



FOUR-YEAR FINANCIAL PLAN FY 2020-2023



Michael E. Duggan
Mayor



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March 7, 2019

Detroit City Council
2 Woodward Avenue, Suite 1340
Detroit, Michigan 48226

To the Honorable Detroit City Council:

I am pleased to transmit my proposed Fiscal Year 2020 Budget and Fiscal Year 2020-2023 Four-Year Financial Plan for your review and approval. Prepared in accordance with the Home Rule City Act (Public Act 279 of 1909, as amended), the Uniform Budgeting and Accounting Act (Public Act 2 of 1968, as amended), and the City Charter, the Fiscal Year 2020 Budget totals over \$1.1 billion for General Fund operations and over \$2.4 billion across all City funds.

This Financial Plan is balanced over four years and demonstrates the City's continued commitment to fiscal responsibility, while funding priorities to meet the needs of all Detroiters. It provides for improved City services and new investments that will positively impact the quality of life throughout the City.

Sincerely,

Michael E. Duggan
Mayor, City of Detroit



CITY OF DETROIT
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March 7, 2019

To the Honorable Detroit City Council:

The Recommended Fiscal Year 2020 Budget and FY 2020-2023 Four-Year Financial Plan builds on Mayor Mike Duggan and the City Council's collaboration to set a fiscally sustainable course for Detroit. Last year and earlier this year, we saw strong evidence of this partnership as rating agencies improved Detroit's bond rating, investors purchased bonds at low interest rates based on Detroit's credit alone, and the State Financial Review Commission entered dormancy giving us full control over our own finances.

We must continue this trajectory through the budget. By bringing jobs to the city and putting Detroiters to work, we are building an income tax base that supports the services Detroiters deserve and meets our long-term obligations. By accelerating our pension funding and restructuring our debt, we have put ourselves in position to address future pension and debt cliffs. And by increasing our rainy day fund, we will better prepare Detroit for a potential economic downturn.

This budget makes targeted investments in those services Detroiters need most – improved public safety, transportation, infrastructure, and jobs. The Recommended Budget adds 71 positions to Police to improve public safety. We will implement the Strategic Plan for Transportation recommendations by increasing high-quality transit service, constructing vibrant and safe commercial corridors, and bringing our assets into a state of good repair. The budget doubles the City's contribution to career pathway training to prepare our workforce for new Detroit jobs. With rising fixed and personnel costs, it is through operating more efficiently that we are able to make these investments.

Mayor Duggan has worked hand in hand with the City Council over the last four years to get where we are today. With our shared commitment to Detroit's long-term financial health, we look forward to reviewing the \$2.4 billion Recommended FY 2020 Budget and the FY 2020-2023 Four-Year Financial Plan with the City Council.

Sincerely,

David P. Massaron
Acting Chief Financial Officer
City of Detroit

Tanya Stoudemire, J.D.
Deputy CFO/Budget Director
City of Detroit



CITY OF DETROIT
FOUR-YEAR FINANCIAL PLAN
FY 2020-2023



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OVERVIEW

The City of Detroit is located in southeastern Michigan in Wayne County and has a land area of approximately 138 square miles. According to the U.S. Census Bureau, the City is the center of the nation's 14th largest metropolitan statistical area. As of 2017, the City was the 23rd largest city, with an estimated population of 673,104. The City is internationally known for its automobile manufacturing and trade. The southeastern border of the City lies on the Detroit River, an international waterway, which is linked by the St. Lawrence Seaway to seaports around the world. It is one of the busiest border crossings in North America, carrying a substantial share of international trade between the United States and Canada. A new international crossing, the "Gordie Howe International Bridge," broke ground in October 2018 and is expected to contribute to the City's economy. The Detroit Metro Airport is one of the nation's major hubs. The City is the commercial capital of Michigan and a major economic and industrial center of the nation.

Pursuant to the provisions of the Constitution of the State of Michigan (the "State"), the City of Detroit, Michigan (the "City") is a home rule city with significant independent powers. In accordance with the City Charter (the "Charter"), the governance of the City is organized in two branches: the Executive Branch, which is headed by the Mayor, and the Legislative Branch, which is composed of the City Council and its agencies. The Mayor and the members of the City Council are elected every four years unless a special election is required, as provided for in the Charter.

The Mayor is the chief executive of the City and has control of and is accountable for the Executive Branch of City government. The Charter grants the Mayor broad managerial powers, including the authority to appoint all department directors and deputy directors. The Charter also delegates the responsibility for the implementation of most programs, services, and activities to the Executive Branch. The City Council, composed of seven members elected by district and two members elected at large for four-year terms, is the City's legislative body. Significant decisions, including budget appropriations, procurement of goods and services, and certain policy matters must be approved by the City Council.

In addition to the Executive and Legislative Branches, the City also includes the 36th District Court, which is responsible for adjudicating certain legal matters that arise within the City, including state felony arraignments and preliminary examinations, state misdemeanor and City ordinance violations, civil litigation for claims of \$25,000 or less, and landlord/tenant disputes. The City is responsible for all funding of the 36th District Court in excess of fines collected by the Court, except for judicial salaries, which are funded by the State.

In 2014, the Home Rule City Act (Michigan Public Act 219 of 1909) was amended and required the establishment of a Chief Financial Officer (the “CFO”) position in City. The CFO is vested with authority over all financial and budget activities of the City. As a result, all finance, budget, procurement, property assessment, and grants management functions were restructured under a new centralized financial management organization called the Office of the Chief Financial Officer (the “OCFO”). The OCFO was created based on leading government practices and industry standards. All new positions were created, with new job requirements, new competitive salary schedules, new career paths, and a new performance evaluation system. All departmental financial functions are under the authority of the OCFO, which increases control over all City financial activities.

The City’s budget process is informed by a comprehensive planning process that includes departmental, procurement, grant, staffing, technology, capital and long-term financial planning. Pursuant to the Home Rule City Act, it also includes independent biannual consensus revenue estimating conferences that establish the revenue estimates for the budget, and an annually balanced four-year financial plan that includes the City’s adopted budget plus an additional three forecasted years.

The Mayor submits to the City Council a proposed four-year financial plan that includes the annual budget for the next fiscal year, as well as projections for the three subsequent fiscal years. After public hearings, the City Council adopts the budget and four-year financial plan, with or without amendment. The Mayor can veto amendments made by the City Council, and City Council can then override the veto with a two-thirds majority vote. The City’s four-year financial plan cannot exceed revenues certified by the independent Revenue Estimating Conference. The

CFO must certify the annual budget complies with the Uniform Budgeting and Accounting Act, 1968 PA 2 MCL 141.421 to 141.440a. The budget may be amended during the year, with the City Council's approval. Budgetary appropriations are made at the department level. Through its four-year financial plan, the City ensures ongoing expenditures are supported by ongoing revenues.

Michigan Public Act 181 of 2014 as amended (Act 181), established the Financial Review Commission (the "FRC") as of the effective date (December 10, 2014) of the Eighth Amended Plan for the Adjustment of Debts of the City of Detroit (the "Plan of Adjustment"). The FRC monitors the City's compliance with the Plan of Adjustment, as confirmed by the Bankruptcy Court on November 12, 2014, and provides oversight of the City's financial activities.

Act 181 provides for the oversight of the City for no less than 13 years. However, once the City meets certain criteria, the nature of the oversight is scaled back. On April 30, 2018, the FRC granted the City a waiver of active oversight. The annual waiver extends through June 30, 2019. The FRC will continue to monitor the City and will review the waiver annually and, by July 1 of each year, will make a determination as to whether to renew the waiver for the subsequent year. As a condition of renewing the waiver, the FRC requires the City to submit monthly, quarterly, and annual reports related to the City's financial condition, which include (but are not limited to) information related to the City's ability to make payments on the City's debt and pension obligations. The City is providing these reports and is in compliance with the waiver resolution. The City must also, by April 30 of each year, submit its adopted budget and four-year financial plan to the FRC. However, the City's adopted budget and four-year financial plan is not subject to FRC approval while the City remains under the waiver.

In accordance with the requirements of the Home Rule City Act, this Four-Year Financial Plan includes Mayor Duggan's proposed budget for FY 2020 plus three forecasted years (FY 2021, FY 2022, and FY 2023).

**FY 2020-2023 FOUR-YEAR FINANCIAL PLAN
BUDGET DEVELOPMENT CALENDAR**

SEPTEMBER₂₀₁₈	<ul style="list-style-type: none"> September Revenue Estimating Conference (09/13)
OCTOBER₂₀₁₈	<ul style="list-style-type: none"> Budget Instructions Sent to Departments and ODFS (10/08) Public Budget Meeting (10/24)
NOVEMBER₂₀₁₈	<ul style="list-style-type: none"> Training on Planning & Budgeting Cloud Service Module (11/01-11/09) Departmental Budget Submissions Due (11/19)
DECEMBER₂₀₁₈	<ul style="list-style-type: none"> Preliminary Review of Budget Submissions with CFO and Mayor (12/11-12/14)
JANUARY₂₀₁₉	<ul style="list-style-type: none"> Budget Director's Hearings on Budget (01/14-01/29)
FEBRUARY₂₀₁₉	<ul style="list-style-type: none"> February 2019 Detroit Revenue Estimating Conference (02/13) OCFO-Office of Budget Transmits Budget to Mayor (02/20) Mayor Returns Budget to OB with Revisions (02/27)
MARCH₂₀₁₉	<ul style="list-style-type: none"> Mayor Receives 4-Year Plan (03/04) Mayor's Budget Address (03/07)
APRIL₂₀₁₉	<ul style="list-style-type: none"> Public Hearing on Budget (04/01) City Council Votes on Budget (04/08) City Clerk Transmits Budget to Mayor (04/09) Mayor's Approval or Veto of Budget (04/15) City Council's Override Veto (04/18) Transmit 4-Year Financial Plan to FRC (04/30)
MAY₂₀₁₉	<ul style="list-style-type: none"> OCFO-Office of Budget Loads Budget (05/01)
JUNE₂₀₁₉	<ul style="list-style-type: none"> City Council Approves Tax and Bond Statements (06/30)
JULY₂₀₁₉	<ul style="list-style-type: none"> Fiscal Year Begins (07/01)

FINANCIAL PLAN REQUIREMENTS

Pursuant to Section 4t(1)(b) of the Home Rule City Act (Public Act 219 of 1909, as amended), the financial plan shall include, but not be limited to, all of the following information for each of the 4 fiscal years covered by the financial plan:

REQUIREMENT		RESPONSE
(1)(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 2020-2023 including debt service. Debt service is reflected in Sinking Interest and Redemption (18), Public Works (19), Non-Departmental (35), and Housing and Revitalization (36) Departments.
(1)(b)(ii)	Projection of cash flow for each fiscal year	The Financial Plan includes cash flows for each fiscal year.
(1)(b)(iii)	A schedule of projected capital commitments for each fiscal year	A schedule of projected capital commitments is included in the Financial Plan.
(1)(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.
(1)(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.
(1)(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.
(1)(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.

REQUIREMENT		RESPONSE
(1)(b)(viii)	Any other information the mayor, governing body, or chief financial officer of the city considers appropriate	The Financial Plan includes summaries on the February 2019 Revenue Consensus Estimating Conference results, current debt service, and the Retiree Protection Fund.
(1)(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.
(1)(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 Financial Plan for each year in accordance with the Plan of Adjustment. The Financial Plan includes additional funding for the pension system to be deposited in the Retiree Protection Fund and held in trust for future pension system contributions.
(1)(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	In December 2018, the City issued new bonds for capital improvements in accordance with applicable law. The Financial Plan reflects the use of such proceeds appropriated in FY 2019 and other funding to meet the capital needs of the City.
(1)(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.
(1)(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, Mayor, and the City Council for review.

REQUIREMENT		RESPONSE
(l)(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 is maintaining a budget reserve in excess of the 5% minimum requirement to provide for mandated and essential programs to cover potential reductions in projected revenues and increases in projected expenditures.
(l)(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 include a deficit in any fiscal year.
(l)(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 the estimates approved at the Revenue Estimating Conference held February 13, 2019. In approving the estimates, the conference principals determined the revenues were reasonable and conservative.</p> <p>Expenditure projections are based on review of historical trends, contractual obligations, and the comprehensive planning activities undertaken by the OCFO and City departments.</p>
(l)(c)(ix)	Rely upon cash flow projections based upon reasonable and appropriate assumptions as to sources and uses of cash, including timing	The City relies on cash flow projections prepared by the Office of the Treasury based on historical trends, payments schedules, and the changes proposed in this Financial Plan.

REVENUES



February 2019 Revenue Estimating Conference

Overview:

- Michigan PA 279 of 1909, Section 117.4t(1)(d), as amended by PA 182 of 2014, states the City of Detroit shall hold biannual revenue estimating conferences that establish the official economic forecast and forecast of anticipated City revenues.
- Revenues are established independently by the following voting principals:
 - **David P. Massaron:** Acting Chief Financial Officer, City of Detroit
 - **Eric Bussis:** Chief Economist, Director, Office of Revenue and Tax Analysis, Michigan Department of Treasury
 - **George Fulton, PhD:** Director Emeritus, Research Professor Emeritus, Research Seminar In Quantitative Economics (RSQE), Department of Economics, University of Michigan

The approved estimates that follow include the current fiscal year (FY 2019) and the four succeeding fiscal years (FY 2020 – FY 2023), which serve as the revenue estimates for the City’s FY 2020 – FY 2023 Four-Year Financial Plan.



Approved Revenue Estimates

February 2019 Revenue Estimates, General Fund

(in millions)

	FY18 Actual ¹	FY19 Adj Budget ²	February 2019 Estimates ³					
			FY19 Est	FY20 Est	FY21 Est	FY22 Est	FY23 Est	
Major Taxes								
Income Tax	\$ 310.2	\$ 299.4	\$ 317.5	\$ 324.3	\$ 332.7	\$ 343.0	\$ 352.2	
State Revenue Sharing	199.9	200.7	203.2	204.5	202.2	204.0	205.9	
Wagering Tax	179.0	180.8	182.5	184.3	186.2	188.0	189.9	
Property Tax	128.7	133.8	125.8	126.5	127.6	128.6	129.6	
Tax Increment Financing Capture	(12.2)	(9.2)	(11.0)	(11.2)	(11.5)	(11.8)	(12.1)	
Net Property Tax	116.5	124.6	114.8	115.3	116.1	116.8	117.5	
Utility Users Tax	41.2	40.0	42.4	43.8	44.1	44.5	45.2	
To Public Lighting Authority	(12.5)	(12.5)	(12.5)	(12.5)	(12.5)	(12.5)	(12.5)	
Net Utility Users Tax	28.7	27.5	29.9	31.3	31.6	32.0	32.7	
Subtotal, Major Taxes	\$ 834.3	\$ 833.0	\$ 847.9	\$ 859.7	\$ 868.8	\$ 883.8	\$ 898.2	
Other Revenues	\$ 210.5	\$ 216.4	\$ 214.8	\$ 218.0	\$ 218.9	\$ 219.0	\$ 220.4	
Grand Total, General Fund	\$ 1,044.8	\$ 1,049.4	\$ 1,062.7	\$ 1,077.7	\$ 1,087.7	\$ 1,102.8	\$ 1,118.6	

(1) FY 2018 Actuals have been adjusted vs. CAFR to align with budget presentation.

