

September 2021 Revenue Estimating Conference Report



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**CFO MEMORANDUM
NO. 2021-103-004**

TO: City of Detroit Revenue Estimating Conference Principals

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

SUBJECT: Proposed FY 2022 – FY 2026 Revenue Estimates Pursuant to State of Michigan Public Act 279 of 1909, Section 4t(1)(d)

DATE: September 15, 2021

1. AUTHORITY

1.1. State of Michigan Public Act 279 of 1909 (PA 279), Section 4t(1)(d), as amended by Public Act 182 of 2014, states the City shall hold a revenue estimating conference in the second week of September and in the third week of February of each year, subject to the following:

1.1.1. A conference shall establish an official economic forecast of major variables of the national, state, and local economies. A conference also shall establish a forecast of anticipated revenues of the city as the conference determines.

1.1.2. The principals of a conference shall be the chief financial officer of the city, the state treasurer or his or her designee from within the department of treasury, and a person affiliated with another public entity, including a state institution of higher education, with experience in economic forecasting and revenue projection selected by the chief financial officer of the city and the state treasurer.

1.1.3. The official forecast of economic and revenue variables of the conference shall be determined by consensus among the conference principals and shall be for the fiscal year in which the conference is being held and the succeeding 2 fiscal years. The conference also shall forecast general fund revenue trendline projections for the city for an additional 2 fiscal years. Conference forecasts of revenues and expenditures shall be based upon the assumption that current law and administrative procedures will remain in effect for the forecast period.

1.1.4. The conference may request and shall receive from officers, departments, agencies, and authorities of the city the assistance and data needed to enable the conference to fulfill its duties.

2. OBJECTIVES

2.1. To provide the City of Detroit Revenue Estimating Conference principals the assistance and data needed to fulfill their duties in establishing the City's official economic and revenue forecast.

2.2. To satisfy the Office of Budget's ongoing revenue estimation and economic forecasting responsibilities in accordance with CFO Directive No. 2018-101-002 Comprehensive Financial Planning.

3. PURPOSE

- 3.1. To submit proposed revenue estimates to the Revenue Estimating Conference principals for their consideration.

4. SCOPE

- 4.1. This Memorandum and the attached report are intended solely to assist the Revenue Estimating Conference principals fulfill their duties pursuant to Section 4t(1)(d) of PA 279.

5. STATEMENT

- 5.1. In accordance with Section 4t(1)(d) of PA 279 and CFO Directive No. 2018-101-002, the Office of Budget prepared the attached revenue estimates for FY 2022 through FY 2026 for consideration by the principals of the City of Detroit September 2021 Revenue Estimating Conference.
- 5.2. Revenue estimates were prepared on a conservative basis to minimize the possibility that economic fluctuations could jeopardize ongoing service delivery during the fiscal year.
- 5.3. Revenue estimates were prepared in consultation with the other OCFO divisions responsible for administering their respective revenues, as well as the City Council's Legislative Policy Division and the Auditor General's Office.

City of Detroit
September 2021 Revenue Estimating Conference Report

September 15, 2021

Overview of Revenue Estimating Conference:

State of Michigan Public Act 279 of 1909, Section 117.4t(1)(d), as amended by Public Act 182 of 2014, states the City of Detroit shall hold biannual revenue estimating conferences, which shall establish the official economic forecast and forecast of anticipated revenues of the City. The City holds its Revenue Estimating Conferences in September and February of each fiscal year. The voting principals are the City's Chief Financial Officer (CFO), the State Treasurer (or designee), and a person affiliated with another public entity, including a State institution of higher education, with experience in economic forecasting and revenue projection selected by the CFO and State Treasurer. The voting principals for the September 2021 Revenue Estimating Conference are:

- Jay B. Rising, Chief Financial Officer, City of Detroit
- Eric Bussis, Chief Economist and Director, Office of Revenue and Tax Analysis, Michigan Department of Treasury (on behalf of State Treasurer Rachael Eubanks)
- George Fulton, PhD, Director Emeritus, Research Seminar in Quantitative Economics (RSQE), Department of Economics, University of Michigan

The Office of Budget, within the Office of the Chief Financial Officer (OCFO), prepared revenue estimates for consideration by the conference principals. Following their review, the principals approved the revenue estimates without modification. In preparing the revenue estimates, the Office of Budget consulted with the OCFO's Offices of the Assessor, Departmental Financial Services, and the Treasury, as well as the City Council's Legislative Policy Division and the Office of the Auditor General. The Office of Budget thanks its colleagues for their continued support and assistance throughout the revenue estimation process.

The estimates that follow include the current fiscal year (FY 2022) and the four succeeding fiscal years (FY 2023–26). While there is a greater focus on the General Fund, the estimates also cover the City's grant, enterprise, and special revenue funds. The forecast assumes that current law and administrative procedures will remain in effect for the forecast period.

Summary of Revenue Estimates:

September 2021 Revenue Estimates, General Fund									
<i>\$ in millions</i>									
	September 2021 Estimates								
	FY22	FY23	Change	FY24	Change	FY25	Change	FY26	Change
Major Taxes									
Income Tax	\$ 276.4	\$ 294.4	6.5%	\$ 301.5	2.4%	\$ 307.9	2.1%	\$ 316.4	2.8%
State Revenue Sharing	<u>193.7</u>	<u>203.0</u>	4.8%	<u>204.1</u>	0.5%	<u>205.3</u>	0.6%	<u>206.6</u>	0.6%
Recurring Base	202.1	203.0	0.4%	204.1	0.5%	205.3	0.6%	206.6	0.6%
Non-recurring	(8.4)	-	-100.0%	-		-		-	
Wagering Tax	<u>283.6</u>	<u>260.5</u>	-8.1%	<u>264.0</u>	1.3%	<u>265.9</u>	0.7%	<u>268.7</u>	1.1%
Recurring Base	244.9	260.5	6.4%	264.0	1.3%	265.9	0.7%	268.7	1.1%
Non-recurring	38.7	-	-100.0%	-		-		-	
Property Tax	132.4	137.2	3.6%	139.2	1.5%	142.3	2.2%	145.6	2.3%
Tax Increment Financing Capture	<u>(15.2)</u>	<u>(15.9)</u>	4.6%	<u>(16.3)</u>	2.5%	<u>(16.7)</u>	2.5%	<u>(17.1)</u>	2.4%
Net Property Tax	<u>117.2</u>	<u>121.3</u>	3.5%	<u>122.9</u>	1.3%	<u>125.6</u>	2.2%	<u>128.5</u>	2.3%
Utility Users Tax	43.9	44.1	0.5%	44.3	0.5%	44.5	0.5%	44.7	0.4%
To Public Lighting Authority	<u>(12.5)</u>	<u>(12.5)</u>	0.0%	<u>(12.5)</u>	0.0%	<u>(12.5)</u>	0.0%	<u>(12.5)</u>	0.0%
Net Utility Users Tax	<u>31.4</u>	<u>31.6</u>	0.6%	<u>31.8</u>	0.6%	<u>32.0</u>	0.6%	<u>32.2</u>	0.6%
Subtotal, Major Taxes	<u>\$ 902.3</u>	<u>\$ 910.8</u>	0.9%	<u>\$ 924.3</u>	1.5%	<u>\$ 936.7</u>	1.3%	<u>\$ 952.4</u>	1.7%
Major Taxes (Recurring Only)	<u>\$ 872.0</u>	<u>\$ 910.8</u>	4.4%	<u>\$ 924.3</u>	1.5%	<u>\$ 936.7</u>	1.3%	<u>\$ 952.4</u>	1.7%
Other Revenues	<u>\$ 204.1</u>	<u>\$ 207.3</u>	1.6%	<u>\$ 208.4</u>	0.5%	<u>\$ 211.9</u>	1.7%	<u>\$ 210.7</u>	-0.6%
Recurring	199.6	207.3	3.9%	208.4	0.5%	211.9	1.7%	210.7	-0.6%
Non-recurring	4.5	-	-100.0%	-		-		-	
Grand Total, General Fund	<u>\$ 1,106.4</u>	<u>\$ 1,118.1</u>	1.1%	<u>\$ 1,132.7</u>	1.3%	<u>\$ 1,148.6</u>	1.4%	<u>\$ 1,163.1</u>	1.3%
General Fund, Recurring Only	<u>\$ 1,071.6</u>	<u>\$ 1,118.1</u>	4.3%	<u>\$ 1,132.7</u>	1.3%	<u>\$ 1,148.6</u>	1.4%	<u>\$ 1,163.1</u>	1.3%

The estimates include updates for FY 2022–26. Recurring General Fund revenues from FY 2022 to FY 2023 increase by 4.3%, largely due to gains in wagering tax based on a full fiscal year implementation of internet gaming and sports betting, and gradual return to pre-pandemic baseline for on-site gaming revenue. Revenues such as income tax, wagering tax, and parking enforcement are anticipated to stabilize from COVID-19 impacts by FY 2023. The General Fund revenue forecast for FY 2024 increases 1.3% over FY 2023, with a similar modest annual growth trend anticipated for FY 2025 and FY 2026.

Economic Conditions and Outlook:

Now that effective COVID-19 vaccines have become widely available, economic growth has accelerated in the first half of 2021. Despite availability and the proven effectiveness of the vaccines, inoculation has remained modest.¹ Approximately 56 percent of the U.S. population is fully vaccinated—short of the 60-70 percent often cited as the level needed for herd immunity.² In so far as vaccination rates remain low nationally and uneven state by state, COVID-19 remains the primary driver of economic conditions. Further, a viral mutation, identified as the Delta variant, has proven to be more transmissible than the initial strain identified in 2019. The Delta variant has now become the dominant strain worldwide and is impeding economic recovery—slowing growth in the second half of 2021.

