of the City’s 2012 self-insurance bonds. The City has been paying the debt service at five percent interest over the last few years even though the City has been unable to access these funds. The Duggan Administration is negotiating with the Michigan Department of Treasury for release of \$64.9 million of these funds which may only be used for capital expenditures—the amount not required for self-insurance purposes (\$22 million). To that end, the City is working with bond counsel and the Department of Treasury to ensure that all State laws and IRS regulations are satisfied prior to requesting the draw down; and

WHEREAS, The Detroit Land Bank Authority (“DLBA”) is currently tasked with managing the demolition and sale of residential vacant, abandoned and tax-foreclosed properties within the city. It is requested that the DLBA identify funds within its budget to provide expanded property maintenance services for all of these properties, including management of illegal dumping, snow removal, timely grass cutting and brush removal, and structure maintenance especially in cases when neighboring property and public safety are endangered. There should be particular emphasis on the maintenance of trees; therefore, General Services Department is requested to hire more tree artisans and endeavor to hire from within the agency; and

WHEREAS, City Council requests the Administration to provide a monthly *budget to actual* analysis for all City agencies and provide a more effective inter-agency billing process between the General Services Department and other City agencies to improve the recording of departmental revenues and receive full reimbursement from non-general fund agencies; and

WHEREAS, In the continuing quest for greater accountability, City Council is requesting a city-wide asset inventory of office equipment and rolling stock (*i.e.*, equipment for the use of transportation, such as automobiles, railcars, etc.,) to be shared with Council and the Office of the Chief Financial Officers (OCFO) for the purpose of comparing the agency inventory listing with the inventory records housed in the OCFO to ensure a more thorough inventory analysis; and

WHEREAS, As citizens’ reliance on public transportation increases, it is imperative that the transportation systems in the area be coordinated to best serve the needs of the community. If a comprehensive transportation plan for Southeast Michigan that includes Ann Arbor Transit, the Suburban Mobility Authority for Regional Transportation (SMART) and the Detroit Department of Transportation is developed by the Regional Transportation Authority, City Council urges the

Administration to advocate for expanded service and improved coordination of transportation services and funding; and

WHEREAS, The Kemeny Recreation Center, an essential recreational structure in Southwest Detroit's 48217 zip code, is currently closed and awaiting new construction. Originally, the design plans of the new center called for a 33,000 square foot facility that included state of the art swimming facilities and other amenities. However, due to market conditions and higher than anticipated construction costs, the Recreation Department has reduced the size of the new facility by approximately 40% to 20,000 square feet. The Council requests that more capital dollars be shifted to the construction of the new center to create the original 33,000 square foot recreation facility that was planned. Given that the Duggan Administration has indicated that a recent review of past bonding initiatives has found \$50 million dollars in unused bond funds with \$9 million dedicated to the Kemeny Recreation Center, City Council suggests that \$4 million dollars be allocated to fully fund this needed development; and

WHEREAS, The Buildings, Safety Engineering and Environmental Department (BSEED) is in need of additional inspectors and is urged to hire more through the use of dollars from vacant positions and additional departmental revenues. The department is working with Human Resources to increase the pay scale for these presently unfilled positions to improve the City's ability to attract qualified candidates because the wages currently offered are not competitive with the market and the services that these inspectors provide are seriously needed; and

WHEREAS, To ensure the safety of the City's children, Council strongly urges the BSEED conduct comprehensive inspections, in accordance with BSEED's normal inspection schedule, of all Detroit schools, including DPS, charter, and private schools. Particular attention should be paid to whether schools have the required personnel to provide 24 hour monitoring of school boilers; and

WHEREAS, The number of housing inspections have decreased due to the elimination of pre-sale home inspections. As a result, Council requests greater landlord compliance through best practice solutions; and

WHEREAS, The Fire Department has changed their training specifications to require personnel of the department to be cross-trained as both a firefighter and as an emergency medical technician. The department has increased its training budget to provide this training; however, there are a number of persons that have incurred the expense of receiving the training on their own initiative. As a result, Council urges for the department to reimburse those who have acquired the EMS certification independently and/or prior to the Fire Department's transition to the new qualification standard. Additionally, Council supports the Administration's efforts to increase fire fighter/EMS technician wages aimed at improving employee retention; and