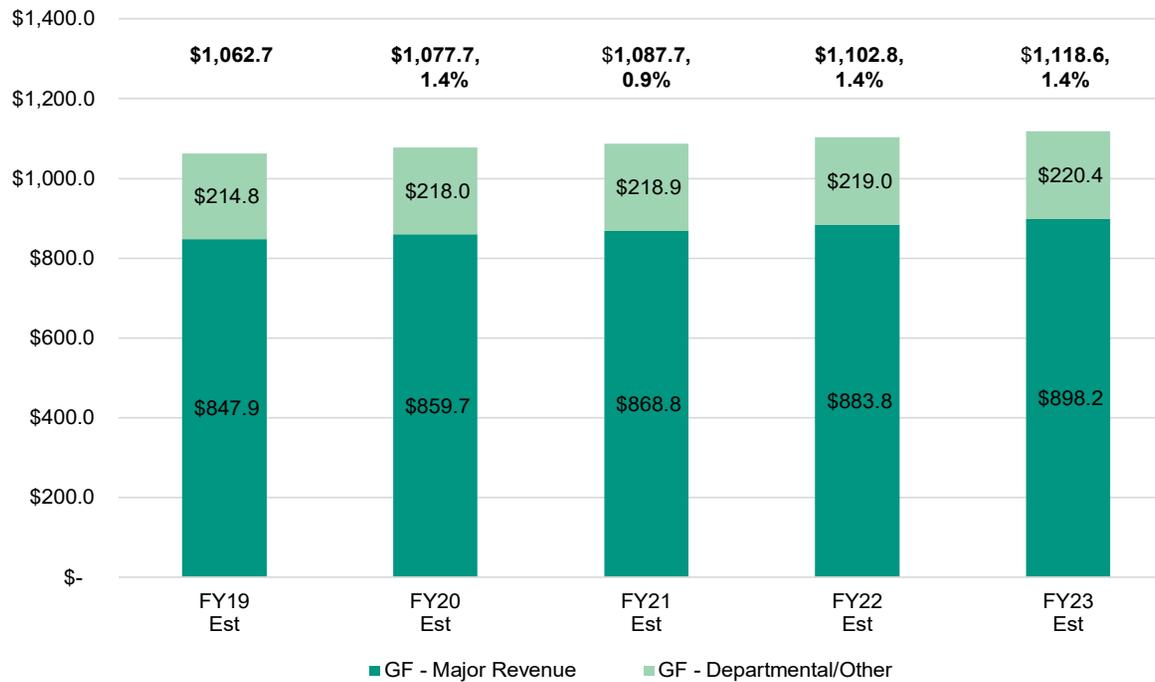
(2) FY19 Budget is adjusted to net out TIF Capture and PLA designations as shown above. It also excludes \$2.6 million in prior-year fund surplus appropriated for one-time expenditures.

(3) Feb 2019 Estimates do not reflect the proposed shift of \$9.2 million in Municipal Parking enterprise fund revenues into the General Fund beginning in FY20. FY20 also excludes \$12.1 million in prior-year surplus appropriated for one-time expenditures.



Approved Revenue Estimates

Total General Fund Revenue Estimates: FY 2019 - FY 2023
(in millions)



The 5 major revenues comprise 80% of total General Fund revenue.



Employment History

Labor Force and Employment of Detroit (Not Seasonally Adjusted)*

Calendar Year	Employed	Unemployed	Labor Force	Unemployment Rate
2008	304,376	53,781	358,157	15.0%
2009	283,041	94,787	377,828	25.1%
2010	208,289	68,596	276,885	24.8%
2011	206,226	55,117	261,343	21.1%
2012	208,119	49,611	257,730	19.2%
2013	208,943	48,765	257,708	18.9%
2014	209,701	40,275	249,976	16.1%
2015	212,953	28,514	241,467	11.8%
2016	219,906	26,420	246,326	10.7%
2017	224,958	23,112	248,070	9.3%
2018	226,431	22,112	248,543	8.9%

*Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics



Economic Drivers Summary

Forecasted Economic Inputs by Fiscal Year

Major Revenue	Economic Input	FY2019	FY2020	FY2021	FY2022	FY2023
Property Tax	U.S. CPI-U*	2.1%	2.4%	2.6%	2.5%	2.5%
	Resident Employment Growth (Census/LAUS)	0.52%	0.85%	0.94%	1.32%	1.01%
Municipal Income Tax	Non Resident Employment Growth (Census/LAUS)	0.85%	0.54%	0.87%	1.31%	0.99%
	Annual Wage Growth (QCEW)	2.78%	1.68%	1.78%	1.91%	1.79%
	Corporate	2.0%	2.0%	2.0%	2.0%	2.0%

* FY 2019- FY2020 uses the US Consumer Price Index figure stated by the State Tax Commission, FY 2021-2023 uses the US Consumer Price Index forecasted by the Congressional Budget Office (See appendix for expanded data source references)



Economic Drivers Summary

Forecasted Economic Inputs by Fiscal Year

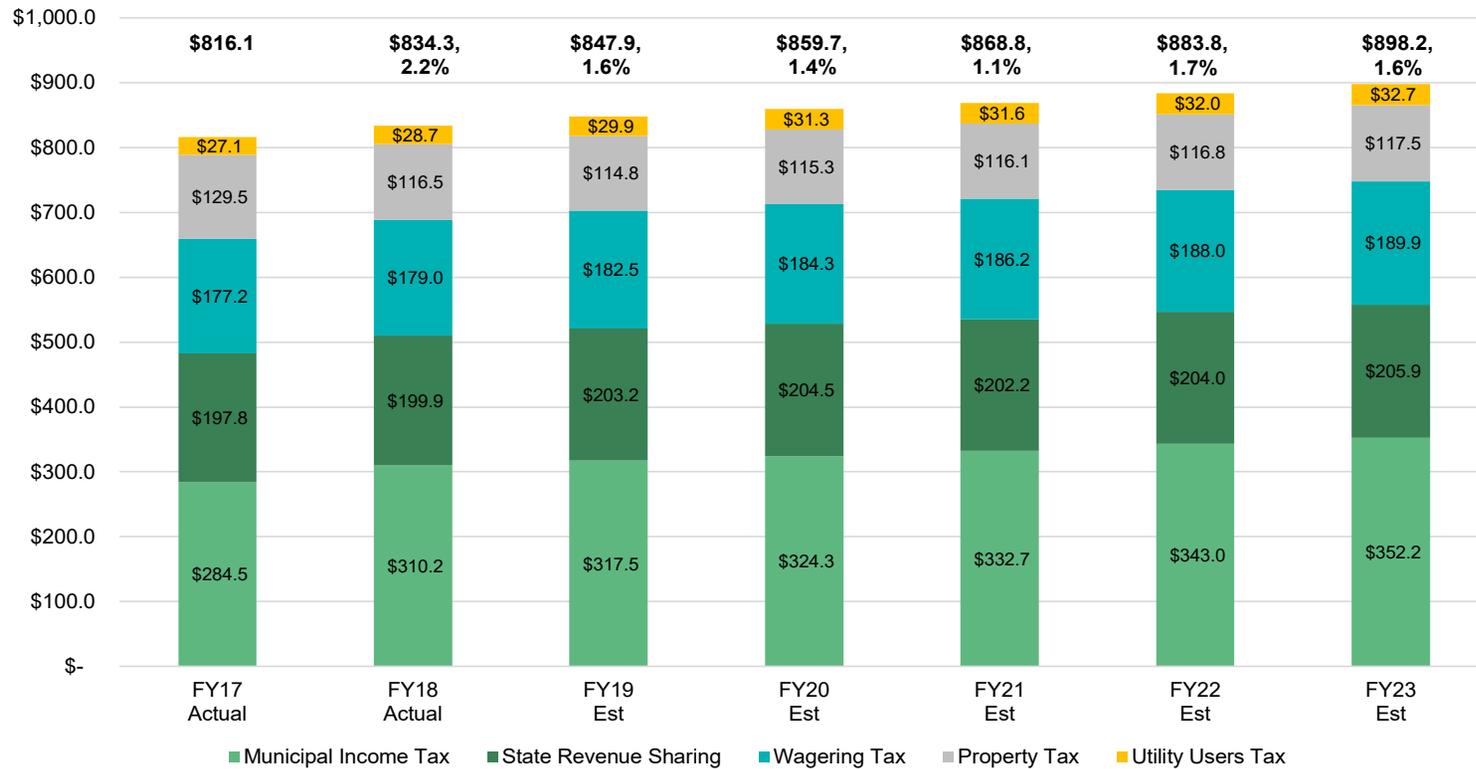
Major Revenue	Economic Input	FY2019	FY2020	FY2021	FY2022	FY 2023
Wagering Tax	Average Rate of Change 2010-2018 (MGCB)	2.0%*	1.0%	1.0%	1.0%	1.0%
	State Sales Tax Forecast (State REC)	5.5%	3.2%	3.1%	2.9%	2.9%
State Revenue Sharing	Decennial Census City/State Population Ratio (Census)	7.2%	7.2%	6.8%	6.8%	6.8%
	Historical Average Household Unit Growth (Census)	0.51%	0.51%	0.51%	0.51%	0.51%
Utility Users Tax	Weighted Forecasted Natural Gas Prices (EIA)	1.76%	1.68%	0.07%	0.30%	0.90%
	Weighted Forecasted Electricity Prices (EIA)	0.55%	1.30%	-0.04%	0.19%	0.13%

*FY 2019 Wagering tax inputs incorporates year-to-date monthly actuals along with estimates (See appendix for expanded data source references)



Major Revenues

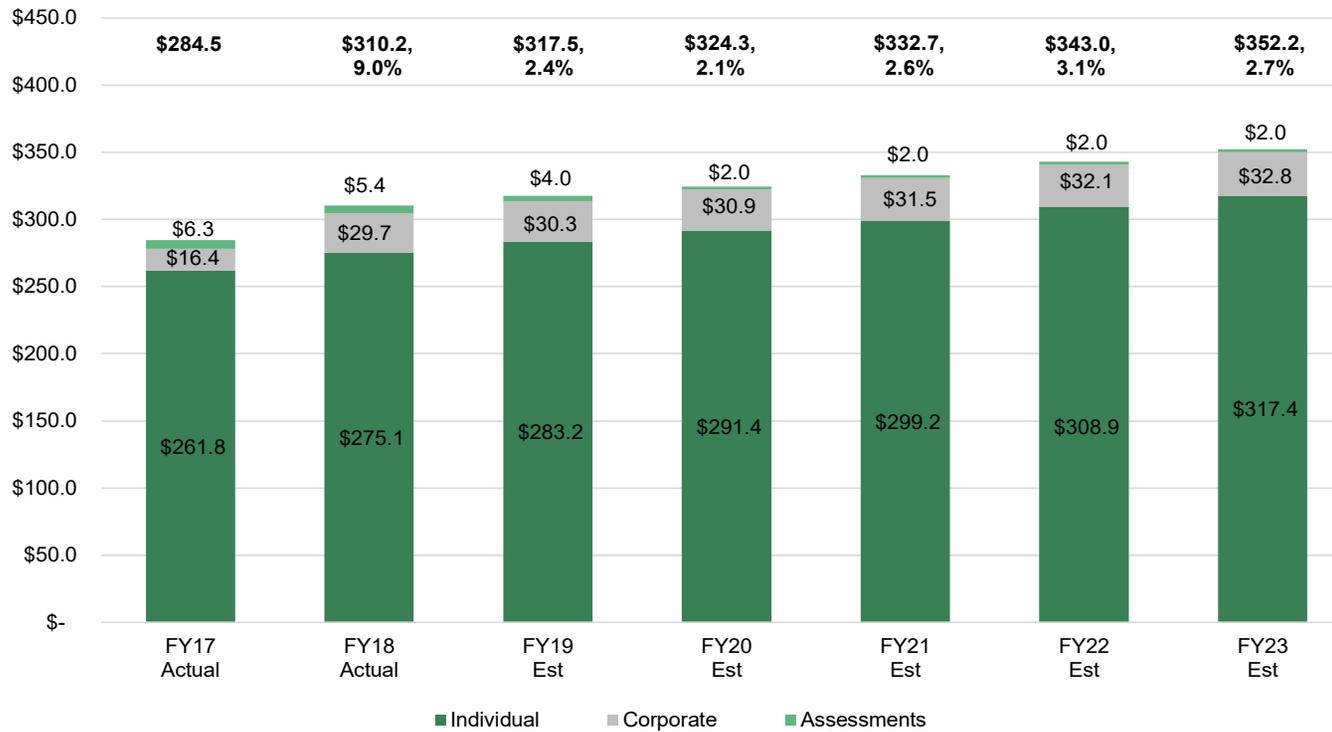
Major Tax Revenue History and Projection: FY 2016 - FY 2023
(in millions)





Income Tax

Municipal Income Tax
(in millions)





Income Tax Highlights

Tax Structure

- 2.4% Resident individuals working in and outside the city
- 1.2% Non-resident individuals working in the city
- 2.0% Corporate

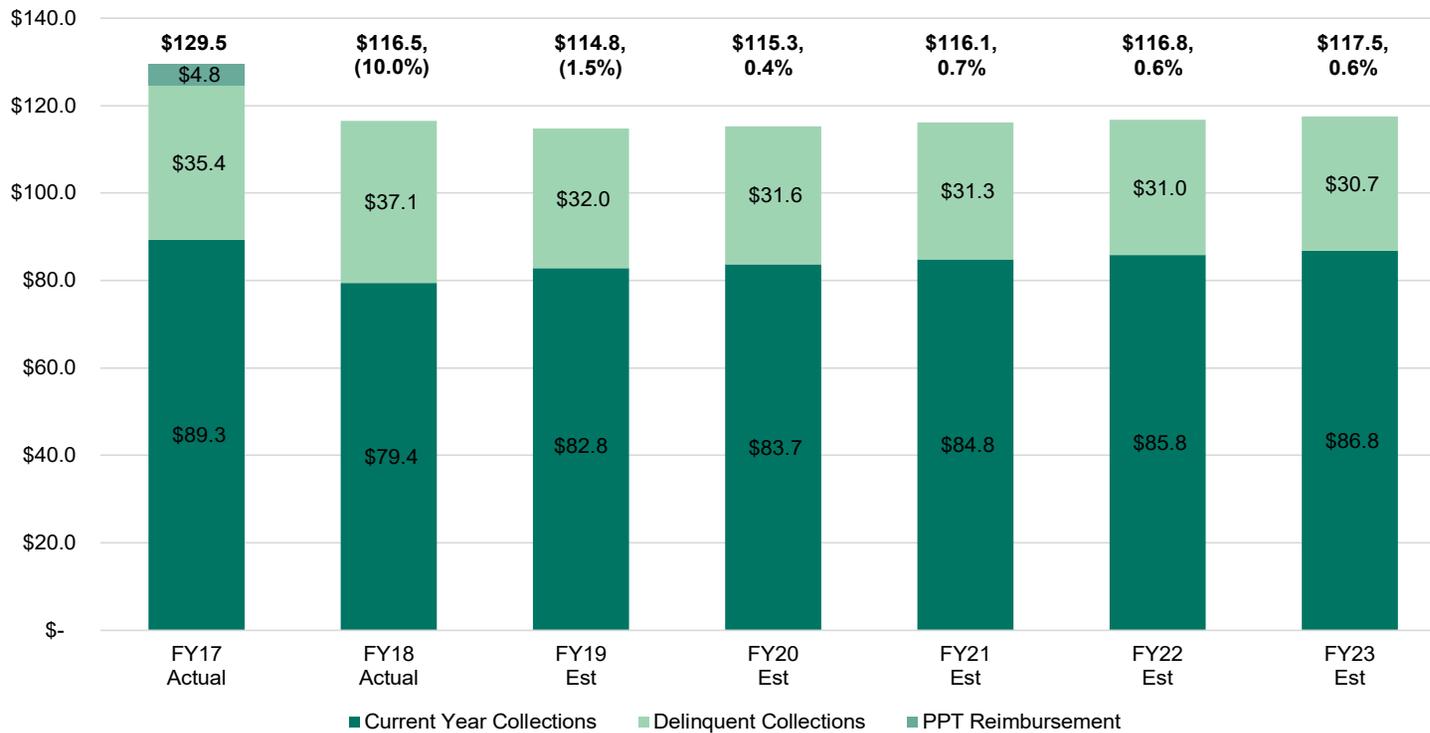
Forecast Assumptions

- Growth is driven by movements in employment and wages.
- Incorporates US GDP growth slowdown (1.7% in FY 2020 and 1.4% in FY 2021).
- Significant corporate tax growth observed in past 2 years.
- Does not include potential upside from new development projects.
- Does not include potential upside from improved compliance efforts.