Consumer spending has been a bright spot in the economy, buoyed by federal economic stimulus: enhanced unemployment benefits, a pause on federal student loan payments, a final round of stimulus checks in early 2021, and expanded childcare tax credits. Consumer spending, particularly on durable goods in the first quarter of 2021 and services in the second quarter continue to drive economic recovery.³ High demand paired with ongoing supply chain issues, not all of which are pandemic-related, has resulted in high inflation, particularly for food and energy (Table 1). The Federal Reserve’s stance is that these effects are transitory. In response, the Fed has maintained accommodative monetary policy supporting the recovery.⁴

Table 1: Percent Change of the Consumer Price Index (CPI) Relative to August 2019 for the United States and Detroit Metropolitan Statistical Area, Not Seasonally Adjusted

	Food		Energy		All Other Items	
	Aug 2020	Aug 2021	Aug 2020	Aug 2021	Aug 2020	Aug 2021
U.S. CPI	4.1%	8.0%	-9.0%	13.7%	1.7%	5.8%
Detroit MSA CPI	2.6%	8.7%	-10.2%	12.9%	2.8%	4.7%

Locally, improving economic conditions are reflected through the recovery of Detroit’s tax base from 2020. Although gradual, we have seen improvements in the number of people employed from the state-level down to the local-level in Detroit from the depths of the recession in April 2020 (Table 2). Labor demand, particularly in the hard-hit service industries, have been elevated relative to labor supply. Although labor shortages have impacted several industries, like health care⁵ and manufacturing,⁶ the impacts on the leisure and hospitality sector have been acute. While demand for restaurant services began recovering over the summer, staffing levels generally have not. In addition to limits on available services due to low staffing, rising labor costs and commodity costs have created

¹ Mayo Clinic, U.S. COVID-19 Vaccine Tracker
² Yale Medicine, “Herd Immunity: Will We Ever Get There?”, May 21, 2021
³ U.S. Bureau of Economic Analysis, Table 1.1.2 Contributions to Percent Change in Real Gross Domestic Product
⁴ Federal Reserve, Federal Open Market Committee Statement, July 28, 2021
⁵ Association of American Medical Colleges, “Hospitals innovate amid dire nursing shortages”, September 7, 2021
⁶ Institute for Supply Management, August 2021 Manufacturing ISM Report on Business

difficult conditions for the overall sector.⁷ Over the summer, we have seen wage increases and recruiting incentives in the leisure and hospitality sector become more common to attract workers.⁸

Table 2: Employment Levels for the United States, Michigan, and Detroit, April 2019 – April 2021, Not Seasonally Adjusted (in thousands)

	United States		Michigan		Detroit	
	Employment	% change	Employment	% change	Employment	% change
April 2019	156,710		4,709		228	
April 2020	133,326	-14.9%	3,459	-26.5%	162	-28.9%
April 2021	151,160	-3.5%	4,433	-5.9%	212	-7.0%

Risks to the Economic Outlook:

Recent economic data has shown that Detroit’s economy is on the path to recovery, but several challenges remain that could either slow or reverse the current course. The Delta variant was an unforeseen risk to the forecast. Fortunately, due to vaccination, it has not caused the same level of disruption to economic activity as prior spikes in infection rates. Although the available vaccines have proven to be effective in preventing serious disease and hospitalization, new variants remain an ongoing risk to the momentum of the economic recovery.

An extended period of high inflation and supply chain disruptions are risks to the forecast, elevating cost pressures on businesses and consumers. The impact of the semiconductor shortage on the auto industry is a high-profile effect of the supply chain disruption and has been felt both in Michigan and Detroit. Although the general stance is that the inflation effects are transitory, it is still unclear when inflation levels will return to long-run target of 2%.⁹ Supply chain issues remain unresolved, mostly caused by the Delta variant’s spread in supplier countries and trucking labor shortages in the United States.¹⁰ As vaccination rates improve in supplier countries and labor force participation rates improve, disruptions to U.S. supply chains should alleviate.

Ongoing remote work arrangements by major employers in Detroit create additional uncertainty to the economic forecast. Most firms that have remote work eligible occupations have adopted hybrid remote work plans, requiring employees to work onsite for part of the week rather than the whole week. Some firms have extended remote work options well into 2022 due to the presence of the Delta variant.¹¹ The shift towards potentially long-term remote work plans may have a significant impact to how real estate is used and developed in commercial spaces like downtown Detroit. Until new trends are identified and established it is difficult to tell if the effects will be positive or negative for Detroit’s economy.

⁷ Michigan Restaurant and Lodging Association, “MRLA Releases Industry Operations Survey Indicating Dramatic Workforce Struggles”, August 11, 2021

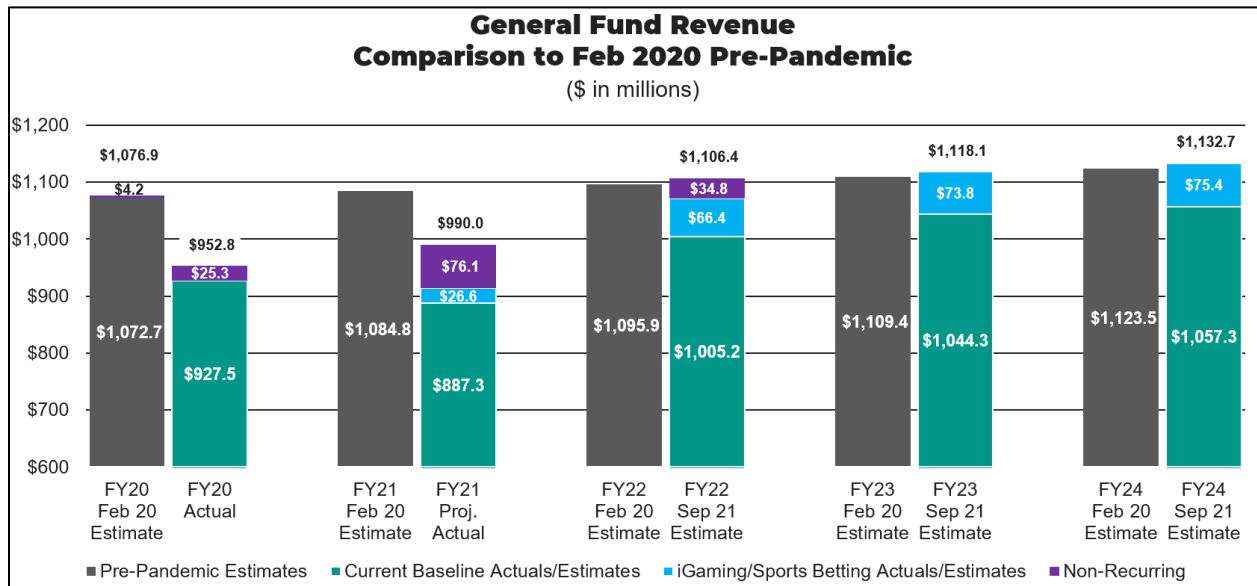
⁸ Society for Human Resource Management, “How Hospitality Employers Are Ramping Up Recruiting Efforts”, June 7, 2021

⁹ Federal Reserve, Federal Open Market Committee Statement, July 28, 2021

¹⁰ Bloomberg News, “The World Economy’s Supply Chain Problem Keeps Getting Worse”, August 25, 2021

¹¹ Detroit Free Press, “Ford Reveals New Return-To-Office Date, Plans for Salaried Workers” August 25, 2021

COVID-19 Revenue Shortfall Summary, FY 2020 – FY 2024:



The above table compares the FY 2020 Actuals, FY 2021 Projected Actuals, and the FY 2022-2024 September 2021 forecast against the pre-pandemic February 2020 projections. Overall, General Fund revenues were significantly impacted by COVID-19 in FY 2020 and FY 2021. Total FY 2020 and FY 2021 General Fund revenues underperformed the February 2020 forecast by 11.5% and 8.7%, respectively. The primary drivers for these losses were income tax reductions due to nonresident remote work refunds and wagering tax reductions due to casino closures and capacity restrictions. The FY 2021 COVID-19 losses were offset by \$76.1 million in non-recurring revenue, and \$26.6 million in revenue from internet gaming and sports betting that was implemented in January 2021. The February 2020 forecast did not assume any potential upside from internet gaming or sports betting.

The total FY 2022 – FY 2024 General Fund revenue forecast is anticipated to stabilize to pre-pandemic projections. However, when excluding internet gaming and sports betting revenues, the FY 2022 – 2024 forecast would continue to underperform the February 2020 projections. This new revenue stream helps mitigate the ongoing income tax losses pertaining to nonresident remote work refunds. The September 2021 forecast assumes that 30% of nonresident work activity will be performed outside the City moving forward.

