



CITY OF DETROIT  
EMERGENCY MANAGER'S OFFICE

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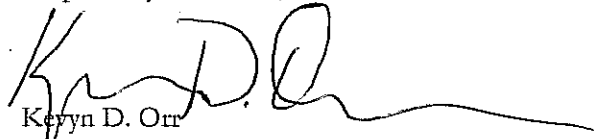
July 15, 2013

Mr. Andrew Dillon  
State Treasurer and Chair,  
Michigan Department of Treasury  
Bureau of Local Government Services  
4<sup>th</sup> Floor Treasury Building  
430 West Allegan Street  
Lansing, MI 48992

Dear Mr. Dillon:

I enclose for your consideration the quarterly report of the Emergency Manager of the City of Detroit as required by Section 9(5) of the Local Financial Stability and Choice Act (Michigan Public Act 436 of 2012 ("PA 436")). The report details the financial condition of the City for the quarterly period of April 1, 2013 through June 30, 2013.

Respectfully submitted,

  
Keyyn D. Orr  
Emergency Manager  
City of Detroit

Enclosure

cc: Mr. Roger S. Fraser, Deputy Treasurer  
Mr. Edward B. Koryzno, Administrator, Office of Fiscal Responsibility

<u>State Representatives</u>	<u>State Senators</u>
The Hon. Brian Banks	The Hon. Coleman Young, II
The Hon. Alberta Talabi	The Hon. Bert Johnsen
The Hon. John Olumba	The Hon. Morris W. Hood, III
The Hon. Rose Mary Robinson	The Hon. Virgil Smith
The Hon. Fred Durhal	The Hon. Tupac A. Hunter
The Hon. Rashida Tlaib	
The Hon. Thomas Stallworth	
The Hon. David Nathan	
The Hon. Harvey Santana	
The Hon. Phil Cavanagh	

**QUARTERLY REPORT WITH RESPECT TO THE FINANCIAL CONDITION OF  
THE CITY OF DETROIT**

July 15, 2013

This quarterly report covers the period from April 1, 2013 through June 30, 2013 (the "Reporting Period") and addresses the financial condition of the City of Detroit.

**Local Financial Stability and Choice Act (Michigan Public Act 436 of 2012)**

Section 9(5) [MCL § 141.1549(5)]

*The emergency manager shall submit quarterly reports to the state treasurer with respect to the financial condition of the local government in receivership, with a copy to the superintendent of public instruction if the local government is a school district and a copy to each state senator and state representative who represents that local government. In addition, each quarterly report shall be posted on the local government's website within 7 days after the report is submitted to the state treasurer.*

**Status of the Financial Condition of Detroit**  
**April 1, 2013 – June 30, 2013**

*The reporting period for this quarterly report coincides with the end of the fiscal year for the City of Detroit ("Detroit" or the "City"). The City currently is in the process of preparing its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2013. This process takes approximately six months to complete. As a result, certain of the financial information presented herein is preliminary based on fiscal year 2013 expected results and is subject to change, which change could be material.*

**Emergency Manager's Comments on the Financial Condition of the City of Detroit**

The financial condition of Detroit continues to be dire. The City's liquidity is dangerously low. Recently, the City instituted suit against a bond insurer to prevent the insurer from attempting to withhold significant gaming revenues from the City. *See City of Detroit v. Syncora Guarantee Inc., et al.*, Case No. 13-008858-CZ (Mich. Cir. Ct. Wayne Co.) (Stempien, J.). On July 5, 2013, the court issued a temporary restraining order that permits the City to continue to receive gaming revenues pending a hearing on a preliminary injunction scheduled for July 26, 2013. The litigation is ongoing.

**Cash flows and liquidity results for fiscal year 2013 (See Appendix A)**

At the beginning of the fourth quarter of fiscal year 2013, the City held cash of \$88.8 million, against which accumulated property tax distributions in the amount of \$26.4 million had to be deducted, leaving a cash balance net of distributions of \$62.4 million. Based upon actual results for the quarter, ended June 30, 2013, the City had disbursements in excess of receipts in the amount of \$17.5 million, resulting in a June 30, 2013 (fourth quarter-end and fiscal year-end) cash balance of \$71.3 million before deducting accumulated property tax distributions of \$35.3 million (preliminary estimate), or \$36.0 million net of distributions.