Property Tax

Property Tax
(in millions)





Property Tax Highlights

Tax Structure

- Ad valorem taxes on real and personal property at 19.952 mills
- Comprised of current year and delinquent taxes

Forecast Assumptions

- Recent years' declines due to reductions in tax roll (residential reappraisal, industrial personal property phase-out).
- Taxable value growth is driven by U.S. CPI inflation (Proposal A tax limitation). Industrial personal property phases out per State law.
- FY 2018 collection rate (82%) is held constant throughout the forecast.
- Forecast does not include additions to the tax base, uncapping of taxable value, or expiring abatements.
- Does not include tentative 2019 taxable values released in Jan 2019, pending March Board of Review and determination of DDA tax capture.



State Revenue Sharing

State Revenue Sharing
(in millions)





State Revenue Sharing Highlights

Tax Structure

- Constitutional share (30%): State sales tax collections (15% of 4% portion) allocated based on population as of the latest Census.
- Statutory share (70%): Set annually via the State budget.

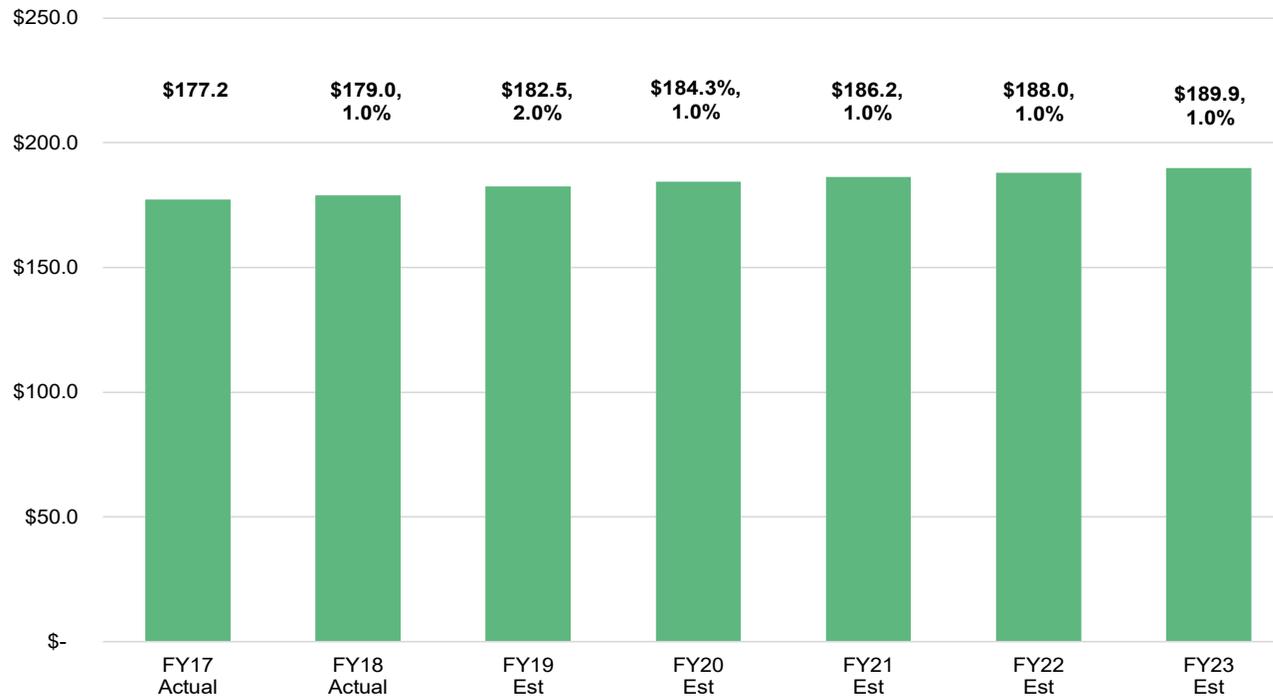
Forecast Assumptions

- Statutory share is held flat, assuming no annual changes to State budget allocation. FY 2018 and FY 2019 include \$600k supplemental appropriation.
- FY 2021 Constitutional share decline based on assumed 2020 Census population reduction compared to 2010 Census.
- State sales tax growth rates consistent with State forecast, includes increases from online sales tax enforcement (Wayfair decision).



Wagering Tax

Wagering Tax
(in millions)





Wagering Tax Highlights

Tax Structure

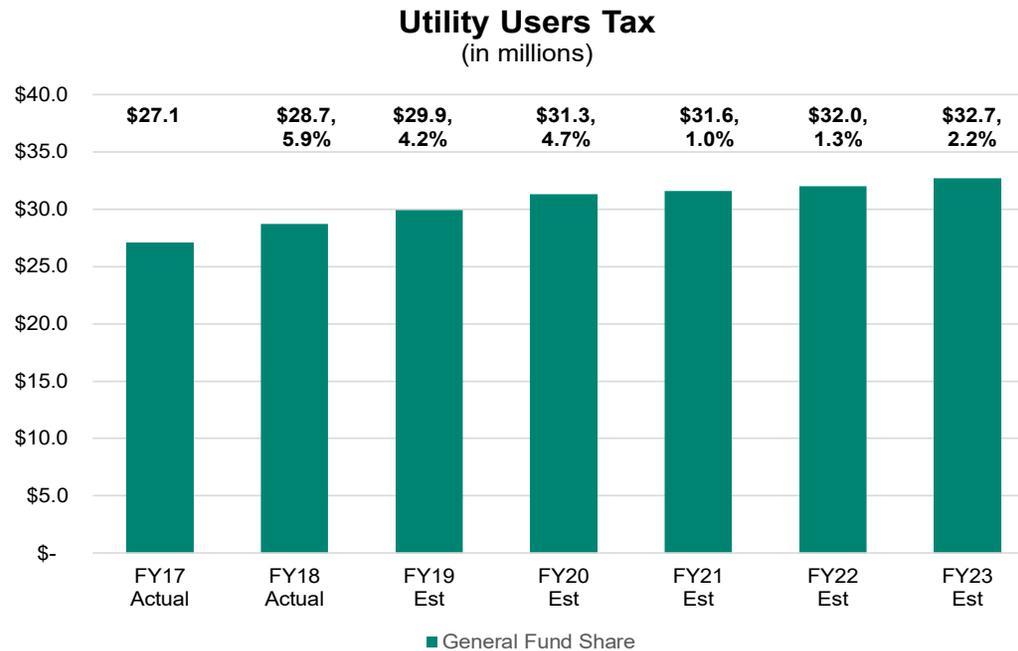
- Tax on adjusted growth receipts applied to the three casinos operating in Detroit.
- 11.9% tax rate (10.9% State law, 1% per casinos development agreements).
- Supplemental 1% tax if a casino's gross receipts exceed \$400 million.
- Municipal service fee 1.25% of gross receipts or \$4 million, whichever is greater (included separately in "Other Revenues")

Forecast Assumptions

- FY 2019 2% growth rate based on strong YTD collection activity.
- 1% annual growth rate from FY 2020 – 2023.
- Forecast years do not include impact of proposed legislation for online gaming or sports betting.



Utility Users Tax



Tax Structure

5% tax on consumption of electricity, gas, steam, and telephone services.

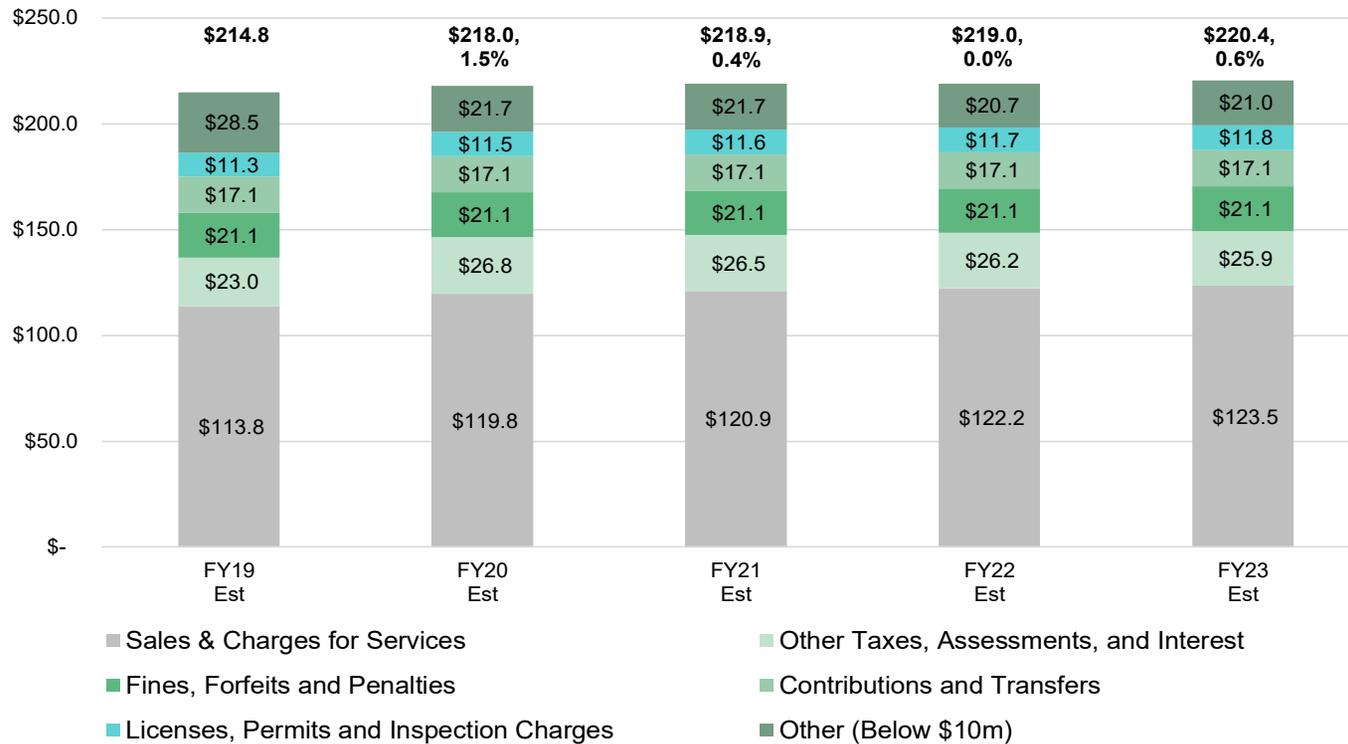
Forecast Assumptions

General Fund growth is driven by household unit growth and projected gas and electricity prices.



Departmental and Other GF Revenues

Departmental/Other General Fund Revenues
(in millions)





Departmental and Other GF Revenues Highlights

Significant Departmental Revenues

- **License, Permits and Inspection Charges:** BSEED (Business Licenses), Public Works (Street Use Permits and Construction Inspection Charges), Fire Department (Safety Inspection Charges)
- **Fines, Forfeits and Penalties:** Parking fines and 36th District Court
- **Sales & Charges for Services:** Fire (EMS Service Fee), Health (Inspection Charges), BSEED and Administrative Hearing (Blight Tickets), Court fees
- Also includes departmental salary reimbursements, and enterprise fund contributions, and earnings on investments.

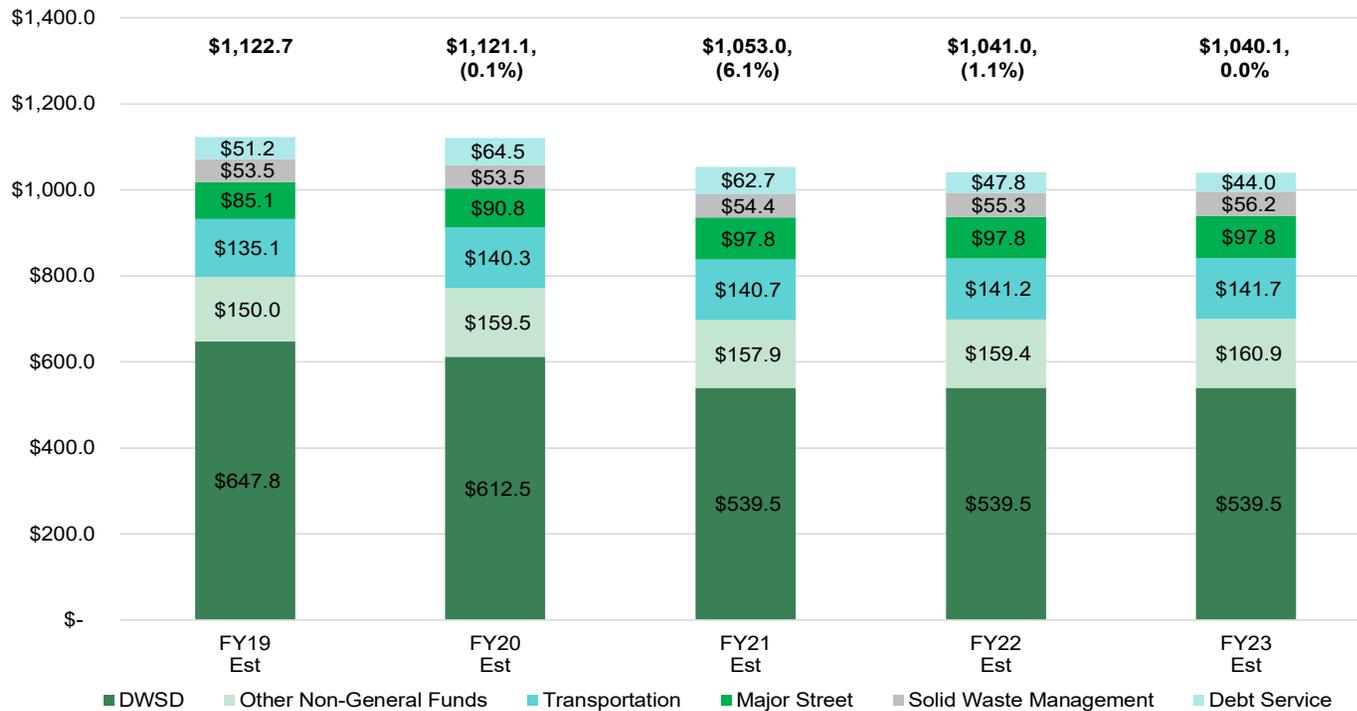
FY 2020-2023 General Fund total does not include \$6.1m in dedicated fees shifted to special revenue funds.

