

REVENUE ESTIMATING CONFERENCE

Proposed Revenue Estimates for Fiscal Years 2026 through 2030

February 13, 2026

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TAKE PART
Opportunity Rising

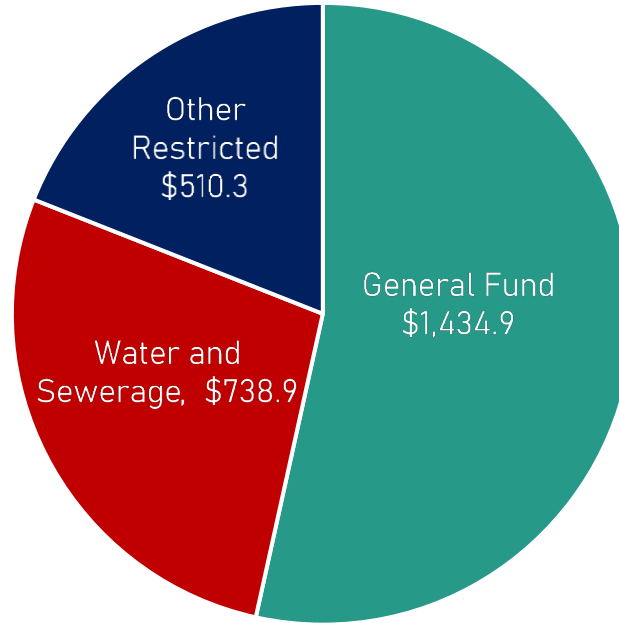


Overview

- Section 117.4t(1)(d) of the Home Rule City Act, as amended by PA 182 of 2014, states the City of Detroit shall hold independent revenue estimating conferences in September and February each year to establish its official economic forecast and forecast of anticipated City revenues
- Revenue estimates must be approved by consensus among the voting conference principals:
 - **Tanya Stoudemire:** Chief Financial Officer, City of Detroit
 - **Andrew Lockwood:** Manager, Forecasting and Economic Analysis Division, Office of Revenue and Tax Analysis, Michigan Department of Treasury (State Treasurer's designee)
 - **George A. Fulton, PhD:** Director Emeritus, Research Professor Emeritus, Research Seminar In Quantitative Economics (RSQE), Department of Economics, University of Michigan
- The estimates include the current fiscal year (FY 2026) and the next four years (FY 2027-FY 2030).
- The revenue estimates approved today set the amount available for the City budget.

FY 2027 Revenue Summary, All Funds

Millions of Dollars (\$)