If not for certain steps taken to create and preserve a positive cash balance, the City already would have run out of cash in fiscal year 2013. These steps include: (i) the issuance of self-insurance and capital improvement bonds (proceeds of \$137 million) in August 2012, of which \$10 million was drawn in fiscal year 2013; (ii) the deferral of scheduled payments, primarily pension contributions, throughout the year (approximately \$54 million, for total accumulated deferrals of \$119 million); and (iii) the City's decision not to make the scheduled \$39.7 million (\$32.3 million General Fund portion) payment due on its pension-related certificates of participation ("COPs") on June 14, 2013. Accumulated deferrals increased by approximately \$61 million in the fourth quarter of fiscal year 2013, primarily due to deferred pension contributions to the Police and Fire Retirement System ("PFRS").

**Projected unaudited accumulated surplus/deficit for fiscal year 2013 (See Appendix B)**

Fiscal year 2013 (July 1, 2012 – June 30, 2013) currently is projected to close with a General Fund surplus of \$89.6 million only after accounting for the proceeds from the refunding bonds (\$137.0 million). This

would result in an accumulated General Fund deficit of \$237.0 million as of June 30, 2013. Without the refunding bond proceeds, the General Fund would have had an annual deficit of \$47.4 million. The comparable fiscal year 2012 deficit was \$121.8 million. While the City has significantly reduced its operating costs since fiscal year 2012, revenues have declined, and legacy costs (comprised of pension contributions, retiree healthcare and debt service) have increased.

When comparing fiscal year 2013 to fiscal year 2012, municipal income taxes and state revenue sharing increased approximately \$15 million due to the hike in corporate income tax rate (1.0% to 2.0% in the middle of fiscal year 2012) and general improvements in the State economy. However, wagering revenues and property taxes fell by approximately \$21 million due to declining casino receipts and assessed property values.

Operating costs have declined, largely due to a reduction in employee headcount, from 10,861 city employees at the end of fiscal year 2012 to approximately 9,591 city employees as of June 30, 2013.

As noted above, legacy expenditures (*i.e.*, payments for pensions, retiree healthcare and debt amortization) have increased from \$462 million in fiscal year 2012 to \$477 million in fiscal year 2013 and remain approximately 40% of general fund revenues.

#### Cash flows and liquidity projections for first half of fiscal year 2014 (July 2013 - December 2013) (See Appendix C)

The first half of fiscal year 2014 is projected to result in a net cash flow of negative \$33.1 million if all payments are made on schedule and the City is permitted to draw down \$20 million of refinancing proceeds from escrow in July 2013. Based on the fiscal year 2013 ending cash balances discussed above, this negative cash flow would result in a December 31, 2013 cash balance of \$38.2 million before accumulated property tax distributions of \$49.8 million, or a negative \$11.6 million cash balance net of distributions. Therefore, the City could run out of cash by December 2013 if no additional action is taken to defer payments or otherwise conserve cash. Additionally, the City estimates that accumulated payment deferrals will be approximately \$114 million as of December 31, 2013, not including the \$39.7 million COP payment that was not made in fiscal year 2013.

#### Overview of fiscal year 2014 Budget (See Appendix D)

The fiscal year 2014 Executive Budget (Mayor's Budget) was presented to City Council on April 12, 2013. Over the following six weeks, City Council proposed changes to the Executive Budget, which were incorporated into the budget. The primary City Council changes to the Executive Budget included (i) expediting the implementation of healthcare changes and (ii) reducing appropriations in Mayor's Office Department.

The budget adopted and approved by the Emergency Manager under section 12(1)(b) of PA 436 (the "Approved Budget") was developed based on the City Council's proposed budget amendments, as further modified by the Emergency Manager to reflect the fiscal year 2014 financial projections that were included in the ten-year projections presented as part of the Proposal for Creditors, dated June 14,

2013 (the "Restructuring Proposal"), which is available on the City's website at <http://www.detroitmi.gov/EmergencyManager/Reports.aspx>. The incorporation of the latter allowed for the budgeting of necessary costs for vital City reinvestment and to reflect additional cost savings. See below for additional details on the Restructuring Proposal.

