



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVE., SUITE 1100
DETROIT, MICHIGAN 48226
PHONE: 313-628-2535
FAX: 313-224-2135
WWW.DETROITMI.GOV

CFO DIRECTIVE
No. 2018-101-002

SUBJECT: Comprehensive Financial Planning
ISSUANCE DATE: February 23, 2018
EFFECTIVE DATE: February 23, 2018

1. AUTHORITY

- 1.1. State of Michigan Public Act 279 of 1909, Section 117.4s(2), as amended by Public Act 182 of 2014, states the chief financial officer shall supervise all financial and budget activities of the city and coordinate the city's activities relating to budgets, financial plans, financial management, financial reporting, financial analysis, and compliance with the budget and financial plan of the city.
- 1.2. State of Michigan Public Act 279 of 1909, Section 117.4t(1)(d), as amended by Public Act 182 of 2014, states the city shall hold biannual revenue estimating conferences, which shall establish an official economic forecast and a forecast of anticipated revenues of the city.
- 1.3. The 2012 Charter of the City of Detroit, Article 8, Chapter 2, requires the City to prepare and adopt a five-year capital improvement plan every two years.

2. OBJECTIVES

- 2.1. To ensure the efficient and effective deployment of resources to meet the approved objectives of the City's elected officials.
- 2.2. To ensure the City continues to plan for future financial needs and opportunities.

3. PURPOSE

- 3.1. To establish the City's comprehensive financial planning policy.

4. SCOPE

- 4.1. This Directive applies to all City Departments, Divisions, and Agencies.

5. RESPONSIBILITIES

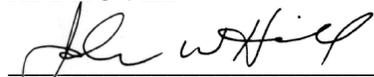
- 5.1. The Deputy CFO- Budget Director shall be responsible for the administration and oversight of this Directive.
- 5.2. Department Directors shall be responsible for the various activities described in this CFO Directive.

6. POLICY

- 6.1. The City shall prepare and implement short-term (1-4 years) and long-term (5-10 years) integrated plans to guide the budget process and ensure the City delivers programs and services to the public in an efficient and effective manner within the availability of its resources.
- 6.2. Comprehensive financial planning shall be based on the following principles:

- 6.2.1. Revenue estimates shall be prepared on a conservative basis to minimize the possibility that economic fluctuations could jeopardize ongoing service delivery during the fiscal year.
- 6.2.2. Expenditure estimates shall be prepared on a conservative basis and anticipate needs that are reasonably predictable.
- 6.2.3. Forecasts shall be informed by a common set of basic economic assumptions that shall be established, updated, and distributed by the Office of Budget. The forecasts shall also identify other assumptions used in their preparation and associated risks and opportunities.
- 6.3. Comprehensive financial planning shall include, but not be limited to, the following activities, which, where applicable, shall be done in collaboration with the Office of Departmental Financial Services and Department Directors:
 - 6.3.1. Departmental financial planning overseen by the Office of Departmental Financial Services.
 - 6.3.2. Procurement planning overseen by the Office of Contracting and Procurement.
 - 6.3.3. Grant planning overseen by the Office of Development and Grants.
 - 6.3.4. Staffing and employee planning overseen by the Human Resources Department.
 - 6.3.5. Technology planning overseen by the Department of Innovation and Technology.
 - 6.3.6. Capital planning overseen by the Office of Budget and in accordance with the Capital Agenda requirements in the City Charter.
 - 6.3.7. Long-term financial planning overseen by the Office of Budget.
 - 6.3.8. Debt affordability analysis overseen by the Office of the Treasury, in coordination with the Office of Budget, and in accordance with the City's Debt Management Policy.
 - 6.3.9. Economic forecasting overseen by the Office of Budget.
 - 6.3.10. Revenue estimation prepared by the Office of Budget, in coordination with the City Council's Legislative Policy Division and the Auditor's General Office, and in accordance with the City's Revenue Policy and State of Michigan Public Act 279 of 1909, Section 117.4t(1)(d), as amended by Public Act 182 of 2014.
 - 6.3.11. Cash forecasting overseen by the Office of the Treasury, in coordination with the Office of Budget, and in accordance with the City's Cash Management Policy.
 - 6.3.12. Any other planning activities relevant to the City's finances, as determined by the Chief Financial Officer.

APPROVED



John W. Hill

Chief Financial Officer, City of Detroit