Current Year General Fund Revenue Estimates:

FY 2022 Revenue Estimates, General Fund							
<i>\$ in millions</i>							
	FY 2021	FY 2022		Change Since FY 2021		Change Since Adopted Budget	
	Projected	Adopted	Sept 2021	\$	%	\$	%
	Actual	Budget	Estimate				
Major Taxes							
Income Tax	<u>\$ 302.2</u>	<u>\$ 295.6</u>	<u>\$ 276.4</u>	\$ (25.8)	-8.5%	\$ (19.2)	-6.5%
Recurring Base	260.4	295.6	276.4	16.0	6.1%	(19.2)	-6.5%
Non-recurring	41.8	-	-	(41.8)	-100.0%	-	
State Revenue Sharing	<u>212.3</u>	<u>202.5</u>	<u>193.7</u>	(18.6)	-8.8%	(8.8)	-4.3%
Recurring Base	203.9	202.5	202.1	(1.8)	-0.9%	(0.4)	-0.2%
Non-recurring	8.4	-	(8.4)	(16.8)	-200.0%	(8.4)	
Wagering Tax	<u>136.8</u>	<u>169.8</u>	<u>283.6</u>	146.8	107.3%	113.8	67.0%
Recurring Base	136.8	169.8	244.9	108.1	79.0%	75.1	44.2%
Non-recurring	-	-	38.7	38.7		38.7	
Property Tax	138.3	128.7	132.4	(5.9)	-4.3%	3.7	2.9%
Tax Increment Financing Capture	(15.5)	(15.3)	(15.2)	0.3	-1.9%	0.1	-0.7%
Net Property Tax	<u>122.8</u>	<u>113.4</u>	<u>117.2</u>	(5.6)	-4.6%	3.8	3.4%
Recurring Base	114.1	113.4	117.2	3.1	2.7%	3.8	3.4%
Non-recurring	8.7	-	-	(8.7)	-100.0%	-	
Utility Users Tax	43.6	41.0	43.9	0.3	0.7%	2.9	7.1%
To Public Lighting Authority	(12.5)	(12.5)	(12.5)	-	0.0%	-	0.0%
Net Utility Users Tax	<u>31.1</u>	<u>28.5</u>	<u>31.4</u>	0.3	1.0%	2.9	10.2%
Subtotal, Major Taxes	<u>\$ 805.2</u>	<u>\$ 809.8</u>	<u>\$ 902.3</u>	\$ 97.1	12.1%	\$ 92.5	11.4%
Major Taxes (Recurring Only)	<u>\$ 746.3</u>	<u>\$ 809.8</u>	<u>\$ 872.0</u>	\$ 125.7	16.8%	\$ 62.2	7.7%
Other Revenues	<u>\$ 184.8</u>	<u>\$ 185.4</u>	<u>\$ 204.1</u>	\$ 19.3	10.4%	\$ 18.7	10.1%
Recurring	167.6	185.4	199.6	32.0	19.1%	14.2	7.7%
Non-recurring	17.2	-	4.5	(12.7)	-73.8%	4.5	
Grand Total, General Fund	<u>\$ 990.0</u>	<u>\$ 995.2</u>	<u>\$ 1,106.4</u>	\$ 116.4	11.8%	\$ 111.2	11.2%
General Fund, Recurring Only	<u>\$ 913.9</u>	<u>\$ 995.2</u>	<u>\$ 1,071.6</u>	\$ 157.7	17.3%	\$ 76.4	7.7%

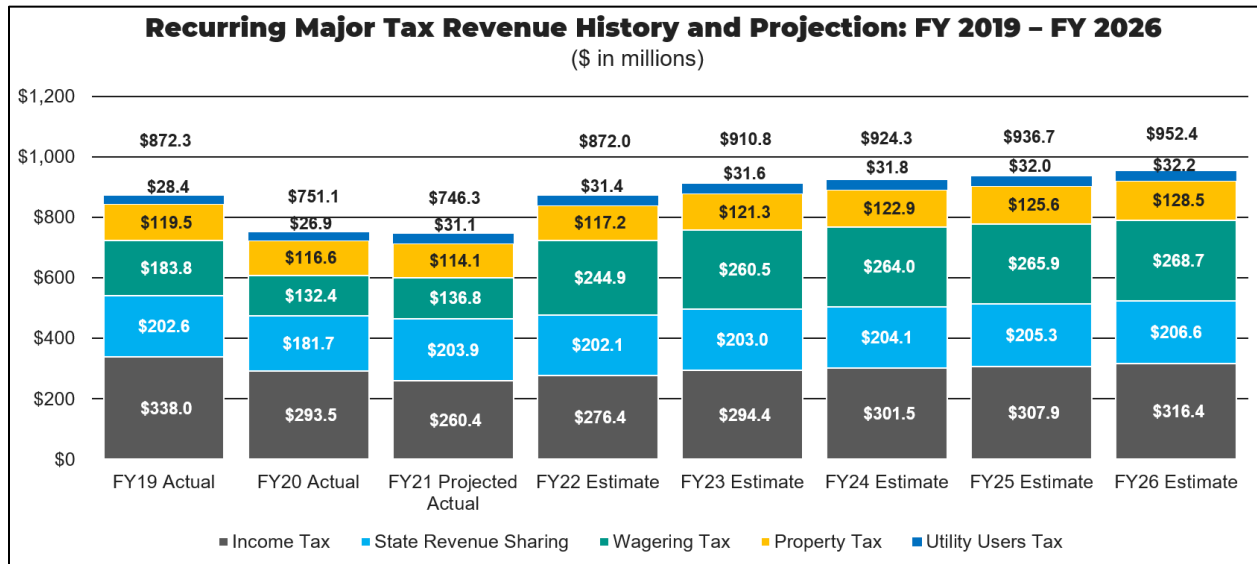
Recurring General Fund revenue is projected at \$1,071.6 million in FY 2022. The updated FY 2022 recurring General Fund revenue estimates have been increased by \$76.4 million, representing a 7.7% gain from the FY 2022 Adopted Budget. The \$76.4 million increase is primarily driven by \$75.1 million in wagering tax, of which \$66.4 million is attributable to gains from newly implemented internet gaming and sports betting taxes. The FY 2022 Adopted budget did not include revenue projections from internet gaming or sports betting. These wagering tax gains are offset by a \$19.2 million reduction in income taxes, net of a \$14.2 million increase in Other Revenue. The income tax reduction is largely driven by an additional \$26 million in nonresident tax refunds from continued remote work

activity, net of a \$5.1 million increase in individual collections. For Other Revenue, the \$14.2 million increase is mostly attributable to a \$9.6 million increase in Casino Municipal Service Fee revenue from revised wagering tax forecasting, and \$4 million in Local Community Stabilization Authority payments that were previously not included in the recurring revenue forecast.

Compared to FY 2021 Projected Actuals, recurring FY 2022 revenues are expected to increase overall by \$157.7 million (17.3%). This change is mainly attributable to a \$108.1 million increase in wagering tax due to a full year of internet gaming and sports betting activity, and gradual return to pre-pandemic baseline revenues for on-site gaming. The increase from FY 2021 is also driven by \$16.0 million of projected gains in income tax, mostly attributable to increases in withholding and reduced nonresident refunds due to a gradual decline in remote work activity. Recurring Other Revenues are forecasted to increase \$32.0 million over the FY 2021 Projected Actuals. This change is mainly driven by a \$12.8 million increase in Casino Municipal Service fee revenue, and a \$16.8 million increase in various departmental revenues that include parking enforcement activity, license, permit, and inspection charges, Police Department secondary employment/special event charges, and other external departmental fees. The \$16.8 million increase primarily represents a gradual return to pre-pandemic activity throughout the duration of FY 2022.

Non-recurring revenues of \$34.8 million are projected in the FY 2022 September 2021 forecast. These revenues include \$38.7 million in FY 2021 wagering tax hold harmless collections from the State that are anticipated to accrue in FY 2022. In addition, a one-time State revenue sharing payment adjustment of (\$8.7 million) is anticipated due to the delay in applying 2020 US Census population declines intended for FY 2021 into FY 2022. There is no net change for two-year State revenue sharing total for FY 2021 and FY 2022. (see Appendix, “Exhibit 4 – FY 2021 Projected Actuals, General Fund Non-Recurring Summary” for a breakout of FY 2021 non-recurring revenue).

Summary of Major Taxes:



The forecast anticipates a 16.8% FY 2022 increase in major tax revenue compared to FY 2021 Projected Actuals. This increase is largely attributable to an estimated increase in income tax collections from a gradual reduction in nonresident remote work throughout FY 2022, and a full year of internet gaming and sports betting wagering tax collections. The forecast anticipates a return to pre-pandemic baseline in FY 2023 and a consistent annual growth trend throughout the FY 2023 – FY 2026 forecast period. The forecast also assumes nonresident remote work activity will continue at 30% throughout the FY 2023 – 2026 forecast period and does not include potential income tax upside from new development projects.