## **Emergency Manager Actions Regarding Restructuring Process**

### General Actions

Upon his appointment in March of this year, the Emergency Manager and his advisors immediately began the process of developing a comprehensive restructuring plan for the City, as well as addressing the City's other urgent needs. At the outset of his term, the Emergency Manager met with interested parties, government officials and professional advisors to gather information about the City's restructuring needs and priorities and participated in interviews and press conferences with local, regional and national news outlets to provide information to the public and promote transparency. The Emergency Manager established the Emergency Manager's office and hired limited support staff.

The Emergency Manager also has issued certain critical orders related to the operation of the City under his oversight and initiated a comprehensive review of public services, including public safety (particularly policing), lighting, and solid waste. In the four months since the Emergency Manager's appointment, he has taken several immediate steps designed to improve public health and safety in the short term, including: (i) undertaking a critical review of police, fire, ambulance and other emergency medical and safety related services to develop a comprehensive plan to upgrade outdated or poorly maintained emergency vehicles, equipment and facilities; (ii) taking necessary steps to ensure that the City's new command center is operating in a timely fashion; (iii) issuing an order accepting the donation of new vehicles for the police, fire and emergency response teams by private sector donors; (iv) hiring a new police chief for the City who took office on July 1, 2013; (v) developing a plan to fix street lights and address the City's power grid as promptly as possible; (vi) issuing an order providing for the management and monitoring of the City's Community Development Block Grant and Neighborhood Stabilization programs (among others); (vii) initiating a joint investigation of the inspector general and the auditor general into any possible waste, abuse, fraud, or corruption with respect to the administration, operation or implementation of the City's benefit programs; and (viii) taking substantial steps to streamline the process for demolition of blighted structures.

From day one, the Emergency Manager has spent significant time working with the City's financial and legal advisors to cast a critical eye on all of the City's financial obligations and operational issues to develop a realistic assessment of the City's problems, obstacles, needs and opportunities. In particular, the Emergency Manager directed these advisors to review the City's operations and financial obligations to help him develop the terms of a comprehensive plan to: (i) ensure that the City is able to provide or procure governmental services essential to the health, safety and welfare of its citizens; (ii) assure the fiscal accountability and stability of the City; and (iii) promote private investment in the City and revitalization of the community in a sustainable fashion.

As a first step in this process, the Emergency Manager worked with the City's advisors to develop a financial and operating plan for the City (the "Financial and Operating Plan"), which placed the City's challenges in context and defined a series of key restructuring goals and initiatives. The Financial and Operating Plan, dated May 12, 2013, was submitted to Treasurer Dillon as required by section 11(2) of PA 436 on May 13, 2013 and is available on the City's website at <http://www.detroitmi.gov/EmergencyManager/Reports.aspx>.

#### Restructuring Proposal (See Appendix E)

Continuing to build on these actions, on June 14, 2013, the Emergency Manager presented the Restructuring Proposal to an audience composed of approximately 150 representatives of the City's various creditor constituencies. The Restructuring Proposal contains extensive information regarding the state of the City's finances and operations and a comprehensive proposal to provide needed investment in the City and restructure the City's obligations. In addition to describing the economic circumstances and headwinds that resulted in Detroit's current economic circumstances, the 128 page Restructuring Proposal describes a thorough overhaul and restructuring of the City's operations, finances and capital structure, as well as proposed recoveries for each creditor group. The Restructuring Proposal is based on revised ten-year financial projections that provide a realistic basis for evaluating the City's financial wherewithal to address creditor claims and achieve its restructuring goals. To address the crises confronting the City and remedy the deficiencies in services, and to achieve a sustainable restructuring that promotes the long term health, safety and welfare of Detroiters and growth of the City, the City must aggressively pursue, and devote substantial resources to these reinvestment efforts.

The City proposes to spend approximately \$1.25 billion over the next ten years to, among other things, (i) improve the performance and infrastructure of its Police, Fire, EMS and Transportation Departments, (ii) comprehensively address and remediate urban blight, and (iii) modernize its information technology systems on a City-wide basis.

The 10-year projections demonstrate that the City's expected revenues will fall significantly short of the levels required to fund the City's operations and fully satisfy its liabilities.