Does not include revenues from initiatives that have yet to be implemented



Other City Funds Revenues

Other City (Non-General Fund) Revenue Estimates: FY 2019 - FY 2023
(in millions)





Risks and Opportunities

Risks

- Adverse changes in economic / demographic trends
- Adverse federal/state policy actions (tax and budget policy, local limitations)
- Increased competition in gaming and risks of past trends not continuing
- Adverse changes in property tax foreclosure activity

Potential Opportunities

- Revenue gains from development projects throughout the city
- State-shared taxes on recreational marijuana sales
- Property Tax collection improvements from Plan Ahead Property Tax Savings Program
- Income Tax collection improvements from new withholding legislation
- Departmental revenue gains from EMS billing vendor change, parking meters, golf courses, and police towing.



Appendix – Data Sources

Property Tax

- Michigan State Tax Commission
- Congressional Budget Office

Municipal Income Tax

- Bureau of Labor Statistics, Local Area Unemployment Statistics (LAUS)
- Bureau of Labor Statistics, Quarterly Census of Employment & Wages (QCEW)
- U.S. Census Bureau, On The Map

Wagering Tax

- Michigan Gaming Control Board (MGCB)

State Revenue Sharing

- State of Michigan January Revenue Estimating Conference (REC)
- U.S. Census Bureau, 2010 Census; 2017 Population Estimates

Utility Users Tax

- U.S. Census Bureau, American Community Survey 1-Year Estimates
- U.S. Energy Information Administration (EIA), 2019 Annual Energy Outlook

BUDGET RESERVE SCHEDULE

City of Detroit Budget Reserve Schedule				
	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023
Beginning Balance	\$ 62,280,192	\$ 107,280,192	\$ 107,280,192	\$ 107,280,192
Transfer In/ (Out)	\$ 45,000,000	\$ -	\$ -	\$ -
Ending Balance	\$ 107,280,192	\$ 107,280,192	\$ 107,280,192	\$ 107,280,192
Minimum Balance (5% of appropriations)	\$ 54,952,463	\$ 54,849,246	\$ 55,603,287	\$ 56,391,344
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				

GENERAL FUND FIVE-YEAR CASH FLOW

City of Detroit								
General Fund 5 Year Cash Flow Forecast - FY 2019 to FY 2023								
<i>\$ in millions</i>	<u>Actual</u>	<u>Forecast</u>					<u>Forecast</u>	
	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>5 Year</u>	
Receipts								
Property Tax (1)	\$ 116.5	\$ 114.8	\$ 115.3	\$ 116.1	\$ 116.8	\$ 117.5	\$ 580.5	
Income Tax	306.5	317.5	324.3	332.7	343.0	352.2	1,669.7	
Utility Users Tax (2)	29.6	29.9	31.3	31.6	32.0	32.7	157.5	
Wagering Tax	178.6	182.5	184.3	186.2	188.0	189.9	930.9	
Municipal Service Fee from Casinos	17.5	17.9	18.1	18.3	18.5	18.7	91.5	
State Revenue Sharing	199.4	203.2	204.5	202.2	204.0	205.9	1,019.8	
Other City Funds Revenues	253.3	266.3	273.0	273.9	274.0	275.4	1,362.6	
Financing / Escrow proceeds (3)	22.6	25.0	7.7	-	-	-	32.7	
Total Receipts	\$ 1,124.0	\$ 1,157.1	\$ 1,158.5	\$ 1,161.0	\$ 1,176.3	\$ 1,192.3	\$ 5,845.1	
Disbursements								
Payroll, Taxes & Deductions	\$ (426.9)	\$ (459.1)	\$ (476.1)	\$ (476.5)	\$ (486.0)	\$ (494.5)	\$ (2,392.2)	
Benefits	(130.1)	(172.8)	(202.8)	(208.6)	(214.7)	(220.8)	(1,019.7)	
A/P Vendors & Other	(374.0)	(407.8)	(465.3)	(386.7)	(388.2)	(389.7)	(2,037.7)	
Debt Service (4)	(135.2)	(86.5)	(88.9)	(89.1)	(87.4)	(87.4)	(439.3)	
Total Disbursements	\$ (1,066.2)	\$ (1,126.2)	\$ (1,233.1)	\$ (1,161.0)	\$ (1,176.3)	\$ (1,192.4)	\$ (5,888.9)	
Net Cash Flow (5)	\$ 57.8	\$ 30.9	\$ (74.6)	-	-	-	\$ (43.8)	
Beginning Cash Balance	\$ 254.1	\$ 311.9	\$ 342.8	\$ 268.2	\$ 268.2	\$ 268.2	\$ 311.9	
Net Cash Flow	57.8	30.9	(74.6)	-	-	-	(43.8)	
Ending Cash Balance	\$ 311.9	\$ 342.8	\$ 268.2	\$ 268.2	\$ 268.2	\$ 268.2	\$ 268.1	
Reserve Fund (6)	62.3	62.3	107.3	107.3	107.3	107.3	107.3	
Total Cash Balance	\$ 374.2	\$ 405.1	\$ 375.5	\$ 375.5	\$ 375.5	\$ 375.5	\$ 375.4	
Memo:								
Exit proceeds in Escrow(3)	\$ 60.2	\$ 35.2	\$ 27.5	\$ 27.5	\$ 27.5	\$ 27.5	\$ 27.5	

Note: Cash flows and balances above contain activity of the Risk Management, General Grants, Gordie Howe Bridge Project, Capital Projects, Disability Income Protection Plan and Blight Reinvest Project.

- (1) The amount reflects City of Detroit revenues net of distributions to other entities.
- (2) The amount is net of PLA debt portion of Utility Users Tax.
- (3) Represents use of Quality of Life bond proceeds.
- (4) FY18 includes \$55 million repurchase of a portion of the City's outstanding financial recovery bonds.
- (5) FY20 Net Cash Flow is attributed to the City's blight removal initiatives which will be funded from prior years accumulated surplus.
- (6) The Reserve Fund is in excess of 5% of the annual budget and in a segregated account. In FY20, this amount will be increased to approximately 10% of the annual budget.

FY 2020 - FY 2023 EXPENDITURES & REVENUES BY AGENCY TABLE

City of Detroit
 FY2020 – FY2023 Financial Plan
 Expenditures & Revenues by Agency (in millions)

Category	Department	FY2020			FY2021			FY2022			FY2023		
		Exp	Rev	NTC									
Executive Agencies	19 Dept of Public Works	150.8	151.6	(0.9)	158.6	159.5	(0.8)	159.6	160.4	(0.8)	160.6	161.3	(0.7)
	23 Chief Financial Officer	61.0	5.4	55.5	60.3	5.5	54.8	61.2	5.7	55.5	62.0	5.8	56.2
	24 Fire Dept	122.4	19.6	102.9	123.6	19.9	103.7	125.3	20.1	105.1	127.0	20.5	106.5
	25 Health Dept	39.4	29.0	10.4	40.0	29.8	10.2	41.0	30.6	10.3	42.0	31.5	10.5
	28 Human Resources Dept	14.2	1.2	13.1	13.6	1.2	12.4	13.8	1.2	12.6	14.0	1.2	12.7
	29 Civil Rights, Inclusion, & Opportunity	2.1	1.4	0.7	1.8	1.4	0.4	1.8	1.4	0.4	1.8	1.4	0.4
	31 Dept of Innovation & Technology	34.7	-	34.7	26.4	-	26.4	26.7	-	26.7	27.0	-	27.0
	32 Law Dept	17.1	2.0	15.2	17.2	2.0	15.2	17.4	2.1	15.3	17.6	2.1	15.5
	33 Mayor's Office	11.4	1.3	10.1	11.5	1.3	10.2	11.7	1.3	10.4	11.9	1.3	10.5
	34 Municipal Parking Dept	17.8	21.9	(4.2)	12.4	21.9	(9.6)	12.4	21.9	(9.5)	12.5	21.9	(9.4)
	36 Housing & Revitalization	109.6	44.0	65.6	57.3	42.4	14.9	57.4	42.4	15.0	57.5	42.4	15.1
	37 Police Dept	331.2	73.0	258.2	330.6	73.8	256.8	336.0	75.1	260.9	340.3	76.5	263.8
	38 Public Lighting Dept	18.6	1.5	17.1	18.6	1.3	17.3	18.6	1.1	17.5	18.6	0.9	17.7
	39 Recreation Dept	-	-	-	-	-	-	-	-	-	-	-	-
43 Planning & Development Dept	5.9	2.8	3.1	5.9	2.8	3.1	5.9	2.8	3.2	6.0	2.8	3.2	
45 Dept of Appeals & Hearings	1.3	1.8	(0.5)	0.9	1.8	(0.9)	0.9	1.8	(0.9)	1.0	1.8	(0.8)	
47 General Services Dept	124.3	22.2	102.1	98.2	20.7	77.5	98.8	20.9	77.9	99.5	21.0	78.4	
Legislative Agencies	50 Auditor General	4.0	-	4.0	4.0	-	4.0	4.1	-	4.1	4.1	-	4.1
	51 Zoning Appeals	0.6	0.1	0.5	0.6	0.1	0.5	0.6	0.1	0.5	0.6	0.1	0.5
	52 City Council	11.0	0.0	11.0	11.1	0.0	11.1	11.2	0.0	11.2	11.3	0.0	11.3
	53 Ombudsman	1.0	-	1.0	0.9	-	0.9	0.9	-	0.9	0.9	-	0.9
	54 Inspector General	1.3	-	1.3	1.1	-	1.1	1.1	-	1.1	1.1	-	1.1
	70 City Clerk	2.5	0.0	2.5	2.4	0.0	2.4	2.5	0.0	2.5	2.5	0.0	2.5
71 Dept of Elections	9.8	0.0	9.8	9.3	1.3	8.0	9.4	0.0	9.4	9.5	0.0	9.5	
Judicial Agency	60 36th District Court	32.7	18.0	14.7	33.1	18.0	15.1	33.5	18.0	15.5	34.0	18.0	16.0
Non-Departmental	35 Non-Deptal	356.4	1,083.4	(726.9)	295.9	929.7	(633.8)	300.6	944.3	(643.7)	306.9	958.2	(651.3)
Debt Service	18 Debt Service	64.5	64.5	-	62.7	62.7	-	47.8	47.8	-	44.0	44.0	-
Enterprise Agencies	10 Airport Dept	2.3	2.3	-	2.3	2.3	-	2.3	2.3	-	2.3	2.3	-
	13 BSE&ED	30.4	31.4	(1.0)	27.9	28.9	(1.0)	27.9	28.9	(1.0)	28.0	28.9	(0.9)
	20 Dept of Transportation	140.3	140.3	-	140.7	140.7	-	141.2	141.2	-	141.7	141.7	-
	48 Water Dept - Retail	199.3	199.3	-	164.2	164.2	-	164.2	164.2	-	164.2	164.2	-
	49 Sewerage Dept - Retail	413.3	413.3	-	375.3	375.3	-	375.3	375.3	-	375.3	375.3	-
	72 Public Library	32.9	32.9	-	32.2	32.2	-	32.8	32.8	-	33.6	33.6	-
Total General City Agencies (Exec./Leg./Jud./Non-Dept.)		1,481.0	1,480.0	1.0	1,335.5	1,334.5	1.0	1,352.2	1,351.2	1.0	1,369.7	1,368.8	0.9
Total Debt Service		64.5	64.5	-	62.7	62.7	-	47.8	47.8	-	44.0	44.0	-
Total Enterprise Agencies		818.4	819.4	(1.0)	742.6	743.7	(1.0)	743.8	744.7	(1.0)	745.0	745.9	(0.9)
Grand Total		2,363.9	2,363.9	(0.0)	2,140.8	2,140.8	(0.0)	2,143.8	2,143.8	0.0	2,158.7	2,158.7	(0.0)

EXPENDITURES & REVENUES BY MAJOR CLASSIFICATIONS

City of Detroit Budget Development All Funds

Expenditures	FY2018 Actual	FY2019 Adopted	FY2020 Recommended	FY2021 Forecast	FY2022 Forecast	FY2023 Forecast
Salaries & Wages	541,414,432	586,669,312	619,734,951	621,741,272	632,220,337	641,676,572
Employee Benefits	314,562,098	249,559,308	263,207,815	269,132,039	275,439,781	281,773,673
Professional & Contractual Services	232,585,048	147,903,254	261,043,778	182,195,365	182,882,767	183,723,639
Operating Supplies	125,192,934	98,684,553	104,153,493	103,759,953	103,752,196	103,744,284
Operating Services	147,337,082	157,180,995	165,226,505	172,116,257	171,824,257	171,823,357
Equipment Acquisition	100,061,335	10,069,666	15,801,201	13,833,907	14,877,437	16,045,473
Capital Outlays	37,389,536	26,680,419	25,670,735	32,327,510	32,023,323	31,713,050
Fixed Charges	210,195,683	131,501,315	160,324,055	163,548,675	149,157,072	145,786,482
Other Expenses	487,030,480	572,717,177	586,175,496	582,134,920	581,607,913	582,380,294
Total Expenditures - Recurring	2,195,768,629	1,980,965,999	2,201,338,029	2,140,789,898	2,143,785,083	2,158,666,824
Expenditures - Non-Recurring						
Blight Remediation	-	45,241,721	73,000,000	-	-	-
Capital Improvements	24,435,914	52,200,000	32,500,000	-	-	-
Reserves	-	-	57,100,000	-	-	-
One-Time Expenditures	-	2,558,279	-	-	-	-
Total Expenditures - Non Recurring	24,435,914	100,000,000	162,600,000	-	-	-
Grand Total Expenditures	2,220,204,543	2,080,965,999	2,363,938,029	2,140,789,898	2,143,785,083	2,158,666,824
Revenues	FY2018 Actual	FY2019 Adopted	FY2020 Recommended	FY2021 Forecast	FY2022 Forecast	FY2023 Forecast
Grants, Shared Taxes, & Revenues	321,955,016	288,944,222	297,484,745	295,040,922	297,622,734	300,304,530
Revenues from Use of Assets	178,731,672	91,885,616	138,026,597	137,561,068	137,065,554	136,536,055
Sales of Assets & Compensation for Losses	4,449,126	2,502,000	2,342,000	122,000	122,000	122,000
Sales & Charges for Services	567,604,796	577,462,304	664,322,246	668,138,731	669,453,795	672,126,777
Fines, Forfeits, & Penalties	33,936,826	32,005,858	31,137,857	31,143,356	31,148,909	31,154,519
Licenses, Permits, & Inspection Charges	34,582,894	38,171,415	36,645,000	36,808,000	36,925,000	37,043,000
Taxes, Assessments, & Interest	832,335,616	824,395,319	843,878,405	861,465,235	860,727,505	870,417,357
Contributions & Transfers	238,675,524	86,971,763	96,369,379	92,174,586	92,074,586	91,974,586
Miscellaneous	125,165,387	38,627,502	91,131,800	18,336,000	18,645,000	18,988,000
Total Revenues - Recurring	2,337,436,856	1,980,965,999	2,201,338,029	2,140,789,898	2,143,785,083	2,158,666,824
Revenues - Non-Recurring						
Contributions and Transfers	-	100,000,000	162,600,000	-	-	-
Total Revenues - Non-Recurring	-	100,000,000	162,600,000	-	-	-
Grand Total Revenues	2,337,436,856	2,080,965,999	2,363,938,029	2,140,789,898	2,143,785,083	2,158,666,824