General Fund Major Revenue Estimates - Detail, FY 2022 - FY 2026

\$ in millions

September 2021 Estimates

	FY22	FY23	%	FY24	%	FY25	%	FY26	%
	Est	Est	Change	Est	Change	Est	Change	Est	Change
Major Taxes									
Income Tax	\$ 276.4	\$ 294.4	6.5%	\$ 301.5	2.4%	\$ 307.9	2.1%	\$ 316.4	2.8%
Withholding	287.2	298.0	3.8%	306.9	3.0%	314.6	2.5%	324.3	3.1%
Individual	32.0	33.1	3.4%	34.1	3.0%	34.9	2.3%	36.1	3.4%
Corporate	28.4	30.3	6.7%	30.3	0.0%	30.3	0.0%	30.3	0.0%
Partnership	5.2	5.4	3.8%	5.4	0.0%	5.4	0.0%	5.4	0.0%
Recurring Refunds	(24.3)	(25.2)	3.7%	(26.2)	4.0%	(26.9)	2.7%	(27.6)	2.6%
Nonresident Remote Work Refunds	(52.1)	(47.2)	-9.4%	(49.0)	3.8%	(50.4)	2.9%	(52.1)	3.4%
State Revenue Sharing	193.7	203.0	4.8%	204.1	0.5%	205.3	0.6%	206.6	0.6%
Statutory	144.3	144.3	0.0%	144.3	0.0%	144.3	0.0%	144.3	0.0%
Constitutional	57.8	58.7	1.6%	59.8	1.9%	61.0	2.0%	62.3	2.1%
Non-Recurring ¹	(8.4)	-	-100.0%	-	-	-	-	-	-
Wagering Tax	283.6	260.5	-8.1%	264.0	1.3%	265.9	0.7%	268.7	1.1%
Onsite Traditional Gaming	178.5	186.7	4.6%	188.6	1.0%	190.5	1.0%	192.4	1.0%
Internet Gaming	47.2	48.8	3.4%	50.0	2.5%	50.0	0.0%	50.5	1.0%
Sports Betting	5.3	5.7	7.5%	5.9	3.5%	5.9	0.0%	5.9	0.0%
% Payment Gains Internet/Sports Betting	13.9	19.3	38.8%	19.5	1.0%	19.5	0.0%	19.9	2.1%
Non-Recurring ²	38.7	-	-100.0%	-	-	-	-	-	-
Property Tax	132.4	137.2	3.6%	139.2	1.5%	142.3	2.2%	145.6	2.3%
Tax Increment Financing Capture	(15.2)	(15.9)	4.6%	(16.3)	2.5%	(16.7)	2.5%	(17.1)	2.4%
Net Property Tax	117.2	121.3	3.5%	122.9	1.3%	125.6	2.2%	128.5	2.3%
Current	92.6	94.0	1.5%	95.3	1.4%	97.5	2.3%	99.7	2.3%
Delinquent	21.6	24.1	11.6%	24.3	0.8%	24.8	2.1%	25.4	2.4%
Special Acts	3.0	3.2	6.7%	3.3	3.1%	3.3	0.0%	3.4	3.0%
Utility Users Tax	43.9	44.1	0.5%	44.3	0.5%	44.5	0.5%	44.7	0.4%
To Public Lighting Authority	(12.5)	(12.5)	0.0%	(12.5)	0.0%	(12.5)	0.0%	(12.5)	0.0%
Net Utility Users Tax	31.4	31.6	0.6%	31.8	0.6%	32.0	0.6%	32.2	0.6%
Total, Major Taxes	\$ 902.3	\$ 910.8	0.9%	\$ 924.3	1.5%	\$ 936.7	1.3%	\$ 952.4	1.7%
Total, Recurring Only	\$ 872.0	\$ 910.8	4.4%	\$ 924.3	1.5%	\$ 936.7	1.3%	\$ 952.4	1.7%

Notes:

(1) Reflects State payment adjustment due to anticipated delay in applying 2020 US Census population decline into FY22. No net change for two-year total for FY21 and FY22.

(2) FY22 represents one-time FY21 hold harmless collections that accrue in FY22.

Summary of Economic Drivers:

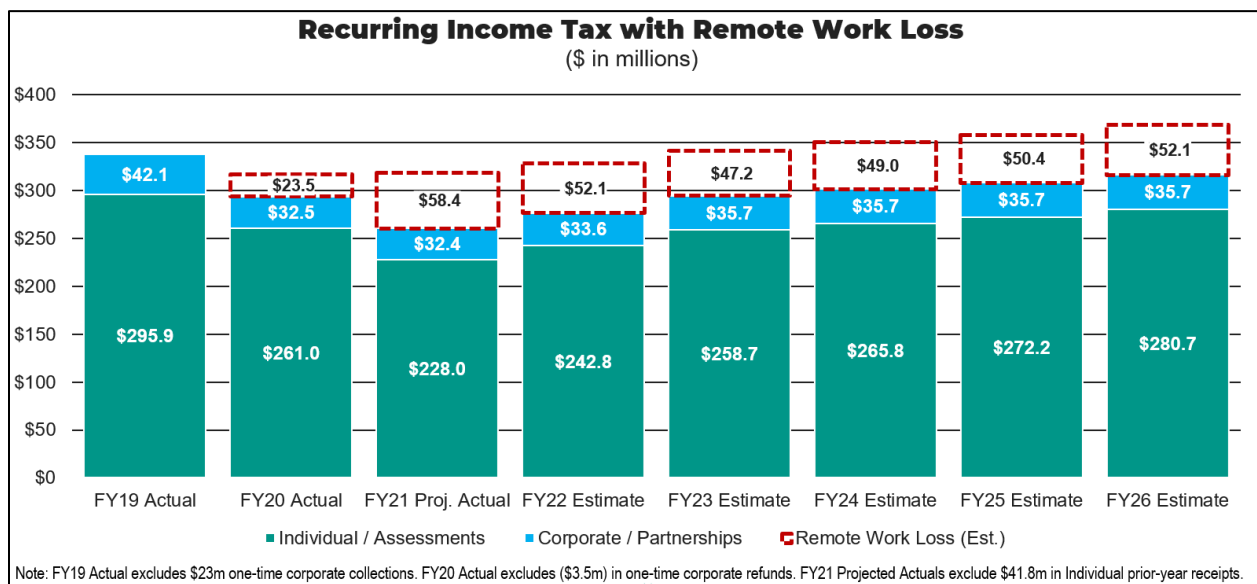
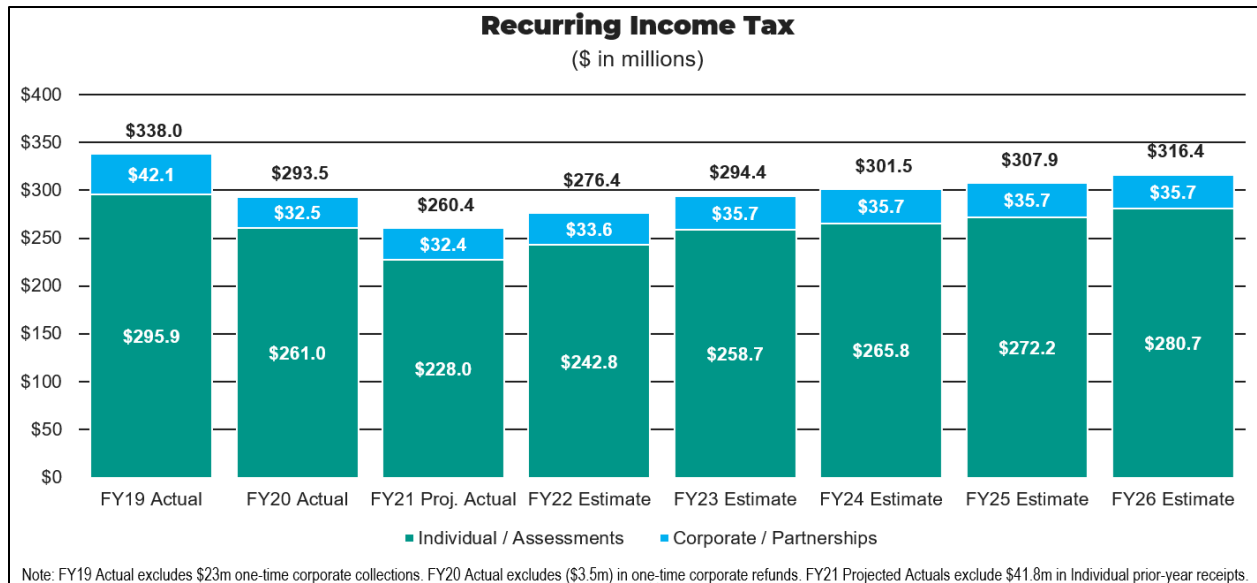
Forecasted Economic Inputs by Fiscal Year

Major Revenue	Economic Input	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Municipal Income Tax	Resident Employment Growth ¹	1.9%	1.0%	0.8%	0.7%	1.0%
	Nonresident Employment Growth ¹	6.6%	3.0%	1.2%	0.6 %	0.7%
	Resident Wage Growth ²	-0.7%	1.0%	1.4%	1.5%	1.8%
	Nonresident Wage Growth ²	0.4%	2.9%	2.7%	2.3%	2.6%
	Corporate Income Growth ⁴	4.0%	6.6%	0.0%	0.0%	0.0%
	Partnership Income Growth	2.0%	3.3%	0.0%	0.0%	0.0%
Property Tax	U.S. Consumer Price Index for All Urban Consumers (U.S. CPI-U) ³	1.4%	4.9%	2.4%	2.3%	2.4%
State Revenue Sharing	Sales Tax Forecast ⁴	-3.0%	1.4%	2.0%	2.0%	2.0%
	City/State Population Ratio ⁵	6.3%	6.3%	6.3%	6.3%	6.3%
Wagering Tax	Onsite Gaming Adjusted Gross Receipt Growth Rate ⁶	53.0%	3.9%	1.0%	1.0%	1.0%
	Onsite Sports Betting Adjusted Gross Receipt Growth Rate	-4.8%	5.1%	1.0%	1.0%	1.0%
	Internet Gaming Adjusted Gross Receipt Growth Rate ⁷	127.1%	3.4%	2.4%	-0.2%	1.3%
	Internet Sports Betting Adjusted Gross Receipt Growth Rate ⁷	279.0%	7.9%	3.2%	-0.3%	0.8%
Utility Users Tax	Average Household Unit Growth 2010-2019 ⁸	0.5% ⁸	0.5%	0.5%	0.5%	0.5%

Sources:

- (1) U.S. Census Bureau and Local Area Unemployment Statistics
- (2) Quarterly Census of Employment and Wages
- (3) FY 2022 uses the 2020 US CPI-U state by the State Tax Commission, FY 2023-2026 uses the 2021-2023 US CPI-U consensus forecast from the Survey of Professional Forecasters
- (4) State of Michigan May 2021 Consensus Revenue Estimating Conference
- (5) U.S. Census Bureau, 2020 Decennial Census Redistricting Data
- (6) Michigan Gaming Control Board
- (7) FY22 being the first full year of collections, there is a large increase over FY21. Tax structure, assumed seasonal adjustments, and growth rates applied on a calendar basis creates divergence from onsite activity in the forecast.
- (8) U.S. Census Bureau, American Community Survey 1-year Estimates