Given the City's (i) substantial debt levels (LTGO; UTGO; pension certificates; swaps), (ii) significant labor related legacy liabilities and (iii) continuing operating expenses, shared sacrifice is required from all stakeholders to achieve the City's dual (and complementary) goals of maximizing returns for its stakeholder constituencies while simultaneously establishing the framework for a healthy and growing Detroit moving forward. The Restructuring Proposal addressed potential recoveries for each creditor group.

#### Creditor negotiation process

In the period following the June 14<sup>th</sup> creditor proposal presentation, the City has conducted a series of meetings with the organized and represented creditor constituencies to (a) provide them with additional details on the financial condition of the City, (b) describe key assumptions used to develop

the ten-year financial projections, (c) provide a forum to answer questions from creditors and (d) negotiate in good faith over the City's Restructuring Proposal. These creditor negotiations are ongoing where possible.

#### **Appendices**

- A. Preliminary Cash Flow Statement for Fiscal Year 2013
- B. Preliminary Unaudited Revenues and Expenditures for Fiscal Year 2013
- C. Cash Flow Projections for the Period Jul-Dec 2013
- D. Summary of Fiscal Year 2014 Budget Approved by Emergency Manager
- E. Summary Ten-Year Financial Projections

\$ in millions	FY 2013 Actual				Actual FY 2013
	Q1	Q2	Q3	Q4	
<b>Operating Receipts</b>					
Property taxes	\$ 246.8	\$ 35.5	\$ 186.9	\$ 49.0	\$ 518.2
Income & utility taxes	69.8	71.2	69.7	79.4	290.1
Gaming taxes	44.8	44.2	45.6	34.9	169.5
Municipal service fee to casinos	7.6	8.0	1.8	-	17.4
State revenue sharing	57.2	30.9	61.1	29.7	178.9
Other receipts	90.0	80.8	100.3	104.2	375.3
Refinancing proceeds	-	10.0	-	-	10.0
<b>Total operating receipts</b>	<b>516.1</b>	<b>280.7</b>	<b>465.4</b>	<b>297.1</b>	<b>1,559.3</b>
<b>Operating Disbursements</b>					
Payroll, taxes, & deductions	(105.0)	(99.2)	(79.6)	(90.2)	(374.0)
Benefits	(59.7)	(52.4)	(43.2)	(36.7)	(192.1)
Pension contributions	(18.9)	(10.0)	(1.9)	-	(30.8)
Subsidy payments	(11.7)	(1.1)	(10.9)	(7.7)	(31.4)
Distributions - tax authorities	(145.4)	(7.8)	(102.2)	(7.0)	(262.4)
Distributions - UTGO	(12.5)	(1.3)	(53.5)	(2.7)	(70.0)
Distributions - DDA increment	-	-	(5.9)	(6.2)	(12.1)
Income tax refunds	(5.8)	(2.8)	(1.2)	(9.2)	(19.1)
A/P and other miscellaneous	(126.5)	(93.7)	(88.3)	(99.5)	(408.0)
Sub-total operating disbursements	(485.6)	(268.4)	(386.6)	(259.2)	(1,399.7)
POC and debt related payments	(14.6)	(31.7)	(16.4)	(55.5)	(118.1)
<b>Total disbursements</b>	<b>(500.1)</b>	<b>(300.1)</b>	<b>(402.9)</b>	<b>(314.6)</b>	<b>(1,517.9)</b>
<b>Net cash flow</b>	<b>16.0</b>	<b>(19.4)</b>	<b>62.4</b>	<b>(17.5)</b>	<b>41.5</b>
Cumulative net cash flow	16.0	(3.4)	59.0	41.5	41.5
Beginning cash balance	29.8	45.8	26.4	88.8	29.8
Net cash flow	16.0	(19.4)	62.4	(17.5)	41.5
<b>Cash before required distributions</b>	<b>\$ 45.8</b>	<b>\$ 26.4</b>	<b>\$ 88.8</b>	<b>\$ 71.3</b>	<b>\$ 71.3</b>
Accumulated property tax distributions	(31.8)	(47.4)	(26.4)	(35.3)	(35.3)
<b>Cash net of distributions</b>	<b>\$ 14.1</b>	<b>\$ (21.0)</b>	<b>\$ 62.4</b>	<b>\$ 36.0</b>	<b>\$ 36.0</b>
<b>Memo:</b>					
Accumulated deferrals	(50.9)	(46.3)	(57.7)	(118.7)	(118.7)
Missed COP payment 6/14/13	-	-	-	(39.7)	(39.7)
Refunding bond proceeds in escrow	81.7	71.7	71.7	71.7	71.7
Reimbursements owed to other funds	tbd	tbd	tbd	tbd	tbd