EXPENDITURES & REVENUES BY MAJOR CLASSIFICATIONS

**City of Detroit
Budget Development
Fund 1000 – General Fund**

Expenditures	FY2018 Actual	FY2019 Adopted	FY2020 Recommended	FY2021 Forecast	FY2022 Forecast	FY2023 Forecast
Salaries & Wages	405,196,956	456,894,818	473,880,127	476,529,019	486,011,709	494,451,631
Employee Benefits	164,010,544	199,343,880	202,641,255	208,623,702	214,693,940	220,785,578
Professional & Contractual Services	66,135,095	76,578,268	83,066,237	78,014,209	77,884,912	77,884,912
Operating Supplies	55,147,354	45,799,081	38,967,613	37,538,657	37,538,657	37,538,657
Operating Services	76,023,238	90,693,222	103,907,940	98,697,692	98,405,692	98,405,692
Equipment Acquisition	11,809,923	2,165,024	185,709	185,709	185,709	185,709
Capital Outlays	593,071	175,000	175,000	175,000	175,000	175,000
Fixed Charges	109,032,083	69,417,551	83,178,503	88,211,677	88,660,871	89,115,906
Other Expenses	87,139,177	129,973,368	100,946,876	109,009,248	108,509,248	109,283,795
Total Expenditures	975,087,441	1,071,040,212	1,086,949,260	1,096,984,913	1,112,065,738	1,127,826,880
Expenditures - Non-Recurring						
Reserves	-	-	57,100,000	-	-	-
One-Time Expenditures	-	2,558,279	-	-	-	-
Total Expenditures - Non-Recurring	-	2,558,279	57,100,000	-	-	-
Grand Total Expenditures	975,087,441	1,073,598,491	1,144,049,260	1,096,984,913	1,112,065,738	1,127,826,880
Revenues	FY2018 Actual	FY2019 Adopted	FY2020 Recommended	FY2021 Forecast	FY2022 Forecast	FY2023 Forecast
Grants, Shared Taxes, & Revenues	204,769,072	202,238,405	206,114,000	203,854,000	205,645,000	207,488,000
Revenues from Use of Assets	15,555,984	4,326,390	34,625,100	34,158,100	33,661,100	33,130,100
Sales of Assets & Compensation for Losses	3,570,936	2,502,000	1,742,000	122,000	122,000	122,000
Sales & Charges for Services	107,718,908	121,426,098	117,558,160	120,035,813	119,976,638	121,238,780
Fines, Forfeits, & Penalties	24,081,581	24,401,000	23,284,000	23,284,000	23,284,000	23,284,000
Licenses, Permits, & Inspection Charges	12,628,308	12,698,784	12,685,000	12,848,000	12,965,000	13,083,000
Taxes, Assessments, & Interest	637,193,678	660,827,000	664,965,000	676,429,000	689,849,000	702,575,000
Contributions & Transfers	26,268,115	17,200,000	17,100,000	17,100,000	17,100,000	17,100,000
Miscellaneous	12,980,364	25,420,535	8,876,000	9,154,000	9,463,000	9,806,000
Total Revenues	1,044,766,946	1,071,040,212	1,086,949,260	1,096,984,913	1,112,065,738	1,127,826,880
Revenues - Non-Recurring						
Contributions and Transfers	-	2,558,279	57,100,000	-	-	-
Total Revenues - Non-Recurring	-	2,558,279	57,100,000	-	-	-
Grand Total Revenues	1,044,766,946	1,073,598,491	1,144,049,260	1,096,984,913	1,112,065,738	1,127,826,880

CITY OF DETROIT BUDGETED POSITIONS

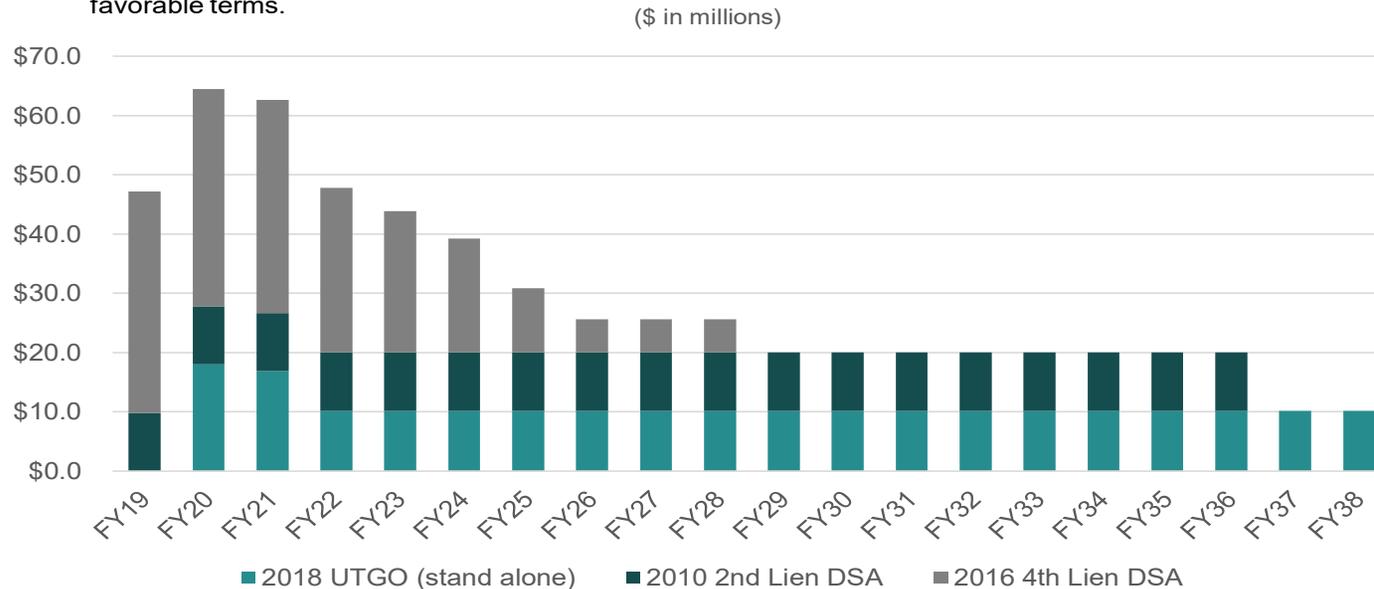
	FY 2018-19 Budget	FY 2019-20 Recommend	Budget vs Rec Variance	FY 2020-21 Forecast	FY 2021-22 Forecast	FY 2022-23 Forecast
GENERAL CITY AGENCIES						
EXECUTIVE AGENCIES						
19 Department of Public Works	438	481	43	481	481	481
23 Office of the Chief Financial Officer.....	479	525	46	516	516	516
24 Fire - Civilian	352	356	4	356	356	356
24 Fire - Uniform	922	919	(3)	919	919	919
Total 24 Fire.....	1,274	1,275	1	1,275	1,275	1,275
25 Dept. of Health and Wellness Promotion.....	119	115	(4)	115	115	115
28 Human Resources	106	104	(2)	104	104	104
29 Civil Rights, Inclusion and Opportunity.....	18	12	(6)	12	12	12
31 Dept. of Innovation & Technology	136	142	6	142	142	142
32 Law	120	120	0	120	120	120
33 Mayor's Office	79	83	4	83	83	83
34 Municipal Parking	90	95	5	95	95	95
36 Housing and Revitalization Department	85	86	1	86	86	86
37 Police - Civilian	682	687	5	687	687	687
37 Police - Uniform	2,640	2,671	31	2,671	2,671	2,671
Total 37 Police.....	3,322	3,358	36	3,358	3,358	3,358
38 Public Lighting	5	4	(1)	4	4	4
43 Planning Department	41	40	(1)	40	40	40
45 Department of Administrative Hearings	7	9	2	9	9	9
47 General Services Department	876	850	(26)	798	798	798
LEGISLATIVE AGENCIES						
50 Auditor General	15	14	(1)	14	14	14
51 Board of Zoning Appeals	5	4	(1)	4	4	4
52 City Council	73	76	3	76	76	76
53 Ombudsperson	8	6	(2)	6	6	6
54 Inspector General	10	8	(2)	8	8	8
70 City Clerk	20	20	0	20	20	20
71 Department of Elections	108	97	(11)	97	97	97
JUDICIAL AGENCY						
60 36th District Court	326	325	(1)	325	325	325
OTHER AGENCIES						
35 Non - Departmental	92	123	31	123	123	123
Appm. 13637 Elected Officials' Compensation	11	11	0	11	11	11
Total 35 Non - Departmental	103	134	31	134	134	134
TOTAL GENERAL CITY AGENCIES	7,863	7,983	120	7,922	7,922	7,922
ENTERPRISE AGENCIES						
10 Airport	4	4	0	4	4	4
13 Buildings, Safety Environmental & Engineering Dept	280	317	37	317	317	317
20 Department of Transportation	927	977	50	977	977	977
48 Water Retail	603	605	2	605	605	605
49 Sewerage Retail	15	13	(2)	13	13	13
72 Library	322	326	4	326	326	326
TOTAL ENTERPRISE AGENCIES	2,151	2,242	91	2,242	2,242	2,242
GRAND TOTAL	10,014	10,225	211	10,164	10,164	10,164

DEBT SERVICE



UTGO Debt Service

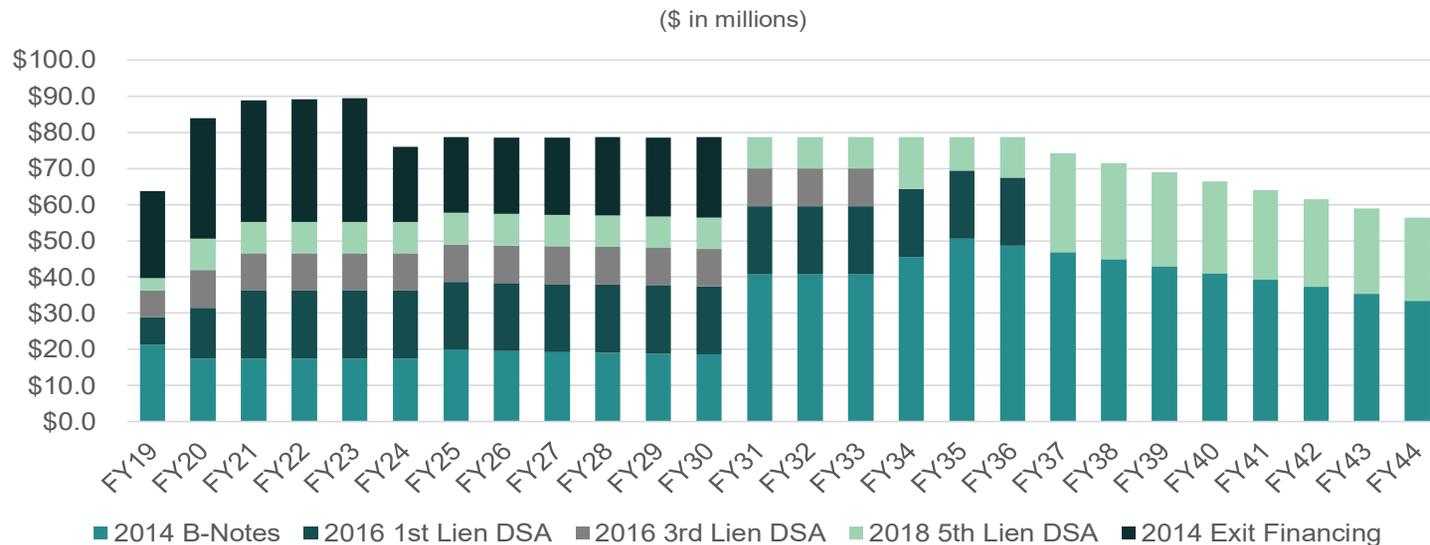
- Unlimited Tax General Obligation (UTGO) bonds are backed by the full faith and credit of the City of Detroit.
- The UTGO bonds are authorized by the voters through ballot proposals
 - UTGO debt service is repaid from dedicated property taxes from the City's debt millage (Debt Service Fund).
 - The 2010 and 2016 Distributable State Aid (DSA) bonds are secured by State Revenue Sharing payments.
 - The 2018 UTGO bonds were the first issued solely against the City's own credit in over 20 years.
- The UTGO bonds support capital improvements throughout Detroit and the refunding of prior indebtedness at more favorable terms.





LTGO Debt Service

- Limited Tax General Obligation (LTGO) bonds are backed by the full faith and credit of the City of Detroit.
 - LTGO debt service is primarily repaid from the City's General Fund revenues (approx. 20% of B-Notes are repaid from Enterprise Fund revenues).
 - The 2014 Exit Financing bonds are secured by the City's Income Tax revenue.
 - The 2016 and 2018 Distributable State Aid (DSA) bonds are secured by State Revenue Sharing payments.
- The LTGO bonds supported payments to creditors and the funding of reinvestment projects upon the City's exit from bankruptcy. They also supported the restructuring of prior indebtedness at more favorable terms and capital improvements throughout Detroit.
 - The City used the 2018 DSA bonds to refinance debt to achieve savings and eliminate a debt cliff in FY 2025.