Municipal Income Tax:

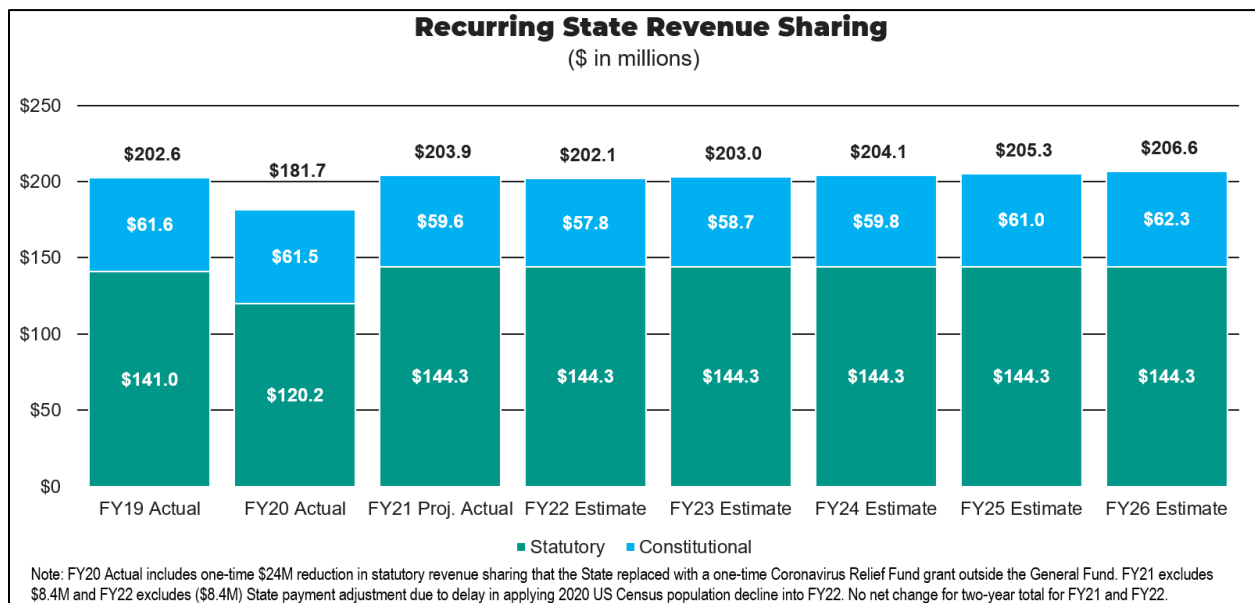


In accordance with the City Income Tax Act (Public Act 284 of 1964, as amended), the City levies a municipal income tax, with certain exemptions such as unemployment benefits. The current tax rates are 2.4% for residents, 1.2% for nonresidents, and 2.0% for corporations, which are the maximum allowed by State law. The primary drivers behind income tax revenue are resident employment levels, nonresident employment levels, and wages. The base year employment estimates are tied to observed local area employment data, and employment growth rates for each employment category are projected independently. Wage growth is projected using observed regional and local wage data and is assumed to be uniform for each employment category.

The FY 2022 estimate represents a 6.1% increase compared to FY 2021 Projected Actuals. The FY 2022 forecast incorporates an anticipated \$52.1 million refund liability due to nonresidents working from home during the COVID-19 pandemic. The forecast assumes 40% of nonresidents will work from

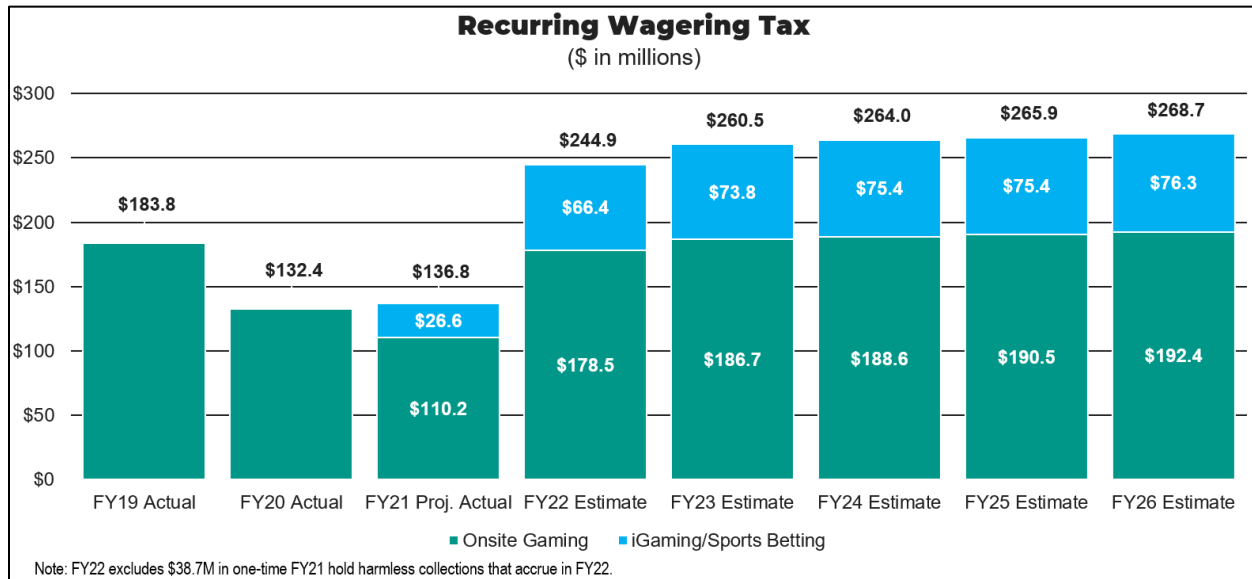
home through December 2021, and 30% from January 2022 through June 2022. The FY 2023-26 forecast assumes 30% nonresident withholding will continue moving forward, resulting in a recurring annual revenue loss of roughly \$50 million. Corporate and partnership tax collections were also impacted by the pandemic. Corporate income tax revenue is expected to increase by 3.7% in FY 2022 and recover by 6.3% in FY 2023. To hedge against volatility, the forecast assumes that corporate tax revenue will remain flat from FY 2023–26. The forecast does not include potential upside from new development projects or improved compliance efforts. Income tax activity that has been identified as non-recurring is not included in the forecasted base.

State Revenue Sharing:



Revenue sharing payments from the State come from two components: constitutional (30%) and statutory (70%). The State Constitution of 1963, Article IX, Section 10, as amended, requires constitutional revenue sharing payments to municipalities based on 15% of the 4% portion of Michigan’s sales tax collections. The State allocates amounts to municipalities based on population as of the last decennial Census. Statutory revenue sharing payments have an underlying formula distribution. However, they are effectively set annually in the State budget and are held flat in the forecast period. The FY 202 actuals reflect a \$24.1 million one-time cut to statutory payments that was offset by \$37 million in State aid funded from the federal CARES Act that is counted in FY 2021 as non-General Fund revenue. The forecast assumes growth in the constitutional share based on amounts approved by the State’s May 2021 Consensus Revenue Estimating Conference. Beginning in FY 2022, the forecast assumes a reduced 6.3% constitutional share compared to the 7.1% share reflected in prior-year actuals due to population declines measured in the 2020 Census results. The forecast does not assume changes to the annual statutory allocation of \$144.3 million.

Wagering Taxes:



In accordance with the Michigan Gaming Control and Revenue Act (Initiated Law 1 of 1996, as amended) and associated development agreements, a tax on adjusted gross receipts (AGR) is applied to the three casinos operating in Detroit. The current City wagering tax rate is 11.9% (10.9% in State law, plus 1% pursuant to the casinos' development agreements with the City). The casinos also pay the City a supplemental 1% tax if their gross receipts exceed \$400 million in a calendar year. The City also assesses a municipal service fee from each casino of 1.25% of adjusted gross receipts or \$4 million, whichever is greater (included separately in the "Other Revenues" category).

In late 2019, the State enacted the Lawful Internet Gaming Act (Public Act 152 of 2019), the Lawful Internet Sports Betting Act (Public Act 149 of 2019), and amendments to the Michigan Gaming Control and Revenue Act. Only internet gaming and sports betting conducted within Michigan's borders is authorized. Only the current Detroit and tribal casinos are eligible licensees. On-site sports betting at casinos began in March 2020. The State launched internet gaming and sports betting in late January 2021.

Internet gaming conducted by the Detroit casinos is taxed at a graduated rate on their adjusted gross receipts received each calendar year as outlined below. The City receives 30% of this tax revenue.