	Actual 2012	Preliminary 2013	Difference
<i>(\$ in millions)</i>			
<b>Revenues</b>			
Municipal income tax	233.0	238.7	\$ 5.7
State revenue sharing	173.3	182.8	9.5
Wagering taxes	181.4	173.0	(8.4)
Sales and charges for services	145.4	120.4	(25.0)
Property taxes	147.8	134.9	(12.9)
Utility users' and other taxes	57.1	54.8	(2.4)
Other revenue	125.5	93.4	(32.1)
General Fund reimbursements	47.6	31.2	(16.4)
Transfers in (UTGO millage & non-General Fund POCs)	85.8	92.8	7.0
<b>Total revenues</b>	<u>1,196.9</u>	<u>1,121.9</u>	<u>(75.0)</u>
<b>Expenditures</b>			
Salaries/overtime/fringe	(431.5)	(357.3)	74.2
Health benefits - active	(54.3)	(43.1)	11.2
Other operating expenses	(371.3)	(291.6)	79.7
	(857.1)	(692.0)	165.1
<b>Operating expenditures</b>	<u>339.8</u>	<u>429.9</u>	<u>90.1</u>
<b>Net operating surplus</b>			
Debt service (LTGO & UTGO)	(135.6)	(141.4)	(5.8)
POC - principal and interest	(39.0)	(55.4)	(16.4)
POC swaps	(50.7)	(50.6)	0.1
Pension contributions	(86.1)	(78.3)	7.8
Health benefits - retiree	(150.1)	(151.6)	(1.4)
Legacy expenditures	(461.6)	(477.3)	(15.7)
<b>Deficit (excl. financing proceeds)</b>	<u>(121.8)</u>	<u>(47.4)</u>	<u>74.4</u>
Financing proceeds	-	137.0	137.0
<b>Total surplus (deficit)</b>	<u>\$ (121.8)</u>	<u>\$ 89.6</u>	<u>\$ 211.4</u>
<b>Accumulated unrestricted General Fund deficit</b>	\$ (326.6)	\$ (237.0)	



Pursuant to section 12(1)(b) of Michigan Public Act 436 of 2012 ("PA 436"), the Emergency Manager (the "EM") for the City of Detroit (the "City") hereby adopts and approves the attached budget for the City for the fiscal year ending June 30, 2014 (the "Budget"). The Budget is comprised of the Fiscal Year 2014 budget previously approved by the Detroit City Council in accordance with Michigan law, as amended by the EM to reconcile the budget figures to the new ten-year financial projections for the City under the EM's planned restructuring (the "Ten-Year Projections"). The Ten-Year Projections account for, among other things, reinvestments in the City's infrastructure and the restructuring of certain City departments and operations. Notwithstanding any provision of the 2012 Detroit City Charter to the contrary, the EM reserves the right to exercise his authority under section 12(1) of PA 436 to further amend and revise the Budget and to limit the total amount appropriated, disbursed, expended or earmarked under the Budget. Consistent with the EM's authority under PA 436 and the EM's Financial and Operating Plan, the EM retains the right to receive and disburse funds between and among City departments, as needed, to assure the fiscal accountability of the City and its capacity to provide or cause to be provided necessary governmental services essential to the public health, safety and welfare, or to take any other action authorized by PA 436 or applicable law.