RETIREE PROTECTION FUND



Retiree Protection Fund

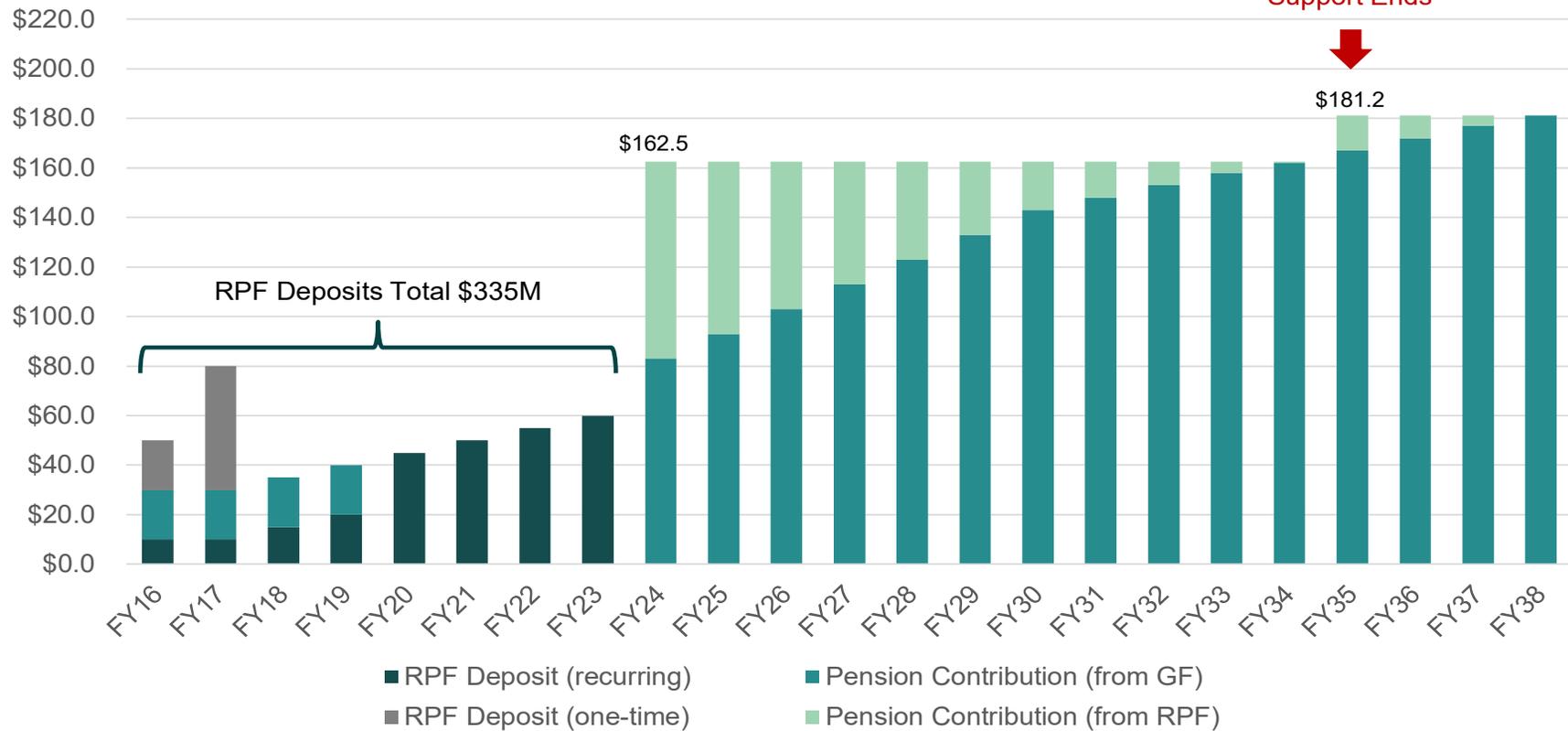
- In 2017, the City adopted a funding strategy for its frozen legacy pension plan obligations
 - Set aside \$335M more in funding by FY23 than required by the Plan of Adjustment
 - Deposit funding into an irrevocable trust (the Retiree Protection Fund, “RPF”)
 - Build up RPF assets plus investment earnings to be used to partially offset annual required legacy pension contributions that resume in FY24
 - Allows the City to begin gradually building up its budget capacity now to meet the annual required contributions in the future
 - Review the funding plan annually based on updated information and revise if needed during the annual budget and planning process
- In 2017, the City enacted an ordinance to establish the RPF as an irrevocable Internal Revenue Code Section 115 trust fund exclusively for satisfying its legacy pension obligations.
- As of June 30, 2018, RPF assets totaled \$103.3M. The City deposited an additional \$20M appropriated in FY19 as planned.



FY 2020 RPF Funding Recommendation

(\$ in millions)

Foundation Support Ends





FY 2020 RPF Funding Recommendation

- Maintain FY 2019 funding plan's recurring RPF deposits from General Fund:
 - FY20 - \$45M
 - FY21 - \$50M
 - FY22 - \$55M
 - FY23 - \$60M
- Increase General Fund share of FY24 pension contribution by an extra \$13M, for a \$23M year-over-year increase
 - Recurring debt service decreases by \$13M in FY24
 - FY25 debt cliff was eliminated by refunding bonds issued in December 2018
 - FY19 funding plan already included a \$10M increase in FY24
- General Fund share continues to grow \$5M to \$10M per year until General Fund covers the full contribution in FY38 without RPF or foundation support



RPF Updated Assumptions / Inputs

Input	FY 2019 Funding Plan	FY 2020 Funding Plan
Actuarial Valuation	FY 2016	FY 2017
Latest Plan Returns	FY 2017 (14.1% GRS, 12% PFRS)	FY 2018 (6.5% GRS, 8.2% PFRS)
Future Plan Returns	6.75%	6.75%
Amortization ⁽¹⁾	30-year level dollar	30-year level dollar
FY 2024 Contribution	\$166.6M gross (\$23.2M) foundations/non-GF \$143.4M net from GF	\$188.0M gross (\$25.5M) foundations/non-GF \$162.5M net from GF
Latest RPF Returns	Not yet established	FY 2018 (-1.8%) ⁽²⁾
Future RPF Returns	3%	3%

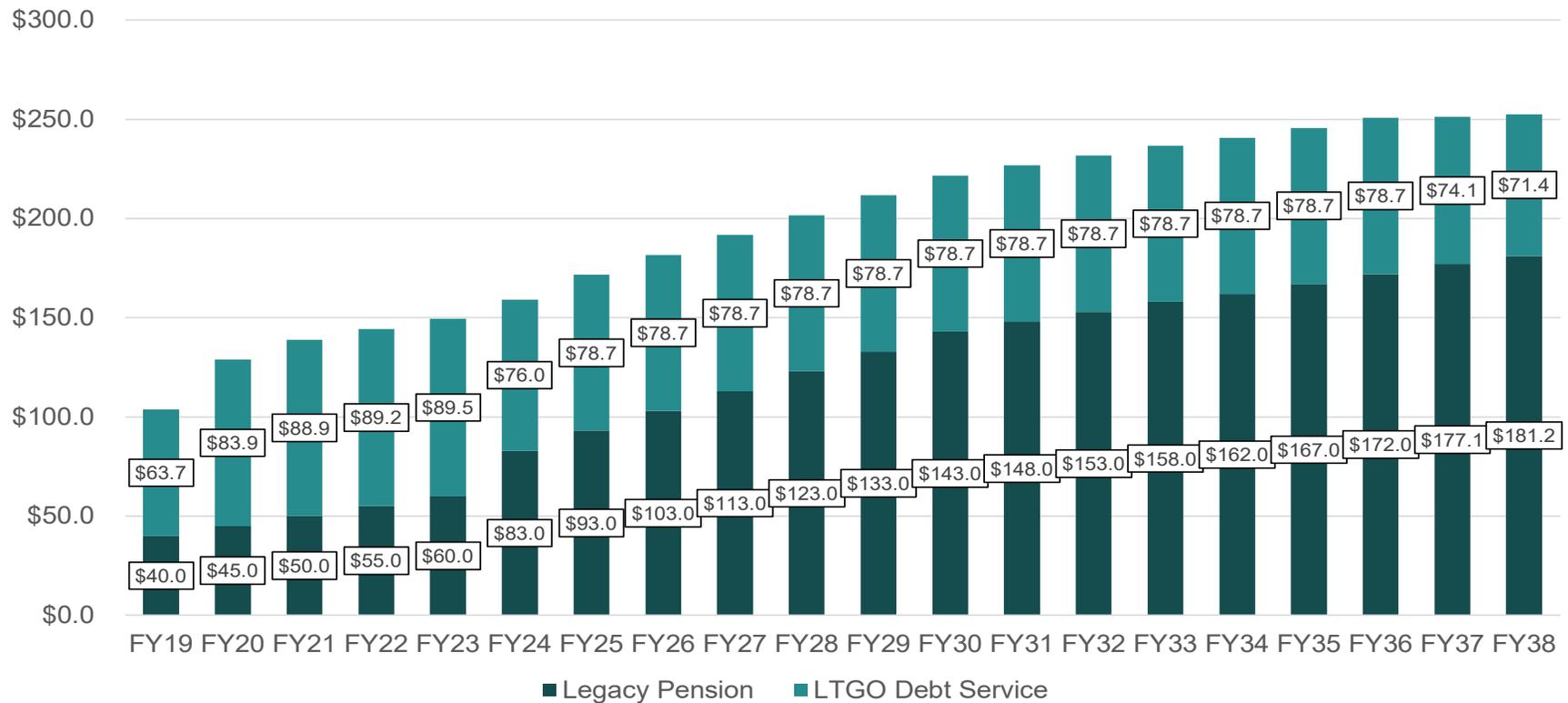
(1) The Retirement Systems have not yet established funding policies for the annual required contributions that resume in FY 2024.

(2) Portfolio repositioned during FY 2018 to achieve 3% future returns, resulting in initial loss.



LTGO Debt Service and Legacy Pension

(\$ in millions)



* Includes LTGO debt service paid by enterprise funds (approx. 20% of B-Note debt service).

CITY OF DETROIT CAPITAL FINANCIAL PLAN

INTRODUCTION

Over the past four years, the City has made major capital investments to return City services to levels Detroiters expect and deserve. During this time, we have installed 65,000 new LED streetlights, demolished 15,000 dangerous vacant houses, added 120 buses to improve transportation service, replaced public safety vehicles to reduce Police and EMS response times, and renovated over 40 parks.

Thanks to the City's return to the bond market on its own credit in late 2018, the City will be able to continue its ambitious capital investments. During Fiscal Years 2020-2023, this plan anticipates investments to improve the City's critical infrastructure, expand economic growth, and continue to revitalize our neighborhoods. Our strong public-private partnerships will also create unprecedented financial impact over the course of this four-year plan period, with programs like the Strategic Neighborhood Fund and the Affordable Housing Leverage Fund creating over \$1 billion dollars in investments into our neighborhoods.

FY20-FY23 EXPENDITURES

The City of Detroit is responsible for maintaining a large inventory of capital assets, including roads, parks, public safety facilities and municipal buildings, libraries, water and sewerage infrastructure, and a fleet of over 2,000 vehicles. Capital investments by the City enhance our neighborhoods, strengthen public safety, improve citizen mobility, and elevate the quality of life in our city.

Over \$800 million of capital investments are outlined in this FY20-FY23 Capital Financial Plan. These investments are aligned with both the five-year Capital Agenda's specific goals and with its broad strategy of rebuilding population density in Detroit by increasing support for the existing population while also attracting new residents and businesses into thriving neighborhoods. This Capital Plan does not currently reflect the additional nearly \$100 million anticipated in early 2021 from the issuance of the City's second bond series.

In addition to the projects outlined in this plan, a large number of projects are beginning in the second half of FY19 and will be completed over the course of FY20 and FY21. These projects are funded primarily from the City's new UTGO bond funding and will be phased over three years. This current fiscal year funding appears in the FY2019 Amended Budget column of the capital improvements table at the end of this section, but it will be balanced forward and spent down over the course of the four-year Capital Plan.

The City's capital plan has been categorized to reflect a coordinated approach to improving city services, revitalizing the neighborhoods, and expanding economic growth and opportunity. These categories are:

- Housing and Economic Development
- Open Spaces and Recreation
- Health and Public Safety
- Transportation
- Technology
- Government Infrastructure

Housing & Economic Development

Housing and economic development is one of the most exciting parts of this Capital Plan. Although the funding discussed in this section does not appear directly in the City's budget or the table at the end of this section, it is held by fiduciary organizations for the exclusive use by the City to implement the Strategic Neighborhood Fund and the Affordable Housing Leverage Fund. These funds are a critical component of the Capital Plan over this four-year period.

SNF and AHLF neighborhoods will be marked by design excellence and a variety of choice—in housing, in recreational assets, and in amenities. The Housing & Revitalization Department, in partnership with the Michigan Local Initiatives Support Corporation (LISC) and Invest Detroit are revitalizing neighborhoods through the restoration of existing properties and with newly built single- and multi-family homes. The City is committed to preserving all regulated affordable housing units and to ensure that wherever growth occurs it increases inclusion and reduces segregation. There will be mixed income and affordable housing throughout the City, ensuring that those who have remained in Detroit benefit from its resurgence.

SNF Phase 1 funding commitments totaled \$42 million (\$26 million in public subsidy) for three Detroit neighborhoods: Islandview/Greater Villages, Vernor/Southwest and Livernois/McNichols. SNF Phase 2 is on track to raise \$130 million for projects across seven neighborhoods: Grand River/Northwest, Warrendale/Cody Rouge, Russell Woods/Nardin Park, Campau/Banglatown, Gratiot/Seven Mile, East Warren/Cadieus, and Jefferson Chalmers. These philanthropic commitments will allow the Funds to leverage \$628 million in private capital, \$150 million in low-cost capital, and \$124 million in federal and state grants, for a total of \$1.1 billion dollars in neighborhood investments.

The AHLF is a tool established to achieve the goals of the City's multifamily housing strategy to preserve 10,000 existing affordable housing units and create 2,000 new affordable housing units. The total affordable housing investment identified in the plan is projected at \$765 million in private equity, conventional debt, low-income housing tax credits/Michigan State Housing Department Authority equity, and \$250 million from the AHLF itself.

The City's successful partnerships with private entities will continue to be a critical component of our neighborhood-focused economic development effort through the four-year capital plan period. Our most notable accomplishment in this area is of course the redevelopment of the Michigan Central Station and its surrounding area by the Ford Motor Company for use as its tech innovation campus. The total investment in this development will be approximately \$740 million, as well as an additional \$10 million invested in the Corktown neighborhood through a Community Benefits Agreement. This \$10 million neighborhood investment by Ford will create an additional \$12.5 million in economic benefit, while the overall project is estimated to result in \$370 million in net fiscal benefits to the City. The project will create 2,500 direct, permanent jobs, 2,500 indirect jobs in Ford facilities, and 2,000 construction jobs.

The City's partnership with the Detroit Economic Growth Corporation (DEGC) will also continue through this four-year capital plan. Projects with the DEGC and its affiliated entities include the Eastern Market Neighborhood Framework, which will create an action-oriented set of recommendations to improve the quality of life in and around Eastern Market, support economic development, and introduce environmentally sustainable infrastructure, and ongoing work to bring housing, retail and restaurant opportunities, and other amenities to the Paradise Valley District.