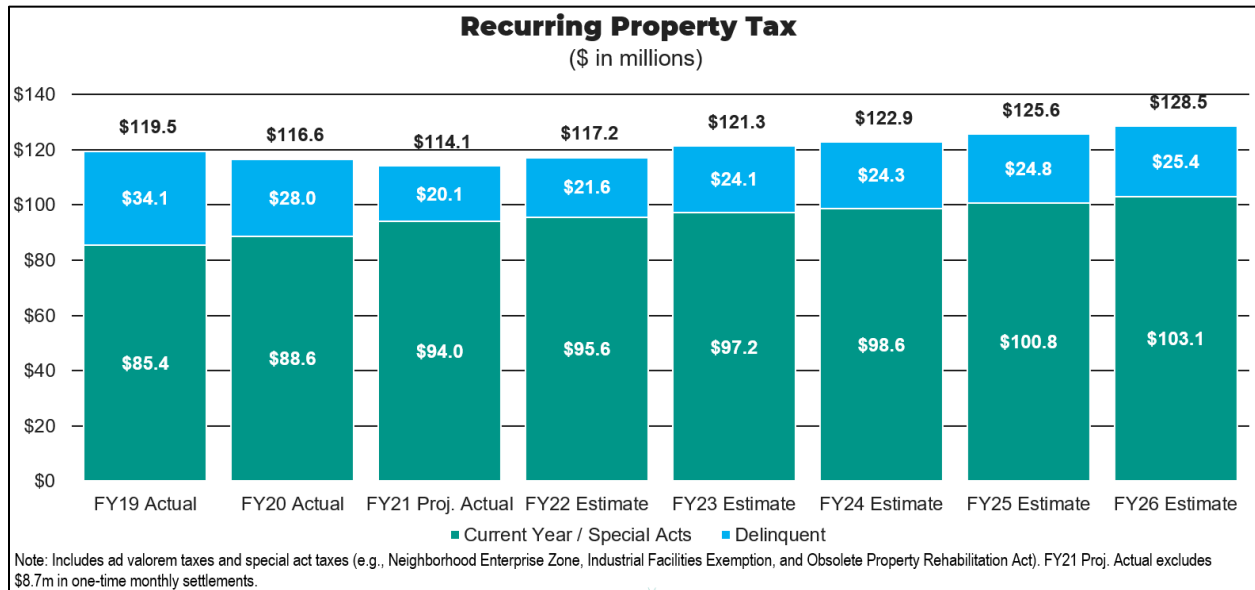
- a) For adjusted gross receipts less than \$4,000,000, a tax of 20%.
- b) For adjusted gross receipts of \$4,000,000 or more but less than \$8,000,000, a tax of 22%.
- c) For adjusted gross receipts of \$8,000,000 or more but less than \$10,000,000, a tax of 24%.
- d) For adjusted gross receipts of \$10,000,000 or more but less than \$12,000,000, a tax of 26%.
- e) For adjusted gross receipts of \$12,000,000 or more, 28%.

Internet sports betting conducted by the Detroit casinos is taxed at a rate of 8.4% on their adjusted gross sports betting receipts. The City receives 30% of this tax revenue. Retail sports betting conducted on-site at the Detroit casinos is taxed at a rate of 8.4% on their qualified adjusted gross receipts. The City receives 55% of this tax revenue. In addition to the new taxes outlined above, internet gaming and sports betting conducted by the Detroit casinos are also subject to the existing development agreement taxes (up to 2% of AGR) and municipal service fees (1.25% of AGR) that apply to on-site gaming.

FY 2020 actuals are 28.0% lower than FY 2019 due to casino closures in March 2020. FY 2021 wagering tax revenues are 3.3% higher than FY 2020 actuals due to the January 2021 implementation of internet gaming and sports betting. Without this new revenue stream, FY 2021 wagering tax revenues would have been 16.8% lower than FY 2020 due to casino closures and capacity restrictions throughout the duration of the fiscal year.

The FY 2022 forecast assumes casinos will generate 90% of pre-pandemic revenue throughout the remainder of calendar year 2021, with a return to full pre-pandemic baseline by January 2022. On-site wagering taxes are anticipated to return to baseline in FY 2023, and the FY 2024–26 forecast assumes the annual growth for adjusted gross receipts for on-site gaming and sports betting to be constant at 1%. Revenues from internet gaming and sports betting will have its first full year of collection in FY 2022. Adjusted gross revenues for internet gaming and sports betting in the FY 2023–26 forecast are also expected to follow the same 1% trend as on-site gaming and sports betting. Wagering tax revenues see an additional increase in FY 2023 from development revenues.

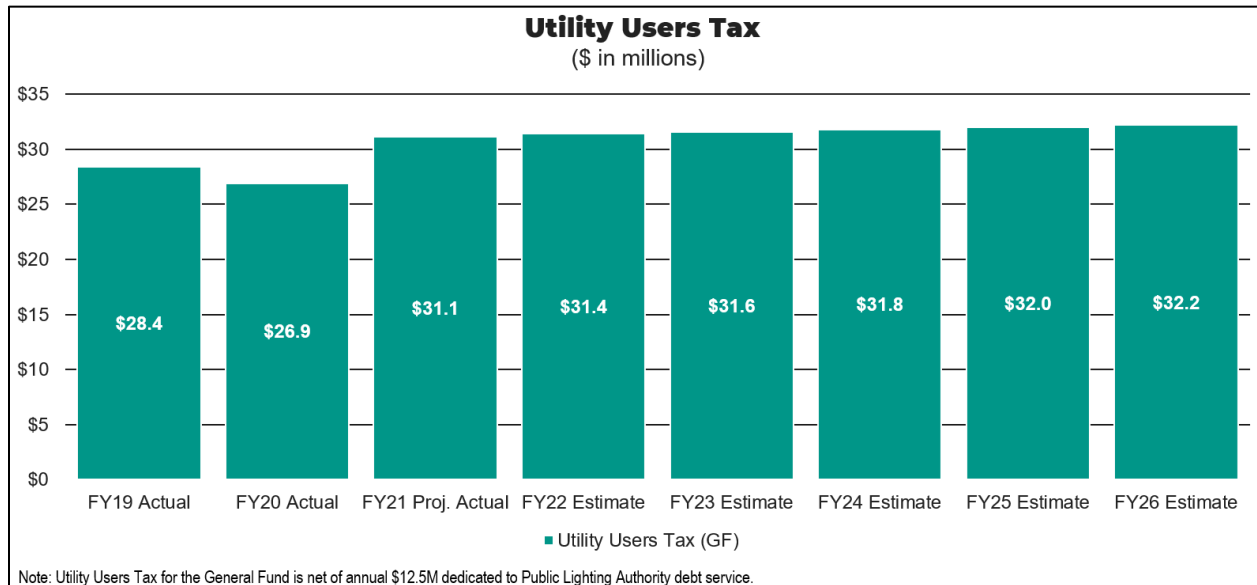
Property Tax:



In accordance with the General Property Tax Act (Public Act 206 of 1893, as amended), the City levies taxes on real and personal property. Collections consist of current year taxes, delinquent taxes, and related auction proceeds. The City currently levies 19.952 mills for general operating purposes. However, the millage rate and taxable values are subject to various abatements and exemptions. The actual General Fund collections and revenue estimates are net of captured tax increment financing distributions. The amounts include ad valorem property tax revenue and Special Act property tax revenues from Neighborhood Enterprise Zones, Industrial Facilities Tax, and Obsolete Property Rehabilitation Act parcels.

Declines in revenue from FY 2021–23 are primarily due to reductions in the tax roll from the State-mandated phase-out of industrial personal property, changes in tax increment financing (TIF) capture distributions, and loss of revenue from auction proceeds due to the COVID-19 pandemic. The primary driver for growth during the forecast period is a lagged inflation rate determined by the State Tax Commission (US Consumer Price Index for Urban Consumers lagged by one year) applied to the reported tax year 2021 base, which is defined as the cap for growth in taxable value under the State constitution (i.e., Proposal A). The FY 2022 collection rate of 84.46% is held constant throughout the forecast period. Other components, such as payments from Wayne County for delinquent real property tax collections and revenue capture by TIF authorities, are also factored into the forecast based on current and historical observations. The forecast does not include delinquent monthly settlement payments, prospective gains from additions to the tax base or the “uncapping” of taxable value.

Utility Users Tax:



In accordance with the City Utility Users Tax Act (Public Act 100 of 1990, as amended), the City levies a 5% tax on consumption of electricity, gas, steam, and telephone services. Annual changes in the revenue forecast are largely based on the average growth rate in household units that is consistent with prior-year trends. The actual General Fund collections and revenue estimates are net of \$12.5 million that are designated to the Public Lighting Authority (PLA).

Other Departmental General Fund Revenue:

September 2021 Revenue Estimates, Recurring Other Departmental Revenue, General Fund									
<i>\$ in millions</i>									
	September 2021 Estimates								
	FY 2022	FY 2023	Change	FY 2024	Change	FY 2025	Change	FY 2026	Change
Recurring Revenue									
Departmental Fees and Assessments									
Municipal Service Fee - Casino Traditional Gaming	\$ 16.2	\$ 18.7	15.4%	\$ 18.9	1.1%	\$ 19.1	1.1%	\$ 19.3	1.0%
Municipal Service Fee - Online/Sports Betting	8.6	9.9	15.1%	10.0	1.0%	10.0	0.0%	10.1	1.0%
36th District Court Fines and Fees	15.1	15.1	0.0%	15.1	0.0%	15.1	0.0%	15.1	0.0%
Fire Department EMS Service Fees	16.0	16.2	1.3%	16.5	1.9%	16.7	1.2%	17.0	1.8%
Municipal Parking Fines	11.1	11.9	7.2%	11.9	0.0%	11.9	0.0%	11.9	0.0%
Municipal Parking Fees	6.9	7.7	11.6%	7.7	0.0%	7.7	0.0%	7.7	0.0%
Licenses, Permits and Inspection Charges ¹	13.3	13.5	1.5%	13.6	0.7%	13.7	0.7%	13.9	1.5%
Subtotal, Departmental Fees and Assessments	\$ 87.2	\$ 93.0	6.7%	\$ 93.7	0.8%	\$ 94.2	0.5%	\$ 95.0	0.8%
Other Recurring Revenue									
Reimbursements and Central Staff	\$ 41.1	\$ 41.7	1.5%	\$ 42.3	1.4%	\$ 43.0	1.7%	\$ 43.6	1.4%
Other Departmental Fees ²	21.4	21.5	0.5%	21.6	0.5%	21.6	0.0%	21.7	0.5%
DIA / Foundation Grand Bargain Contributions	18.7	18.7	0.0%	18.7	0.0%	18.7	0.0%	18.7	0.0%
Earnings on Investments	1.1	1.1	0.0%	1.1	0.0%	1.1	0.0%	1.1	0.0%
Other ³	30.1	31.3	4.0%	31.0	-1.0%	33.3	7.4%	30.6	-8.1%
Subtotal, Other Recurring Revenue	\$ 112.4	\$ 114.3	1.7%	\$ 114.7	0.3%	\$ 117.7	2.6%	\$ 115.7	-1.7%
Total, Other Departmental Revenue	\$ 199.6	\$ 207.3	3.9%	\$ 208.4	0.5%	\$ 211.9	1.7%	\$ 210.7	-0.6%

Notes:

(1) Comprises of various business and regulatory licenses, street use permits, and construction inspection and fire permit charges.