WHEREAS, Department of Public Works (DPW) anticipates receiving an additional \$10.9 million in street fund revenues (gas and weight taxes) in 2017 through the passage of the 2015 State Roads Bill. As a result, Council urges DPW to restore residential street cleaning from the additional dollars anticipated; and

WHEREAS, Section 8-202 of the 2012 Detroit City Charter requires the presentation of a five-year Capital Agenda on or before November 1 of each even numbered year to the City Council. City Council requests by the Capital Agenda be presented by November 1, 2016; and

WHEREAS, DPW indicates that presently 28,500 of the City's 215,000 (13%) residences are participating in curbside recycling. DPW indicates that efforts continue through education and outreach to encourage more households to recycle, including the recently grant financed contracts (\$95,000) awarded to Green Living Science and Zero Waste Detroit. Council urges the Administration to allocate more dollars to city-wide recycling efforts to increase the number of residential households participating in the program beyond the current 13 percent participation rate. Council urges the Administration to aim for the goal of a twenty percent (20%) annual increase in participation rate over the next three years for a total participation level of seventy-three percent (73%); and

WHEREAS, As part of the restructuring initiatives undertaken during the City's bankruptcy proceedings, certain changes were made to both active and retiree healthcare. As a consequence, married active employees are prohibited from providing their retiree spouses with healthcare through the City's fringe benefit plans. This is a direct contradiction to that same active employee's affirmative ability to provide healthcare coverage for their non-City retired spouse. Council strongly urges the Administration to correct this illogical treatment of active employees' retiree spouses through policy changes; and

WHEREAS, The current FY 2015-2016 budget, appropriates the funding for the City's federal lobbyist and state lobbyists separately. However, the proposed budget combines these appropriations providing for federal and state lobbyist services. Council urges the Administration to maintain a separate budget for a state lobbyist, and further urges the Administration to ensure the City's lobbyist expresses City Council's distinct concerns regarding pending Federal and State legislation; and

WHEREAS, There are a large number of intact vacant structures citywide that if placed in the right hands could provide an opportunity for home or business ownership. A robust nuisance abatement program developed by the City could greatly assist in this endeavor; as such, the City Council requests the Administration create such a program focusing on blighted structures; and

WHEREAS, Under Emergency Management, parking ticket violations and late fees were increased by 50% and the early payment discount was eliminated. Council urges the Administration to reinstitute the \$10 early payment discount program if a parking ticket is paid within ten days, as recommended by the Municipal Parking Department (MPD), and provide for early payment at the parking kiosks, if possible; and

WHEREAS, In the event that the City decides to sell a city-owned parking facility, City Council strongly urges that any proceeds shall be used to pay down the "C" notes, as a method to reduce the outstanding debt service (principal and interest) payments on these notes; and

WHEREAS, In the last several years the provision of health services and the allocation of funding from the State and Federal governments for services for residents of Detroit have

vacillated from the City to a private entity. As a result, all previous grant funding has not come back to the City's Health Department. Therefore, to help support services, Council asks the Administration to explore increasing general fund dollars appropriated to the Health Department and to seek additional grant dollars with particular focus on lead-based paint abatement/prevention in the City;

WHEREAS, In order to determine whether the 10-year Plan of Adjustment is on track for future years, the Council requests the Administration reconcile the POA for fiscal years 2014 and 2015 with the actual annual expenditures provided in the City's Comprehensive Annual Financial Report for the corresponding years so that a clear, up-to-date financial picture is depicted relative to the projections listed in the POA that is now several years old; and

WHEREAS, There is approximately \$50 million in proceeds left in various funds from previously sold voter-approved general obligation bonds for the purpose of providing capital improvements; Council requests the Administration to provide detailed information including the dates in which the bonds were sold and how any proposed re-programming of these funds correspond with the original intended programmatic category; and

WHEREAS, Over the last several budget cycles, the Human Rights Department has had its staffing levels reduced below what is necessary to properly monitor development activities including tax incentive agreements that promised important hiring goals; with the City's current increase in economic development activity and the need for greater tax abatement monitoring, the number of compliance officers needs to be increased by at least one; and