An exciting international project with positive impacts on Detroit will be undertaken and completed during the timeframe of this capital plan. The Gordie Howe International Bridge will land in the Delray neighborhood, resulting in one of the largest and most modern ports of entry in the United States. This new international bridge will accelerate the flow of goods and services through Detroit and help create thousands of jobs on both sides of our border. The City has established the Bridging Neighborhoods Program to assist residents of Delray who are impacted by the construction of the bridge. This fund, along with the Community Benefits Agreement established as part of the bridge project, will provide for assistance with relocation; noise and pollution abatement; comprehensive health assessments and long-term emissions monitoring; job training programs for Detroiters; and improved connectivity across I-75.

The City's SNF, AHLF, and other public-private economic development investment strategies build on our existing successes and creates new, unique advantages unseen in other urban labor markets to attract new jobs and talent. Finally, our thriving Motor City Match program will continue to link owners of available property with select entrepreneurs, spurring the revitalization of commercial corridors and the ability to provide residents with readily available goods and services citywide.

Open Spaces & Recreation

The Capital Plan reflects the need to focus public infrastructure investment where it will create the greatest return: supporting the existing population and attracting new residents and businesses into revitalized neighborhoods. The City plans to continue developing and implementing projects that foster vibrant, inclusive neighborhoods across the City of Detroit.

In the most recent Capital Agenda, the City laid out a plan to make transformative investments into recreational assets. Parks across the city will continue to receive substantial investments, and in some cases expansions, with modern play equipment, safe walking paths, ample lighting, and inviting landscaping. Many parks have been designated as soccer hubs and will be upgraded to provide plenty of field space for Detroiters of all ages to master the skills of one of our most popular sports. Parks improvements will continue to be made with extensive consultation with the residents impacted by that park and its amenities. The City's commitment to open and inclusive spaces that meet the diverse needs of residents of all ages remains strong.

A number of recreation centers will also receive modernizations and improvements allowing for the expansion of programs. Our recreation centers are the heart of many of our communities and provide not only recreational programming but also educational and skill development programs. They serve as a safe space either before or after school for many young Detroiters. So whether a resident seeks to use the internet to apply for a job, take a dance class, join a book club, or do all three, our recreation centers will continue to deliver.

Through strong community involvement, the City has identified areas that can be transformed into greenways which would connect the City's neighborhoods to each other and to downtown and riverfront amenities. By providing many methods of mobility, especially non-motorized methods via greenways, trails, and protected bike lanes, barriers to access to all City amenities will be substantially lowered.

One of the strongest drivers of neighborhood success is the availability of inclusive, exciting, and safe parks, recreation centers, and open spaces. This Capital Plan continues to implement a plan of investment that will shape Detroit's recreational landscape for generations to come.

Health & Public Safety

To continue promoting positive health outcomes in our community, the Capital Plan expands the City's mobile clinic fleet and continues improvements to our health clinics to make them into modern health provision centers with even more services. The mobile clinic fleet will visit our neighborhoods and provide critical services like immunizations, STI testing and prevention, unintended pregnancy prevention, WIC enrollment, blood lead testing, needs assessments, and many other services in conjunction with community partners who work to help reduce infant mortality, drug abuse, and chronic disease.

In this plan, our Police and Fire Departments receive substantial capital investments in vehicles, information technology, and facility improvements. The continuation of the City's fleet replacement plan will see the entire Police and Fire fleets completely replaced by the end of this plan period. A modernized and optimized public safety fleet will ensure that police officers and firefighters are able to swiftly and reliably protect the public. The replacement of the City's fire fighting fleet will ensure that we maintain our top-tier ISO certification and keep property insurance rates lower.

Public safety information technology will undergo a massive modernization and replacement campaign. Everything from body cameras to servers, in-vehicle laptops to secured fiber optic cable between public safety facilities is targeted for investment. New atmospheric monitoring devices will allow our firefighters to work safely inside burning structures with reduced risk of exposure to noxious and harmful gases. Our Police Department will receive drones that will allow them to look around and inside structures during low visibility or high risk situations without putting themselves in unnecessary danger.

The City's firehouses will receive a substantial amount of capital investment and repairs, allowing our firefighters to operate effectively and safely within the buildings that often serve as their homes for many long shifts. Police precincts will continue to undergo the repairs and improvements that began at the start of FY19 with existing capital funding. Additionally, the Police Department will undertake a lease consolidation initiative that will see the department move out of two leased buildings into city-owned facilities. This will allow the City to save funds on lease costs while simultaneously providing the Police Department sufficient new space to fully operate a number of policing units, including Towing & Abandoned Vehicles.

Finally, the City's Animal Care & Control Division of the Department of Health will receive new animal control vehicles with sufficient room to allow for safe transport of animals. The Animal Care & Control building will also receive extensive capital renovation, allowing for the care of more animals in clean and humane conditions. The City remains committed to ensuring that all animals that come into its care receive quality, respectful attention.

Transportation

Investment in roads, transit, and sidewalks is critical, especially in a city as large as Detroit. This capital plan provides for the City's continuing transformational investment into our roads and transportation infrastructure. We seek to create a reliable transportation system that connects our residents and neighborhoods, improves public safety, and creates economic opportunity.

Roads, sidewalks, bridges, and streetscapes will receive over \$200 million in improvements over the course of this plan. Road quality reports and accident data will drive the investment into our road resurfacing and replacement program, along with investments into traffic control and calming efforts. City sidewalks will be replaced where needed and efforts to make our sidewalks and roadways fully ADA compliant will continue with the ongoing installation of ramps and curb cuts. The rollout of more protected bike lanes citywide will ensure sufficient access to safe, non-motorized forms of transportation.

Our public transit system is a critical component of our local economy, enabling thousands of people to move about the city every day. This four-year plan envisions an investment of \$233 million into our public transit infrastructure. The biggest and most impactful project is the complete rebuild of the Department of Transportation's Coolidge facility which will serve as the new central repair and maintenance center for the City's fleet of buses. This will ensure that our buses are maintained in top condition and are running reliably around the clock.

The bus fleet will also continue to be modernized and expanded over the plan period, allowing for the continued establishment of more 24-hour routes and increased bus frequency. Technology improvements in the transit system will allow riders to enjoy Wi-Fi on our buses, check the status of the next bus, and easily engage with an online customer service portal. Finally, continued improvements to our bus shelters will provide lighting and phone charging plugs and will give riders a safe and comfortable place to wait for their next bus.

Technology

Technological advancement waits for no one and the City of Detroit plans to stay at the forefront of technological innovations that will bring the most effective services to our residents and improve the efficiency of government.

Investments in technology will include fundamentals like new computers and server hardware, faster network switches, and advanced cloud solutions. The City's Department of Innovation and Technology will continue rolling out new enterprise software solutions such as an Enterprise Asset Management system, which will track all City-owned assets, their conditions, and the amount of investment made into them; an Enterprise Document Management system, which will convert many of the City's currently paper-based functions into an instantaneous digital system; an Enterprise Records Management system, which will allow the City to properly retain records subject to numerous retention schedules and make the retrieval of records smooth and quick; and an enterprise solution for tracking and managing the City's utility expenses.

Government Infrastructure

Bringing assets critical to city government operations into a state of good repair is a high priority in the City's capital strategy. Along with the public safety fleet, the general city fleet will be replaced and rightsized over the course of this capital plan period. City vehicles will be put into a standard operational life of five years with the goal of replacement at that time and not later. Revenues from the sale of these relatively newer vehicles will be used to continue the replacement cycle.

The Detroit Water and Sewerage Department (DWSD) will continue implementing its \$552 million capital improvement plan over the next four years. The investments into the City's water and sewerage infrastructure will continue the City's goal of delivering safe and cost effective water and sewerage services. In furtherance of our mission to put health and safety in water delivery first, the water main replacement projects will also involve the replacement of lead service lines. Additional DWSD capital investments include water meter replacements citywide, replacement of fire hydrants, and the rehabilitation of the sewerage and stormwater infrastructure.

Investments into the City service yards begun in FY19 will continue through the early years of this capital plan. These service yards are the hubs of City service provision, with fleet repair facilities, salt domes, and storage of heavy equipment like salt trucks, plows, dump trucks, and construction equipment. The City is also beginning the process of studying the potential savings of consolidating a number of our service yards and garages into fewer locations.

FINANCING THE FY20-23 CAPITAL PLAN

The City annually implements its Capital Plan by appropriating funds for capital projects through the budget development process. The Plan is currently financed with the City's new UTGO bond proceeds, prior years' surplus, state and federal funds, and private grants.

During FY19, the City issued UTGO bonds on its own full faith and credit for the first time since our bankruptcy. This first series of bonds total \$136.6 million and forms the largest portion of the General City capital funding in the FY20-23 Capital Plan.

The City does not budget the annual surplus in the same year it is realized, but waits until it is recognized, via the annual audit, and treats it as unassigned fund balance to be allocated among the competing one-time spending needs. In FY19, the City set aside \$52.2 million in unassigned fund balance to support capital projects and has allocated \$33.1 million in FY19.

During FY16, the City conducted a comprehensive review of its old UTGO bond accounts, evaluating and realigning approximately \$50 million of existing appropriations to priorities. As of March 1, 2019, these older bond accounts had a remaining balance of \$19.9 million. These funds have been completely programmed for capital projects that will be completed during the first half of FY20.

Debt Financing

Long-term debt related to capital investment has two main purposes:

- (1) It finances acquisition, construction, repair, and renovation of City-owned buildings and equipment that are necessary to provide public services; and
- (2) It finances infrastructure improvements to ensure the City's continued growth

The City adheres to a Debt Issuance and Management Policy (CFO Directive No. 2018-101-007) that established the conditions for issuing debt and the management of such debt. The City's policy is to utilize long-term debt for capital purposes. However, the policy provides that short-term debt may be used for certain types of projects, financing of equipment and vehicles, and, in rare cases, operations.

Today, the City has reentered the capital markets with a new General Obligation bond debt issuance for capital purposes. The City has achieved three consecutive years of balanced budgets and operating surpluses since FY15 and has also received two credit rating upgrades in less than three years. The City's credit ratings with Moody's and S&P are currently Ba3 and BB-, respectively.

This new bond issuance entails the sale of Unlimited Tax General Obligation (UTGO) bonds issued on the full faith and credit of the City. UTGO bonds are an important method for funding our capital priorities, because they allow the City to begin funding projects that previously would have required the use of General Fund surpluses. This allows the City's surpluses to be utilized more effectively for operating needs and for important financial planning strategies like contributions to the Retiree Protection Fund for the City's pensions.

Authorization for these new bonds was previously obtained from the citizens of Detroit. The City originally had \$286 million in voter-approved, unissued UTGO authority. The City Council has authorized the issuance of \$255 million in UTGO bonds, though the capital plan currently envisions an immediate need of \$235 million for projects in the plan period. The City does not plan to issue short-term taxable debt at this time.

It is anticipated that the City will seek additional UTGO voter authorization during this capital plan period.

UTGO debt is repaid from a dedicated debt service millage. State law allows the city to levy a debt service millage on certain real and personal property to meet annual interest and principal obligations. The City's historical debt service millage ranged from 7.0753 mills in FY 2006 to 9.82 mills in FY15. The current debt service millage is 7.0 mills. Due to the City's absence from capital markets, the outstanding UTGO debt service is declining substantially over the next several years. This affords the City an opportunity to increase its UTGO debt and remain within its historical millage levels. The UTGO debt service outlook continues on a downward slope allowing the City capacity to issue future debt without increased upward pressure on the millage.

The City's current outstanding bonded debt totals \$1.6 billion, with debt service comprising about 15% of the General Fund budget annually. Prior to reentering the bond market on its own credit, Detroit had access to the credit markets through the Michigan Financing Authority, as evidenced by both the exit financing and the refinancing of limited State-revenue supported bonds (a limited type of credit). On November 16, 2017, the Michigan Finance Authority issued \$124.5 million in revenue bonds on behalf of the City for major and local street improvements. The source of repayment for these bonds is the annual allocation of gas and weight tax funds to the City through Act 51. The total principal to be paid is \$124,500,000 and the total interest is \$37,545,372.57.

On March 14, 2018, the City fully redeemed its outstanding C Note Limited Tax General Obligation (LTGO) bonds. This debt was redeemed utilizing General Fund surpluses and proceeds from the sale of the Premier Garage, as required for redemption of the bonds. Redemption of this debt allows the City to fund other operating needs and additional capital projects.

Other City-related entities that have active debt issuance programs are the Public Lighting Authority (PLA) and the Detroit Water and Sewage Department (DWSD).

In June 2014, the Michigan Finance Authority issued \$185.7 million in revenue bonds for street lighting infrastructure improvements on behalf of the PLA. These bonds are secured by a first lien on certain of the City's Utility Users' Taxes (\$12.5 million annually, until repayment) as authorized under Public Act 393 of 2012.

DWSD uses debt financing, repaid by revenues from rate payers, to support its ongoing capital improvement program. The DWSD Capital Improvement Plan is subject to approval by the Board of Water Commissioners. The Great Lakes Water Authority issues bonds on behalf of DWSD to fund the DWSD capital plan projects.

External Sources

As is the case with other cities, Detroit receives revenue transfers, through grants and aid, from the Federal and State government. Often that money compensates for required investments, improvements and regulations imposed or mandated by them. Detroit also receives a substantial amount funding each year via grant awards from private sector entities such as foundations and corporations.

Intergovernmental Grants & Aid

The City receives a number of categorical, matching and formula-driven grants; many are used for operating purposes, some are for capital projects. Federal aid can flow directly to the city of Detroit; some gets passed through various State of Michigan departments. Large capital grants coming to Detroit are for transportation, streets, roads and traffic signals, tree removal, private and public housing, safety and security equipment, and community development.

Philanthropy

The City continues to be successful in seeking grant awards from a variety of foundations and corporate sources. These grants have funded park improvements and other open space initiatives. Additionally, public-private partnerships have been utilized for neighborhood revitalization, economic development, housing, planning, transit, public safety, health, and workforce development initiatives. In FY20, the City anticipates leveraging its new UTGO bond proceeds, General Fund surplus, and road bond funds to bring greater philanthropic investment into Detroit's neighborhoods.

CAPITAL PLANNING PROCESS

The capital planning process begins with a project submission period during which all departments have an opportunity to identify their facility, equipment, infrastructure, and planning needs in a systematic, prioritized manner, and to submit their capital investment proposals for funding consideration. Departments may utilize both internal assessments and external constituent requests to develop their capital improvement projects. Project requests must include costs estimates, a description of the proposed scope of work, and any other requested information to help City officials conduct their respective evaluations. A final evaluation of the projects will be conducted by the Office of the Mayor to ensure alignment with Administration priorities. At this time, departments may be required to submit additional information.

Project proposals must also account for any impacts on the City's operating budget. Such proposals are subject to additional review to determine the anticipated effect on personnel, maintenance, utilities, and supply costs, as well as expected changes in service demand or delivery of departmental programs. It is generally assumed that certain types of projects, such as HVAC system upgrades and window replacements, will provide operating budget savings as a result of improved energy efficiency.

Because our capital plan will require regular review and supplementation as the future unfolds, the City has established a Capital Projects Team in the Office of Budget, as well as a Facilities Steering Committee, a Vehicle Steering Committee, and an Infrastructure Coordinating Committee.