	General Fund (1000)		Other	Total City
<i>(\$ in millions)</i>				
<b>Revenues</b>				
Property taxes	\$ 118.4	\$ 85.1	\$	203.5
Municipal income tax	257.2	-		257.2
Wagering taxes	170.0	-		170.0
Utility users' tax	34.3	-		34.3
Shared taxes	184.3	-		184.3
Sales and charges for services	131.3	1,061.7		1,192.9
Other taxes	12.9	63.5		76.4
Licenses, permits and inspection charges	9.0	20.8		29.8
Other revenues	71.1	108.2		179.4
Grant revenue	-	95.9		95.9
<b>Total revenues</b>	<b>988.4</b>	<b>1,435.2</b>		<b>2,423.6</b>
<b>Expenditures</b>				
Salaries, wages, and overtime	(337.6)	(183.6)		(521.3)
Medical benefits	(189.9)	(83.1)		(272.9)
Pension	(174.0)	(54.7)		(228.8)
Fringe benefits	(23.0)	(29.4)		(52.4)
Professional and contractual services	(50.5)	(117.2)		(167.6)
Operating services	(143.6)	(157.8)		(301.4)
Operating supplies	(59.2)	(77.5)		(136.6)
Debt service	(70.9)	(495.8)		(566.8)
POC payments	(80.9)	(37.2)		(118.0)
DDOT subsidy	(80.2)	-		(80.2)
Contributions & other expenses	(157.6)	(199.0)		(356.6)
<b>Total expenditures before concessions</b>	<b>(1,367.4)</b>	<b>(1,435.2)</b>		<b>(2,802.6)</b>
<b>Surplus (deficit) before concessions</b>	<b>\$ (379.0)</b>	<b>\$ -</b>		<b>\$ (379.0)</b>
<b>Concessions</b>	<b>379.0</b>	<b>-</b>		<b>379.0</b>
<b>Surplus (deficit) after concessions</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>