WHEREAS, The City of Detroit is becoming increasingly more culturally diverse, yet, the methods used to disseminate important governmental information are generally limited to the English language. In accordance with the City's commitment to provide services to all citizens within the city, including document translation, interpretation services, and one compliance officer is suggested to properly implement and monitor the Language Access Plan within the city. Given that 36th District Court has an existing contract in place that allows for interpretative services, an effort to expand that contract so that this public service might be used to cover citywide should be undertaken; and

WHEREAS, City Council requests greater transparency with respect to the collection and allocation of certain penalties and fines imposed by departments for violations of Executive Orders and City ordinances; henceforth, the Administration should identify all funds and accounts utilized by City agencies that are currently not reflected in the City's budget and provide how they are included in the City's financial reporting system and CAFR; and

WHEREAS, The Board of Ethics has been without an Executive Director for the last two years and has had to rely upon the services of Human Rights employees which was not anticipated by the Charter or the approved budget. Therefore, City Council urges the Board of Ethics to conclude its hiring of a new Executive Director by July 1, 2016; and

WHEREAS, Council urges the DLBA and DBA to develop a board-up program and to expand the DLBA community partnership program in areas of the City that do not receive Hardest Hit

Funds and are not being targeted by the Nuisance Abatement Program to ensure the public health and safety of all residents; and

WHEREAS, The Public Lighting Authority's plan for lighting that is currently in place needs to be evaluated to ensure that there is adequate lighting planned to safeguard the public's health and safety throughout the City, including areas of the city where new lighting has been installed. Additionally, it should be determined if there is sufficient funding to achieve this objective and to meet the unique lighting needs of different neighborhoods which may be above and beyond the national standards; and

WHEREAS, It appears that the maintenance and upkeep of the viaducts has not been adequately addressed; therefore, a coordinated and comprehensive maintenance plan, including adequate lighting, should be developed by the PLA, DPW DWSD-R, GSD and all other impacted City departments in conjunction with the appropriate railway companies that addresses the general cleanup, graffiti removal and the cleaning of the water basins; and

WHEREAS, In an effort to expand the city's economic climate, there should be investment in diversified industries such as information technology, medical, education, culture and art; and

WHEREAS, The Arts Commission currently has vacancies on the board; the City Council urges the Administration to appoint persons to fill the vacancies; and

WHEREAS, The budget as presented does not provide for any appropriations for the Detroit Water and Sewerage Department. The Board of Water Commissioners is scheduled to approve the budget for FY 2016-17 on March 23, 2016. Before any budget amounts are presented to the Financial Review Commission for approval, the budget allocations must come back before the City Council for consideration as required of every other City department; and

WHEREAS, Currently, the City is without a comprehensive housing plan that incorporates and mandates affordable housing; therefore, it is urged that the Administration develop such a plan with a 20% affordability requirement that includes low-income individuals and families at or below the 80% area median income level for the Detroit-Warren-Livonia Metropolitan Statistical Area; and

WHEREAS, Council urges the Administration to secure more funding for Victims Assistance Programs and to seek greater cooperation between DPD and the Wayne County Prosecutor's Office for the release of funds for Victims Assistance Programs. Council also requests greater clarity with respect to Witness Protection Programs that could be provided by DPD; and

WHEREAS, A thriving airport acts as a key economic driver to stimulate the local economy. The Coleman A. Young International Airport has great potential to improve its surrounding community. City Council requests the Duggan Administration intensify efforts to attract a commercial carrier to the airport and to seek funding to resume efforts to make improvements to the airport; and

WHEREAS, The Community Development Block Grant funds identified within this budget under the Housing and Revitalization Department and other agencies are subject to change as these funds do not reflect the final allocation from HUD nor have they been formally submitted and vetted through the Community Development Block Grant, Neighborhood Opportunity Fund review process; and

WHEREAS, The City's CFO in restructuring his office has devised an Enterprise Resource Planning (ERP) financial system that more efficiently centralizes all financial transactions in the City; however, this attempt has infringed on the City Council's ability to spend their budget within the allocated amounts. This result is too far reaching and must be modified to allow for the independent use of approved budgets of elected officials; and

WHEREAS, The Home Repair Grant Program has traditionally provided opportunities for the City's senior citizens to obtain small but essential home repairs. This program had been initially eliminated from the proposed budget. City Council strongly urges the Administration restore the Home Repair Grant program to FY 2014-15 funding levels of at least \$2.3 million and for it to be an annual allocation; and