The Facilities Steering Committee will develop a Facilities Master Plan that will rightsize the city's total footprint; bring the City's facility inventory into a state of good repair; avoid investments into assets that the City is likely to vacate; and set the long-term strategic direction that helps to leverage other City resources.

The Vehicle Steering Committee has developed the City Fleet Rightsizing and Replacement Plan that guides the City's acquisitions of new vehicles and the replacement of existing vehicles that have reached the end of their useful life. Through this Committee, the City will ensure that the City fleet is sized appropriately based on true departmental and service provision need, as well as standardize the fleet to reduce operating costs.

Finally, the Infrastructure Coordinating Committee brings together the major infrastructure departments of the City to ensure that investments are scheduled and implemented in ways that are complementary to other necessary infrastructure investments. For example, when the Department of Public Works intends to replace a stretch of roadway, it will work with the Detroit Water and Sewerage Department and the Public Lighting Authority to ensure that any investments planned by these respective entities are undertaken while the road surface is already removed.

**CITY OF DETROIT
FY19 BUDGET AND FY20-23 FOUR-YEAR PLAN
GENERAL CITY CAPITAL IMPROVEMENTS**

	FY2019 Adopted Budget	FY2019 Amended Budget	FY19-20 Recommend	FY20-21 Forecast	FY21-22 Forecast	FY22-23 Forecast	Four-Year Plan Total
Charles H. Wright Museum							
Roof Replacement	-	1,700,000	-	-	-	-	-
Total Charles H. Wright Museum	-	1,700,000	-	-	-	-	-
City Clerk							
E-Scribe Software	-	-	99,000	-	-	-	99,000
Total City Clerk	-	-	99,000	-	-	-	99,000
Department of Innovation & Technology							
Enterprise Asset Management System	6,000,000	6,000,000	2,250,000	-	-	-	2,250,000
Enterprise Document Management System	2,500,000	2,500,000	1,500,000	-	-	-	1,500,000
Enterprise Records Management System	2,500,000	2,500,000	-	-	-	-	-
Network Infrastructure & Security Improvements	539,687	539,687	2,000,000	-	-	-	2,000,000
Technology Upgrades & Additions - Software	-	-	1,531,539	-	-	-	1,531,539
Technology Upgrades & Additions - Public Safety	-	6,946,074	-	-	-	-	-
Technology Upgrades & Additions - PCs & Laptops	880,000	880,000	1,101,070	-	-	-	1,101,070
Total DoIT	12,419,687	19,365,761	8,382,609	-	-	-	8,382,609
Elections Department							
ReliaVote & Poll Chief Systems	-	-	381,086	-	-	-	381,086
Total Elections	-	-	381,086	-	-	-	381,086
Fire Department							
Fire Facilities Capital Improvements	-	6,675,000	-	-	-	-	-
Technology Improvement	390,000	-	-	-	-	-	-
Total Fire	390,000	6,675,000	-	-	-	-	-
Fleet Management							
General City Fleet Replacement	15,000,000	15,000,000	8,914,305	-	-	-	8,914,305
Health Fleet Replacement	-	1,230,000	-	-	-	-	-
Police Fleet Replacement	-	13,825,000	-	-	-	-	-
Fire Fleet Replacement	-	14,280,000	-	-	-	-	-
Total Fleet Management	15,000,000	44,335,000	8,914,305	-	-	-	8,914,305
General Services Department							
City Service Yard Improvements	6,715,485	6,715,485	-	-	-	-	-
Recreation Facilities Improvements	2,186,100	10,914,100	-	-	-	-	-
City Park Improvements	-	11,350,000	-	-	-	-	-
Elections Facility Improvements	387,000	387,000	-	-	-	-	-
Belle Isle - DWSD Improvement	500,000	500,000	-	-	-	-	-
City Golf Course Improvements	-	2,771,340	-	-	-	-	-
Aretha Franklin Park & Amphitheatre	-	5,000,000	-	-	-	-	-
Rouge Park Horse Stables	-	190,000	-	-	-	-	-
Tindal Recreation Center City Share	-	338,000	-	-	-	-	-
Studies for Hart Plaza, Spirit Plaza, and Marinas	-	1,000,000	-	-	-	-	-
Spirit Plaza Improvements	-	1,000,000	-	-	-	-	-
Recreation Center Library Reading Rooms	-	500,000	-	-	-	-	-
Total GSD	9,788,585	40,665,925	-	-	-	-	-
Health Department							
Health Technology & Medical Furniture	-	-	269,000	-	-	-	269,000
Clinic Capital Improvements	-	1,000,000	-	-	-	-	-
Total Health	-	1,000,000	269,000	-	-	-	269,000

**CITY OF DETROIT
FY19 BUDGET AND FY20-23 FOUR-YEAR PLAN
GENERAL CITY CAPITAL IMPROVEMENTS**

(continued)

	FY2019 Adopted Budget	FY2019 Amended Budget	FY19-20 Recommend	FY20-21 Forecast	FY21-22 Forecast	FY22-23 Forecast	Four-Year Plan Total
Municipal Parking Department							
Garage & Meter Improvements	-	-	5,054,000	-	-	-	5,054,000
Total Municipal Parking	-	-	5,054,000	-	-	-	5,054,000
Non-Departmental							
Land acquisition for economic development	-	26,072,161	7,500,000	-	-	-	7,500,000
Transportation Improvements-District 3	4,000,000	4,000,000	-	-	-	-	-
City of Detroit DWJBA Capital Share	3,060,103	3,060,103	-	-	-	-	-
Non-Departmental Total	7,060,103	33,132,264	7,500,000	-	-	-	7,500,000
Planning & Development							
Neighborhood Studies & Implementation	5,345,000	5,345,000	2,500,000	-	-	-	2,500,000
Total Planning & Development	5,345,000	5,345,000	2,500,000	-	-	-	2,500,000
Police							
Police Lease Elimination Plan	-	4,500,000	-	-	-	-	-
20 Atwater Capital Improvements	-	800,000	-	-	-	-	-
Corridor Camera Expansion	-	1,100,000	-	-	-	-	-
Expansion of Realtime Crime Center	-	2,000,000	-	-	-	-	-
Establishment of Mini-Realtime Crime Centers	-	2,000,000	-	-	-	-	-
Bulletproof Vest Replacement	-	700,000	-	-	-	-	-
Unmanned Aerial Vehicles	-	350,000	-	-	-	-	-
Police PC Replacements	2,196,625	2,196,625	-	-	-	-	-
Total Police	2,196,625	13,646,625	-	-	-	-	-
Department of Public Works							
Equipment	3,002,000	3,002,000	1,500,000	1,500,000	1,500,000	1,500,000	6,000,000
Highway Bridges	1,977,000	2,540,009	3,458,450	-	2,100,000	2,142,000	7,700,450
Bridge Improvements	500,000	500,000	500,000	500,000	510,000	520,200	2,030,200
Street Resurfacing	10,878,709	37,899,885	30,369,697	18,279,075	20,439,625	20,848,000	89,936,397
Trunkline Improvements	-	720,522	1,962,478	4,000,000	2,000,000	2,040,000	10,002,478
Sidewalk Repair & Replacement	-	4,231,385	-	-	2,400,000	2,448,000	4,848,000
Traffic Control Improvements	2,586,000	6,056,000	2,050,000	2,050,000	2,050,000	2,091,000	8,241,000
Traffic Control Roadways - Federal & State Grants	7,456,000	18,156,000	14,050,000	14,050,000	14,331,000	14,617,000	57,048,000
Debt Service	1,205,755	1,205,755	3,160,973	13,828,912	13,785,557	13,731,376	44,506,818
Total DPW	27,605,464	74,311,556	57,051,598	54,207,987	59,116,182	59,937,576	230,313,343
Total General City Agencies	79,805,464	240,177,131	90,151,598	54,207,987	59,116,182	59,937,576	263,413,343

Note: General City columns do not show the nearly \$100 million anticipated in FY21 from a second UTGO bond series under the 2018 authorization.

**CITY OF DETROIT
FY19 BUDGET AND FY20-23 FOUR-YEAR PLAN
ENTERPRISE AGENCIES CAPITAL IMPROVEMENTS**

	FY19 Adopted Budget	FY2019 Amended Budget	FY19-20 Recommend	FY20-21 Forecast	FY21-22 Forecast	FY22-23 Forecast	Four-Year Plan Total
Department of Transportation							
Coolidge Facility Rebuild - Federal/State Funding	-	5,000,000	20,000,000	25,000,000	27,156,763	-	72,156,763
Coolidge Facility Rebuild - City Funding ¹	-	10,000,000	-	-	-	-	-
Fixed-Route Vehicle Replacement/Expansion	3,018,565	14,550,000	26,900,000	25,965,000	-	21,305,000	74,170,000
Non-Revenue Vehicle Replacement/Expansion	161,534	548,062	500,000	500,000	500,000	500,000	2,000,000
Mid-life Vehicle Acquisition/Overhaul	5,169,075	10,934,640	6,000,000	6,000,000	6,000,000	6,000,000	24,000,000
Facility Improvements	5,169,075	3,967,742	1,000,000	1,000,000	1,000,000	500,000	3,500,000
Information Technology	250,000	7,210,000	5,144,320	1,000,000	1,000,000	1,000,000	8,144,320
Operations Equipment	1,000,000	1,491,376	491,376	491,376	472,946	182,903	1,638,601
Total DDoT	14,768,249	53,701,820	60,035,696	59,956,376	36,129,709	29,487,903	185,609,684
Water & Sewerage Department - Retail²							
Water							
Water Field Services	74,086,000	59,346,000	52,219,000	41,984,000	15,238,000	14,000,000	123,441,000
Metering	4,000,000	7,283,000	12,000,000	12,000,000	4,000,000	4,000,000	32,000,000
General Purpose	2,000,000	7,234,000	6,695,000	4,140,000	2,795,000	-	13,630,000
Water Central Services: Fleet	2,000,000	2,237,000	2,432,000	2,000,000	2,000,000	2,000,000	8,432,000
Water Central Services: Facilities	2,500,000	8,011,000	4,602,000	2,000,000	2,000,000	2,000,000	10,602,000
Water Central Services: Information Technology	793,000	6,158,000	5,316,000	3,287,000	1,788,000	1,618,000	12,009,000
Water Subtotal	85,379,000	90,269,000	83,264,000	65,411,000	27,821,000	23,618,000	200,114,000
Sewerage							
Sewer Field Services	47,500,000	23,665,000	35,063,000	25,363,000	-	-	60,426,000
Green Infrastructure	14,350,000	14,820,000	10,195,000	12,880,000	10,373,000	3,933,000	37,381,000
General Purpose	-	7,234,000	6,695,000	4,140,000	2,795,000	-	13,630,000
Sewer Central Services: Fleet	2,000,000	2,237,000	2,432,000	2,000,000	2,000,000	2,000,000	8,432,000
Sewer Central Services: Facilities	2,500,000	8,011,000	4,602,000	2,000,000	2,000,000	2,000,000	10,602,000
Sewer Central Services: Information Technology	793,000	6,158,000	5,316,000	3,287,000	1,788,000	1,618,000	12,009,000
Sewerage Subtotal	67,143,000	62,125,000	64,303,000	49,670,000	18,956,000	9,551,000	142,480,000
Water & Sewerage Total	152,522,000	152,394,000	147,567,000	115,081,000	46,777,000	33,169,000	342,594,000
Total Enterprise Agencies	167,290,249	206,095,820	207,602,696	175,037,376	82,906,709	62,656,903	528,203,684
Grand Total - General City & Enterprise Agencies	247,095,713	446,272,951	297,754,294	229,245,363	142,022,891	122,594,479	791,617,027

¹Additional funding of \$26,501,859 will come from the second series of the City's new UTGO bond issuance, not reflected here but anticipated in December 2020.

²DWSO capital amounts will not match placeholder used for legal budget.

**CITY OF DETROIT
FY19 BUDGET AND FY20-23 FOUR-YEAR PLAN
TOTAL CAPITAL IMPROVEMENT REVENUES**

	FY2019 Adopted Budget	FY2019 Amended Budget	FY19-20 Recommend	FY20-21 Forecast	FY21-22 Forecast	FY22-23 Forecast	Four-Year Plan Total
Revenues							
Revenues from Operations	152,522,000	153,470,162	148,067,000	115,581,000	47,277,000	33,669,000	344,594,000
Unlimited Tax General Obligation Bonds	-	136,627,192	-	-	-	-	-
Federal and State Grant Funds	14,768,249	61,309,758	73,585,696	73,506,376	49,960,709	43,604,903	240,657,684
General Fund Balance	52,200,000	38,710,283	33,100,000	-	-	-	33,100,000
Street Fund - Gas & Weight Taxes	27,605,464	56,155,556	43,001,598	40,157,987	44,785,182	45,320,576	173,265,343
Total Revenues	247,095,713	446,272,951	297,754,294	229,245,363	142,022,891	122,594,479	791,617,027

Prior General Obligation Bond Projects				
Authorization Category	Programmed as of 3/1/2019	FY19 Projected Spend by 6/30/2019	FY20 Projected Spend by 12/31/2019	Final Balance
Economic Development & Housing Rehabilitation	6,283,432	6,283,432	-	-
Public Safety Facilities Improvements	3,248,747	1,075,112	2,173,635	-
Public Lighting System Improvements	3,506,015	3,506,015	-	-
Charles H. Wright Museum	143,214	143,214	-	-
Detroit Historical Museum	359,337	359,337	-	-
Municipal Facilities	206,761	206,761	-	-
Transportation Facilities	2,808,865	2,808,865	-	-
Cultural Facilities	3,410,225	517,541	2,892,683	-
Total	19,966,596	14,900,277	5,066,319	-

Quality of Life Projects				
Authorization Category	Programmed as of 3/1/2019	FY19 Projected Spend by 6/30/2019	FY20 Projected Spend by 12/31/2019	Final Balance
20 - DDOT	155,258	155,258	-	-
23 - OCFO	29,252	29,252	-	-
24 - Fire	1,421,772	1,421,772	-	-
31 - DoIT	24,950	24,950	-	-
34 - Municipal Parking	6,700,000	3,500,000	3,200,000	-
35 - Non-Departmental	1,365,209	1,365,209	-	-
37 - Police	187,602	187,602	-	-
45 - Appeals & Hearings	1,098,000	450,000	648,000	-
47 - General Services	854,206	854,206	-	-
Total	11,836,250	7,988,250	3,848,000	-

Road Bond Project					
Improvements	Project Budget	FY19 Projected Spend by 6/31/2019	FY20 Projected Spend	FY21 Projected Spend	FY22 Projected Spend
Streetscapes	80,000,000	11,672,000	11,290,000	40,748,000	16,290,000
Sidewalk Repair & Replacement	20,000,000	17,186,207	-	2,813,793	-
Road Improvement	23,764,555	11,568,461	12,196,094	-	-
Bond Sale Expenses	735,445	735,445	-	-	-
Total	124,500,000	41,162,113	23,486,094	43,561,793	16,290,000