	Preliminary forecast										10-year total	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
<i>(\$ in millions)</i>												
<b>Revenues</b>												
Municipal income tax	\$ 243.4	\$ 247.3	\$ 249.0	\$ 250.7	\$ 252.4	\$ 254.0	\$ 255.6	\$ 257.8	\$ 260.9	\$ 264.0	\$ 2,535.0	
State revenue sharing	184.3	186.1	187.9	189.5	191.2	193.0	194.8	188.3	190.0	191.7	1,896.4	
Wagering taxes	170.0	168.3	170.0	171.7	173.4	175.1	176.9	178.7	180.4	182.2	1,746.7	
Sales and charges for services	124.8	119.4	118.2	117.0	115.7	114.5	113.4	112.3	113.2	114.2	1,162.6	
Property taxes	118.4	110.2	105.7	100.8	100.5	99.6	99.7	100.2	100.8	102.1	1,038.0	
Utility users' and other taxes	47.2	40.9	40.9	41.3	41.7	42.1	42.5	43.0	43.4	43.8	426.8	
Other revenue	75.6	55.8	55.8	55.9	55.9	56.0	56.0	56.0	56.1	56.1	579.2	
General Fund reimbursements	30.3	30.3	30.3	30.3	30.3	30.3	30.3	30.3	30.3	30.3	302.6	
Transfers in (UTGO millage & non-General Fund POCs)	89.0	87.9	83.8	84.4	83.9	81.2	80.6	80.0	65.0	61.2	797.1	
<b>Total revenues</b>	<b>1,082.8</b>	<b>1,046.2</b>	<b>1,041.5</b>	<b>1,041.4</b>	<b>1,045.0</b>	<b>1,045.7</b>	<b>1,049.8</b>	<b>1,046.3</b>	<b>1,040.1</b>	<b>1,045.7</b>	<b>10,484.5</b>	
<b>Expenditures</b>												
Salaries/overtime/fringe	(341.5)	(341.9)	(346.4)	(352.5)	(358.8)	(365.1)	(371.4)	(378.4)	(386.0)	(393.7)	(3,635.7)	
Health benefits - active	(51.2)	(54.0)	(57.4)	(61.0)	(64.5)	(67.9)	(71.2)	(74.6)	(78.4)	(82.3)	(662.5)	
Other operating expenses	(292.9)	(288.2)	(295.9)	(301.5)	(309.7)	(313.5)	(320.0)	(326.5)	(335.3)	(339.7)	(3,123.2)	
Operating expenditures	(685.7)	(684.1)	(699.7)	(715.0)	(733.1)	(746.5)	(762.5)	(779.5)	(799.6)	(815.7)	(7,421.5)	
<b>Net operating surplus</b>	<b>397.2</b>	<b>362.0</b>	<b>341.8</b>	<b>326.3</b>	<b>311.9</b>	<b>299.2</b>	<b>287.2</b>	<b>266.8</b>	<b>240.5</b>	<b>230.0</b>	<b>3,063.0</b>	
Debt service (LTGO & UTGO)	(135.9)	(124.4)	(119.4)	(96.1)	(95.0)	(92.5)	(91.8)	(91.5)	(74.8)	(70.9)	(992.4)	
POC - principal and interest	(61.0)	(63.2)	(65.4)	(67.6)	(69.9)	(68.1)	(69.0)	(69.9)	(70.7)	(71.4)	(676.3)	
POC swaps	(50.6)	(50.6)	(50.6)	(50.6)	(50.6)	(50.6)	(49.8)	(48.9)	(48.1)	(47.4)	(498.0)	
Pension contributions	(199.5)	(233.1)	(258.9)	(285.9)	(314.7)	(321.4)	(331.5)	(337.2)	(339.5)	(343.0)	(2,964.8)	
Health benefits - retiree	(140.7)	(151.1)	(161.6)	(172.0)	(182.3)	(192.3)	(201.9)	(212.0)	(222.6)	(233.7)	(1,870.0)	
Legacy expenditures	(587.6)	(622.4)	(655.9)	(672.3)	(712.6)	(725.0)	(744.0)	(759.5)	(755.8)	(766.4)	(7,001.5)	
<b>Total expenditures</b>	<b>(1,273.3)</b>	<b>(1,306.6)</b>	<b>(1,355.6)</b>	<b>(1,387.3)</b>	<b>(1,445.7)</b>	<b>(1,471.5)</b>	<b>(1,506.5)</b>	<b>(1,539.0)</b>	<b>(1,555.3)</b>	<b>(1,582.1)</b>	<b>(14,423.0)</b>	
<b>Deficit (excl. financing proceeds)</b>	<b>(190.5)</b>	<b>(260.4)</b>	<b>(314.1)</b>	<b>(346.0)</b>	<b>(400.7)</b>	<b>(425.8)</b>	<b>(456.8)</b>	<b>(492.6)</b>	<b>(515.3)</b>	<b>(536.4)</b>	<b>(3,938.5)</b>	
Financing proceeds	-	-	-	-	-	-	-	-	-	-	-	
<b>Total surplus (deficit)</b>	<b>\$(190.5)</b>	<b>\$(260.4)</b>	<b>\$(314.1)</b>	<b>\$(346.0)</b>	<b>\$(400.7)</b>	<b>\$(425.8)</b>	<b>\$(456.8)</b>	<b>\$(492.6)</b>	<b>\$(515.3)</b>	<b>\$(536.4)</b>	<b>\$(3,938.5)</b>	
<b>Reinvestment in the City</b>												
Department revenue initiatives	\$ 22.9	\$ 22.1	\$ 24.4	\$ 24.2	\$ 24.5	\$ 24.7	\$ 25.0	\$ 25.3	\$ 25.6	\$ 25.9	\$ 244.6	
Additional operating expenditures	(53.7)	(37.0)	(21.3)	(22.0)	(21.7)	(22.7)	(29.3)	(29.3)	(29.7)	(30.7)	(297.4)	
Capital investments	(107.7)	(74.5)	(38.8)	(51.9)	(33.3)	(30.8)	(28.4)	(29.5)	(28.5)	(29.0)	(452.3)	
Blight (excludes heavy commercial)	(50.0)	(50.0)	(100.0)	(100.0)	(100.0)	(100.0)	-	-	-	-	(500.0)	
Total reinvestment in the City	(188.5)	(139.3)	(135.7)	(149.7)	(130.5)	(128.8)	(32.8)	(33.4)	(32.6)	(33.8)	(1,005.2)	
<b>Adjusted surplus (deficit)</b>	<b>\$(379.0)</b>	<b>\$(399.7)</b>	<b>\$(449.8)</b>	<b>\$(495.6)</b>	<b>\$(531.2)</b>	<b>\$(554.6)</b>	<b>\$(489.6)</b>	<b>\$(526.1)</b>	<b>\$(547.9)</b>	<b>\$(570.2)</b>	<b>\$(4,943.7)</b>	