WHEREAS, Over the course of years, a number of the employees providing services for Media Services, including those employees who provided videography services for City Council, have been transitioned from full-time equivalent employees to contractual employees. By the nature of these positions, standard working hours are not guaranteed and sometimes exceed 40 hour work weeks. The City Council urges the Administration to return this class of employees to FTE status and appropriate the necessary amount to accomplish this; and

WHEREAS, City Council is providing necessary fiscal checks and balances to maintain a balanced budget and address the City's accumulated and structural deficits through this deliberative process. City Council strongly believes that through the implementation of its 2016-17 budget, coupled with the Plan of Adjustment, the City's current financial dilemma will be appropriately addressed providing a brighter course toward future financial stability. **NOW THEREFORE BE IT**

RESOLVED, On this day, March 11, 2016, the Detroit City Council adopts a program budget for FY 2016-2017, as submitted by the Mayor, that is fiscally responsible and centered on sound and conservative budgetary principles for municipalities, well-reasoned financial outlooks and past performance, as well as stated goals and projections for departments, divisions and agencies, and in consideration of the City's profound fiscal challenges; **BE IT FURTHER**

RESOLVED, THAT THE 2017 BUDGET OF THE CITY OF DETROIT INCLUDE THE FOLLOWING LEGISLATIVE BUDGET PRIORITIES, POLICY AND PLANNING ACTIONS:

That the Detroit City Council adopts the attached Schedule of City Council Changes to the 2016-2017 Budget Appropriation and Revenue Changes Summary by Agency, Appropriation and Fund; **BE IT FURTHER**

RESOLVED, That Council has added \$55,900 to the Human Rights Department for one additional Compliance Officer position to assist in monitoring the various tax abatement projects and Executive Orders; **BE IT FURTHER**

RESOLVED, that Council has added \$250,000 to the Human Rights Department for implementation of a Language Access Plan via document translation and interpretation services as well as one additional Compliance Officer to carry out this work; **BE IT FURTHER**

RESOLVED, That Council has added \$150,000 to the Department of Innovation and Technology for implementing a web translation and language line; **BE IT FURTHER**

RESOLVED, That council has added \$74,323 to the Board of Zoning Appeals Department for one additional Zoning Appeals Inspector due to the increasing applications to that department; **BE IT FURTHER**

RESOLVED, That Council has added \$104,407 to each City Council office as well as an additional \$17,051 to the President's office as well as \$543,286 to the Legislative Policy staff for the purpose of restoring full time equivalent positions which includes healthcare, pension and leave time for the 69 staff that report to 10 offices in the Legislative Branch, that was the only agency in the City to be converted to 100% contractual positions during the bankruptcy proceedings; **BE IT FURTHER**

RESOLVED, That City Council, in conjunction with the Legislative Policy Division, will provide Human Resources a list of titles in order to effectuate this change; **BE IT FURTHER**

RESOLVED, That the City Council urges the Mayor to submit budget amendments to Council as legally required by the Detroit City Charter and state law, that reflect any required budgetary changes including, but not limited to: 1) expected revenues that are lower than anticipated, 2) cost increases significantly beyond budgeted amounts, 3) revenues that are higher than expected, or 4) cost decreases significantly below those reflected in the adopted 2016-2017 Budget; **BE IT FINALLY**

RESOLVED, That the City Clerk is directed to provide a copy of this resolution to the Financial Review Commission, Governor and Treasurer of the State of Michigan, Mayor Mike Duggan of the City of Detroit, the Finance Director, the Budget Director, Wayne County Executive Warren Evans and all agencies, departments and divisions of the City of Detroit.

**ADOPTED AS FOLLOWS
COUNCIL MEMBERS**

		YEAS	NAYS
Janee	AYERS	✓	
Scott	BENSON	✓	
Raquel	CASTANEDA-LOPEZ	✓	
*George	CUSHINGBERRY, JR.	✓	
Gabe	LELAND	✓	
Mary	SHEFFIELD	✓	
Andre	SPIVEY	✓	
James	TATE	✓	
Brenda	PRESIDENT JONES	✓	
*PRESIDENT PRO TEM			
		9	0
WAIVER OF RECONSIDERATION (No. <u>4</u>)			
Per motions of adjournment.			