(2) Comprises mostly of departmental service charges, such as various Health, Admin Hearing (late blight ticket fees), Cable Franchise, and Recreation fees.

(3) Comprises of miscellaneous revenues and assessments. Beginning in FY22, \$4m LCSA payment will be forecasted as recurring Other Revenue (actual LCSA payments previously reflected as non-recurring revenues in FY19-21).

The Other Departmental Revenue category includes various revenues administered by individual departments related to their activities. The table above breaks out Other Departmental Revenues into two categories: departmental fees and assessments and other recurring revenue.

Departmental fees and assessments make up roughly 45% of all recurring Other Departmental Revenue. The 6.7% increase from FY 2022 to FY 2023 is largely attributable to Casino Municipal Service Fees due to casinos returning to full capacity in FY 2023, and gains from internet gaming and sports betting. This increase is also driven by Municipal Parking fees and fines gradually returning to 90% of baseline capacity throughout FY 2022. Parking fees and fines are projected to remain at only 90% of pre-pandemic capacity in FY 2023 – FY 2026 due to potential work culture changes moving forward. The estimates above are based off current activity, and do not include potential upside from initiatives recently underway or in development, such as new parking initiatives and other revenue optimization efforts.

The other recurring revenue category represents the remaining 55% of Other Departmental Revenue. The forecast assumes a 1.7% increase from FY 2022 to FY 2023. Modest growth in other recurring revenue is anticipated throughout the remainder of the forecast period. The \$1.7% decline from FY 2025 to FY 2026 is due to the roll off of \$2.3 million in presidential primary reimbursement revenue anticipated in FY 2025. This increased reimbursement occurs every four-years and explains the decline in FY 2026.

Non-General Fund Revenues:

September 2021 Revenue Estimates, Non-General Fund									
<i>\$ in thousands</i>									
	FY22	FY23		FY24		FY25		FY26	
	Est	Est	% Change	Est	% Change	Est	% Change	Est	% Change
Non-General Fund¹									
Civil Rights, Inclusion and Opportunity Fund	\$ 3,000	\$ 3,060	2.0%	\$ 3,121	2.0%	\$ 3,184	2.0%	\$ 3,248	2.0%
Community Development Block Grant	35,014	35,714	2.0%	36,428	2.0%	37,157	2.0%	37,901	2.0%
Construction Code Fund	25,042	25,543	2.0%	26,054	2.0%	26,575	2.0%	27,106	2.0%
Dedicated Fees and Donations Fund	9,268	9,443	1.9%	9,632	2.0%	9,825	2.0%	10,021	2.0%
Drug Law Enforcement Fund	1,164	1,188	2.1%	1,211	1.9%	1,236	2.1%	1,260	1.9%
Elections Voter's Education Donations	3	3	0.0%	3	0.0%	3	0.0%	3	0.0%
Fire Grants Fund	2,554	2,605	2.0%	2,657	2.0%	2,710	2.0%	2,764	2.0%
Health Grants Fund	30,332	30,938	2.0%	31,557	2.0%	32,188	2.0%	32,832	2.0%
Homeland Security Grants Fund	740	755	2.0%	770	2.0%	785	1.9%	801	2.0%
Library	28,532	29,404	3.1%	29,828	1.4%	30,501	2.3%	31,189	2.3%
Major Street	105,266	107,216	1.9%	109,616	2.2%	111,929	2.1%	114,257	2.1%
Mayor's Office Grants Fund	169	173	2.4%	176	1.7%	180	2.3%	183	1.7%
Police Grants Fund	6,281	6,407	2.0%	6,531	1.9%	6,657	1.9%	6,786	1.9%
Public Act 48 of 2002 Fund	3,060	3,121	2.0%	3,184	2.0%	3,247	2.0%	3,312	2.0%
Public Lighting Decommissioning Reserve Fund	318	325	2.2%	331	1.8%	338	2.1%	344	1.8%
Recreation/General Services Grants Fund	1,400	1,428	2.0%	1,457	2.0%	1,486	2.0%	1,515	2.0%
Sinking Interest & Redemption ²	69,997	59,749	-14.6%	55,006	-7.9%	46,684	-15.1%	41,436	-11.2%
Solid Waste Management	47,096	47,396	0.6%	47,596	0.4%	47,896	0.6%	48,198	0.6%
Special Housing Rehab Programs	10,355	10,562	2.0%	10,773	2.0%	10,988	2.0%	11,208	2.0%
Urban Development Action and Discretionary Grants	2,881	2,939	2.0%	2,998	2.0%	3,058	2.0%	3,119	2.0%
Enterprise Fund									
Airport Operation and Maintenance ³	512	647	26.4%	660	2.0%	673	2.0%	687	2.1%
Detroit Water and Sewerage Department	643,177	656,041	2.0%	669,162	2.0%	682,545	2.0%	696,196	2.0%
Transportation ³	71,082	75,820	6.7%	76,209	0.5%	76,606	0.5%	77,011	0.5%
Total, Non-General Fund Revenue	\$ 1,097,243	\$ 1,110,477	1.2%	\$ 1,124,960	1.3%	\$ 1,136,451	1.0%	\$ 1,151,377	1.3%

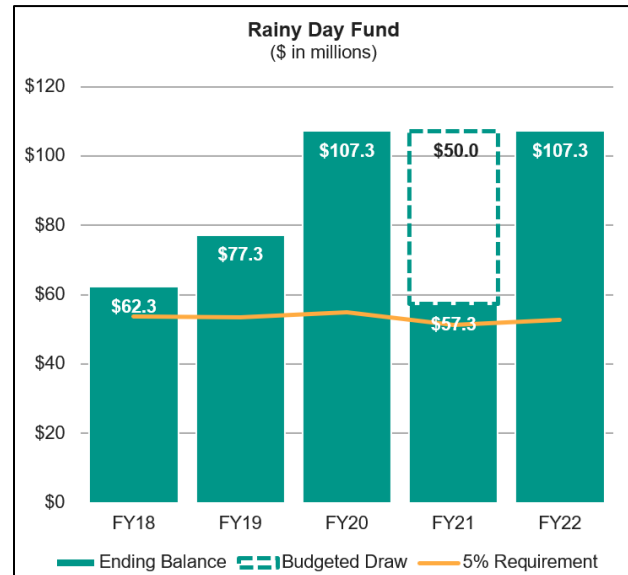
Notes:
(1) Non-General Fund grouping represents all funds excluding Enterprise and fund 1000.
(2) Forecast based on current debt service schedule.
(3) Forecast adjusted to exclude annual General Fund contributions and transfers.

Non-General Fund revenues include enterprise, grant and special revenue funds. Major examples include water and sewer bills, bus fares, solid waste fees, intergovernmental aid for roads and transit, library taxes, and other dedicated revenues. The Solid Waste Management Fund forecast includes an updated customer count and elimination of monthly payment plans. The Pay as you Stay (PAYS) plan forgives delinquent solid waste fees moving forward, and the forecast has been modified for this policy change. The FY 2022 Transportation Fund forecast anticipates that monthly DDOT bus fares will continue to increase since the March 2021 reopening of fare collections, with a gradual return to 90% of baseline capacity. The 90% baseline assumption is anticipated to continue throughout the FY 2023-26 forecast period due to potential work culture changes moving forward.

Budget Reserve:

State of Michigan Public Act 279 of 1909, Sections 117.4t(1)(b)(vi) and 117.4t(1)(c)(vi), as amended by Public Act 182 of 2014, states the City's annual four-year financial plan shall include and comply with the following requirements:

- 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.
- Include a general reserve fund for each fiscal year to cover potential reductions in projected revenues or increases in projected expenditures equal to no less than 5% of the projected expenditures for the fiscal year.



As of June 30, 2020, the City's Budget Reserve (or "Rainy Day fund") totaled \$107.3 million, which exceeded the minimum requirement of 5% of the projected expenditures for FY 2020. The FY 2021 Adopted Budget assumed the City would draw down \$50 million to help address COVID-19 revenue shortfalls, while keeping the balance above 5%. The FY 2021 drawdown was ultimately not needed. The FY 2022 Adopted Budget restored the \$50 million, thus increasing the Rainy Day Fund back to \$107.3 million.

Revenue Risk and Potential Upside:

Downside risks:

- Slower casino recovery than expected
- Slower than anticipated recovery from recession
- Larger than anticipated nonresident remote work impact
- Longer lasting changes in economic activity due to workplace and behavior changes
- Future state and federal budget pressures causing reductions in local funding
- COVID-19 Risks; economic sector and vaccination rate risks

Potential Upside (not counted in current revenue estimates):

- Residential, commercial, and industrial development activity throughout the City
- Workforce development and labor force participation gains
- Ongoing improvements in income tax audit and enforcement
- State-shared excise tax from adult-use marijuana (implementation pending)
- Additional state and federal fiscal relief, economic stimulus, and infrastructure investment

Appendix:

Exhibit 1 - Changes from the February 2021 Revenue Estimating Conference, FY 2021 – FY 2025:

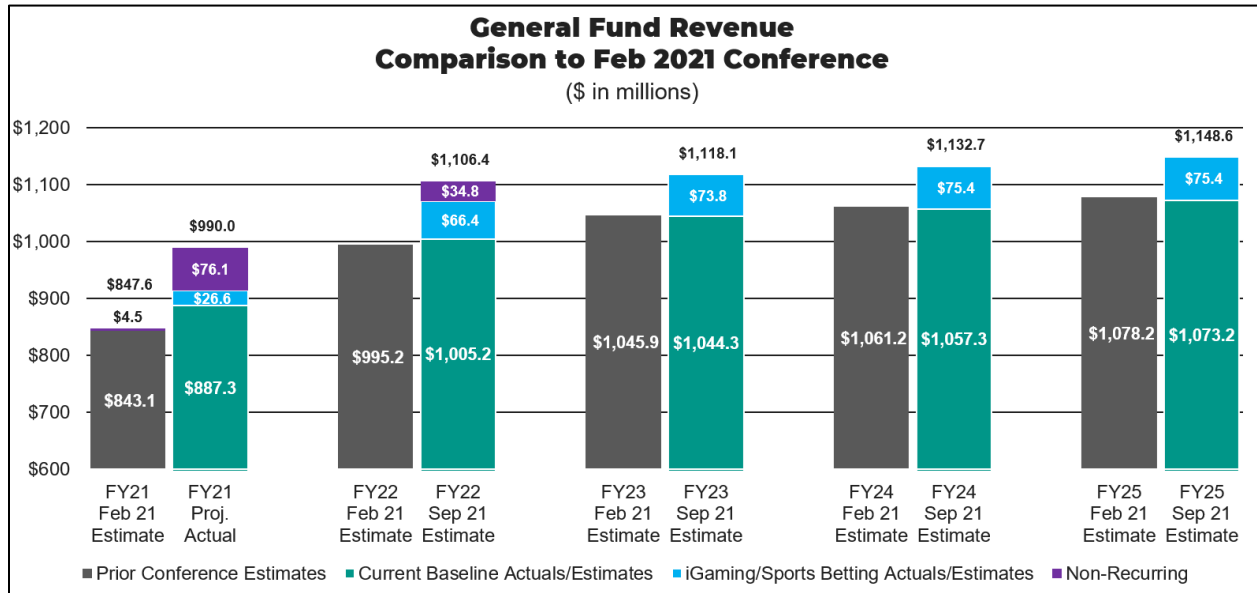


Exhibit 2 - General Fund Revenues by Major Use:

	FY22 Est	FY23 Est	% Change	FY24 Est	% Change	FY25 Est	% Change	FY26 Est	% Change
Major Taxes									
Income Tax	\$ 276.4	\$ 294.4	6.5%	\$ 301.5	2.4%	\$ 307.9	2.1%	\$ 316.4	2.8%
State Revenue Sharing	193.7	203.0	4.8%	204.1	0.5%	205.3	0.6%	206.6	0.6%
Wagering Tax	283.6	260.5	-8.1%	264.0	1.3%	265.9	0.7%	268.7	1.1%
Property Tax	132.4	137.2	3.6%	139.2	1.5%	142.3	2.2%	145.6	2.3%
Tax Increment Financing Capture	(15.2)	(15.9)	4.6%	(16.3)	2.5%	(16.7)	2.5%	(17.1)	2.4%
Net Property Tax	117.2	121.3	3.5%	122.9	1.3%	125.6	2.2%	128.5	2.3%
Utility Users Tax	43.9	44.1	0.5%	44.3	0.5%	44.5	0.5%	44.7	0.4%
To Public Lighting Authority	(12.5)	(12.5)	0.0%	(12.5)	0.0%	(12.5)	0.0%	(12.5)	0.0%
Net Utility Users Tax	31.4	31.6	0.6%	31.8	0.6%	32.0	0.6%	32.2	0.6%
Subtotal, Major Taxes	\$ 902.3	\$ 910.8	0.9%	\$ 924.3	1.5%	\$ 936.7	1.3%	\$ 952.4	1.7%
Other Revenue									
Fines, Forfeits and Penalties	21.5	22.4	3.9%	22.4	0.0%	22.4	0.0%	22.4	0.0%
Grants and Other Revenues	6.5	7.5	15.4%	7.5	0.0%	7.5	0.0%	7.5	0.0%
Licenses, Permits, and Inspection Charges	13.3	13.5	1.2%	13.6	0.9%	13.7	1.0%	13.9	1.0%
Other Taxes, Assessments, and Interest	6.4	6.5	1.1%	6.6	1.1%	6.6	1.1%	6.7	1.2%
Revenues from Use of Assets	26.8	27.0	0.9%	26.3	-2.7%	25.6	-2.9%	24.6	-3.7%
Sales and Charges for Services	117.0	121.8	4.1%	122.9	0.9%	126.3	2.8%	125.2	-0.9%
Sales of Assets and Compensation for Losses	12.6	8.6	-31.6%	9.2	6.7%	9.8	6.7%	10.4	6.7%
Subtotal, Other Revenue	\$ 204.1	\$ 207.3	1.5%	\$ 208.4	0.6%	\$ 211.9	1.7%	\$ 210.7	-0.6%
Grand Total, General Fund	\$ 1,106.4	\$ 1,118.1	1.1%	\$ 1,132.7	1.3%	\$ 1,148.6	1.4%	\$ 1,163.1	1.3%

Exhibit 3 – February Other General Fund Revenue by Department:

September 2021 Revenue Estimates, Recurring Other Revenue - General Fund									
(in thousands)									
	FY22	FY23		FY24		FY25		FY26	
Department	Est	Est	% Change	Est	% Change	Est	% Change	Est	% Change
Buildings, Safety Engineering and Environmental	\$ 1,725	\$ 1,725	0.0%	\$ 1,725	0.0%	\$ 1,725	0.0%	\$ 1,725	0.0%
Public Works	4,689	4,723	0.7%	4,723	0.0%	4,723	0.0%	4,723	0.0%
Office of the Chief Financial Officer	4,638	4,744	2.3%	4,854	2.3%	4,966	2.3%	5,081	2.3%
Fire	20,750	21,083	1.6%	21,422	1.6%	21,767	1.6%	22,117	1.6%
Health	3,520	3,552	0.9%	3,583	0.9%	3,616	0.9%	3,650	0.9%
Human Resources	1,186	1,209	2.0%	1,233	2.0%	1,258	2.0%	1,283	2.0%
Civil Rights, Inclusion and Opportunity	522	522	0.0%	522	0.0%	522	0.0%	522	0.0%
Law	2,216	2,260	2.0%	2,304	1.9%	2,349	1.9%	2,394	1.9%
Mayor's Office	50	50	0.0%	50	0.0%	50	0.0%	50	0.0%
Municipal Parking	18,007	19,560	8.6%	19,560	0.0%	19,560	0.0%	19,560	0.0%
Non-Departmental	101,714	106,941	5.1%	107,745	0.8%	108,559	0.8%	109,221	0.6%
Housing & Revitalization	3,582	3,582	0.0%	3,582	0.0%	3,582	0.0%	3,582	0.0%
Police	6,360	6,613	4.0%	6,613	0.0%	6,613	0.0%	6,613	0.0%
Public Lighting	1,800	1,600	-11.1%	1,400	-12.5%	1,200	-14.3%	1,000	-16.7%
Appeals and Hearings	3,033	3,033	0.0%	3,033	0.0%	3,033	0.0%	3,033	0.0%
General Services	8,782	9,005	2.5%	9,012	0.1%	9,019	0.1%	9,027	0.1%
Board of Zoning Appeals	110	110	0.0%	110	0.0%	110	0.0%	110	0.0%
City Council	19	19	0.0%	19	0.0%	19	0.0%	19	0.0%
36th District Court	16,934	16,934	0.0%	16,934	0.0%	16,934	0.0%	16,934	0.0%
City Clerk	8	8	0.0%	8	0.0%	8	0.0%	8	0.0%
Elections	5	5	0.0%	5	0%	2,266	45220.0%	5	-99.8%
Total, Other Revenue - General Fund	\$199,649	\$ 207,279	3.8%	\$208,437	0.6%	\$211,880	1.7%	\$ 210,659	-0.6%

Exhibit 4 – FY 2021 Projected Actuals, General Fund Non-Recurring Summary

FY21 One-Time Actuals Revenue - General Fund	
(in thousands)	
	FY21 Projected Actual*
Major Taxes Recurring	<u>746,375</u>
Major Taxes Non Recurring	
Income Tax - Individuals	\$ 41,800
Property Tax - Monthly Settlements	8,694
State Revenue Sharing - 2020 Census Population Adjustment	<u>8,376</u>
Total, Major Taxes Non-Recurring	\$ 58,870
Grand Total, Major Taxes	\$ 805,245
Non-Major Recurring	\$ 167,571
Non-Major Non-Recurring	
Local Community Stabilization Authority (LCSA) Payment	\$ 6,362
Revenues from Sale and Use of Assets	3,628
State Fairgrounds Sale	2,000
Libor Settlement	1,639
Non-Dept Undistributed Balances Cleanup Revenue	1,409
Detroit Salt Mine Lease Payment	975
LCSA - Health Dept (FY20 payment only)	784
Pistons Donation	417
LDFA City Reimbursement - Chrysler Jefferson North Assembly	354
Unrealized Gain (subject to change)	<u>(356)</u>
Total, Non-Major Non-Recurring	\$ 17,213
Grand Total, Non-Major	\$ 184,784
Grand Total, All Non-Recurring	\$ 76,083
Grand Total, General Fund	\$ 990,029
* Projected actuals are subject to change pending final CAFR.	