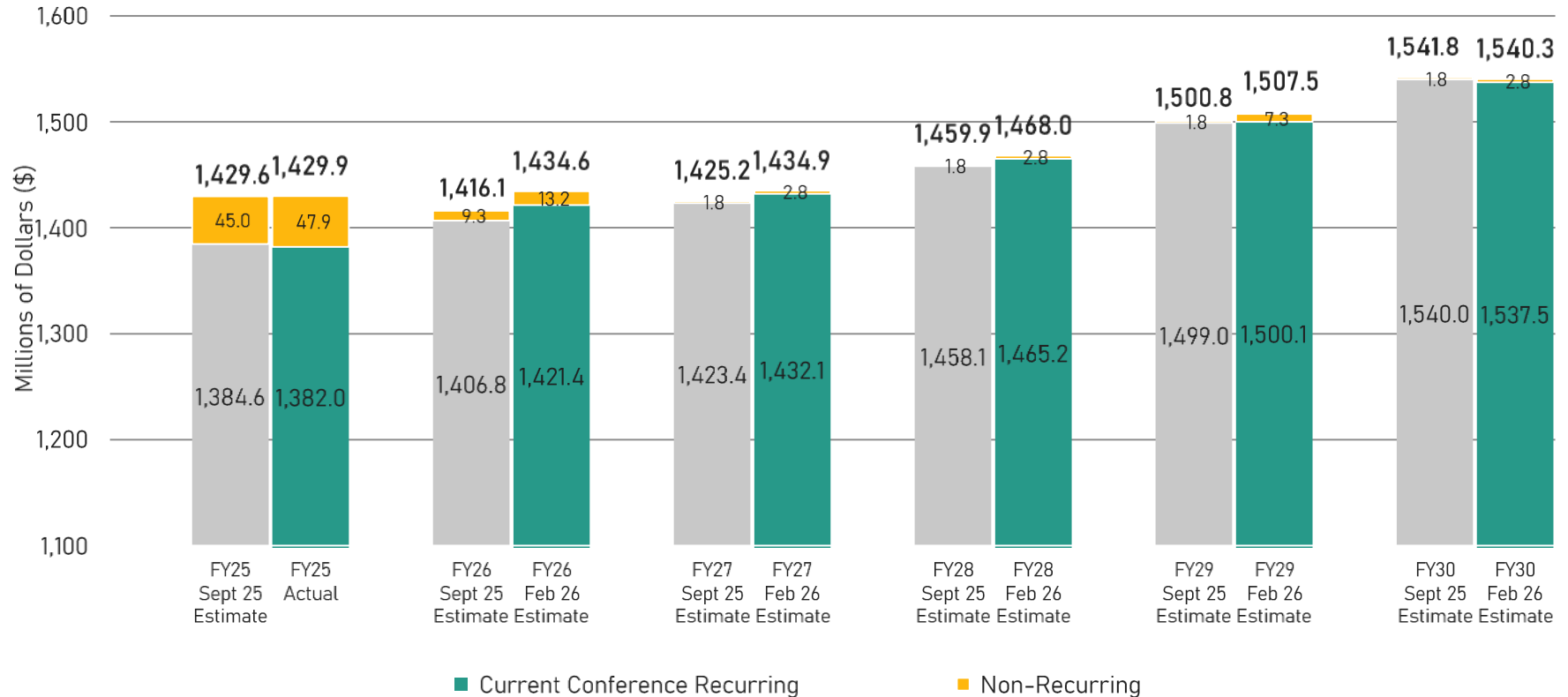


Total: \$2.684 Billion

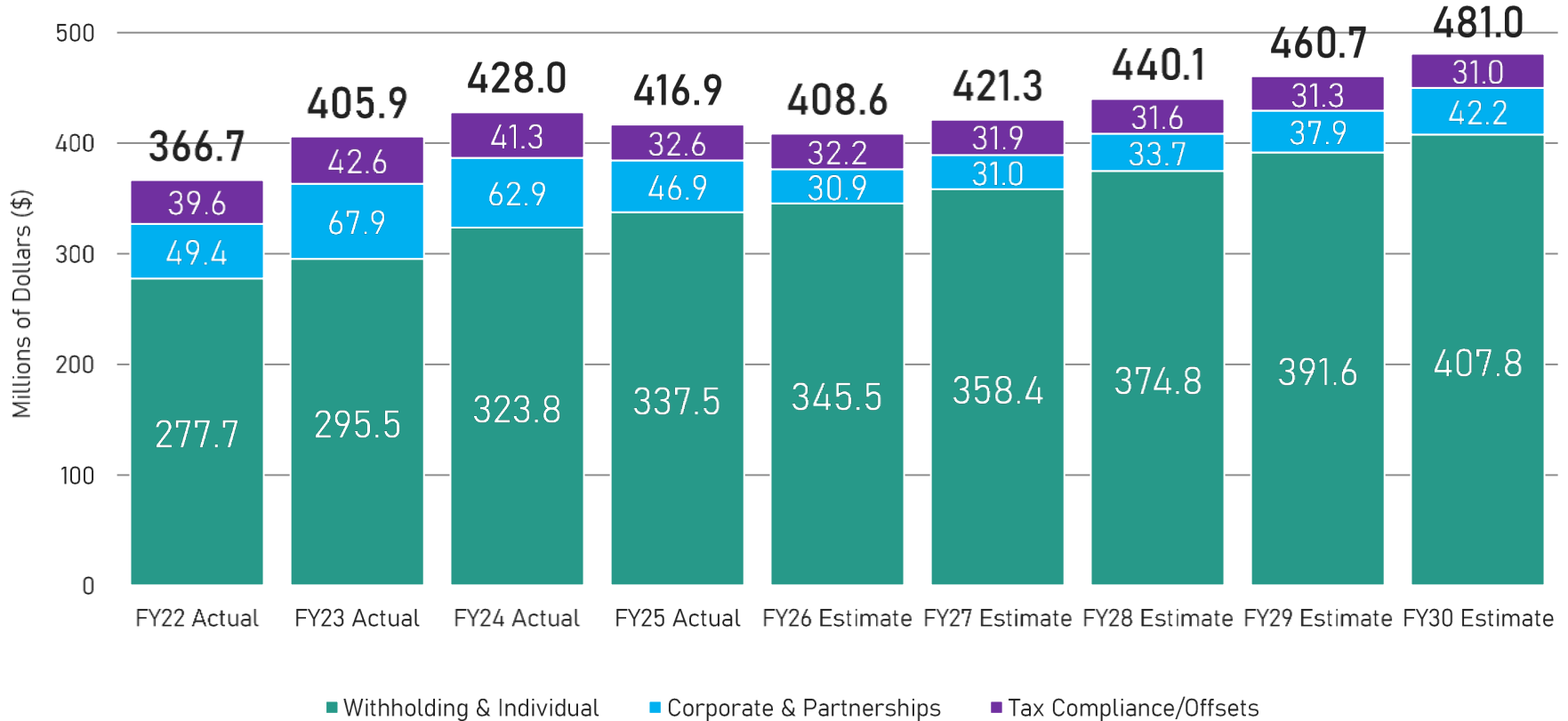
What has changed since September?

- The City of Detroit's FY 2025 Annual Comprehensive Financial Report was published in December 2025.
- Internet gaming activity continued to grow in the second half of 2025.
- The Federal Open Market Committee most recently paused a series of rate cuts and maintained the federal funds rate at a target range of 3.50%-3.75%.
- Uncertainty remains high for consumers and businesses, but growth in consumer spending remains strong.
- Fewer tariff announcements, alongside an expanded tariff offset rebate, appears to be stabilizing the automotive industry and potentially providing upside in the medium term.

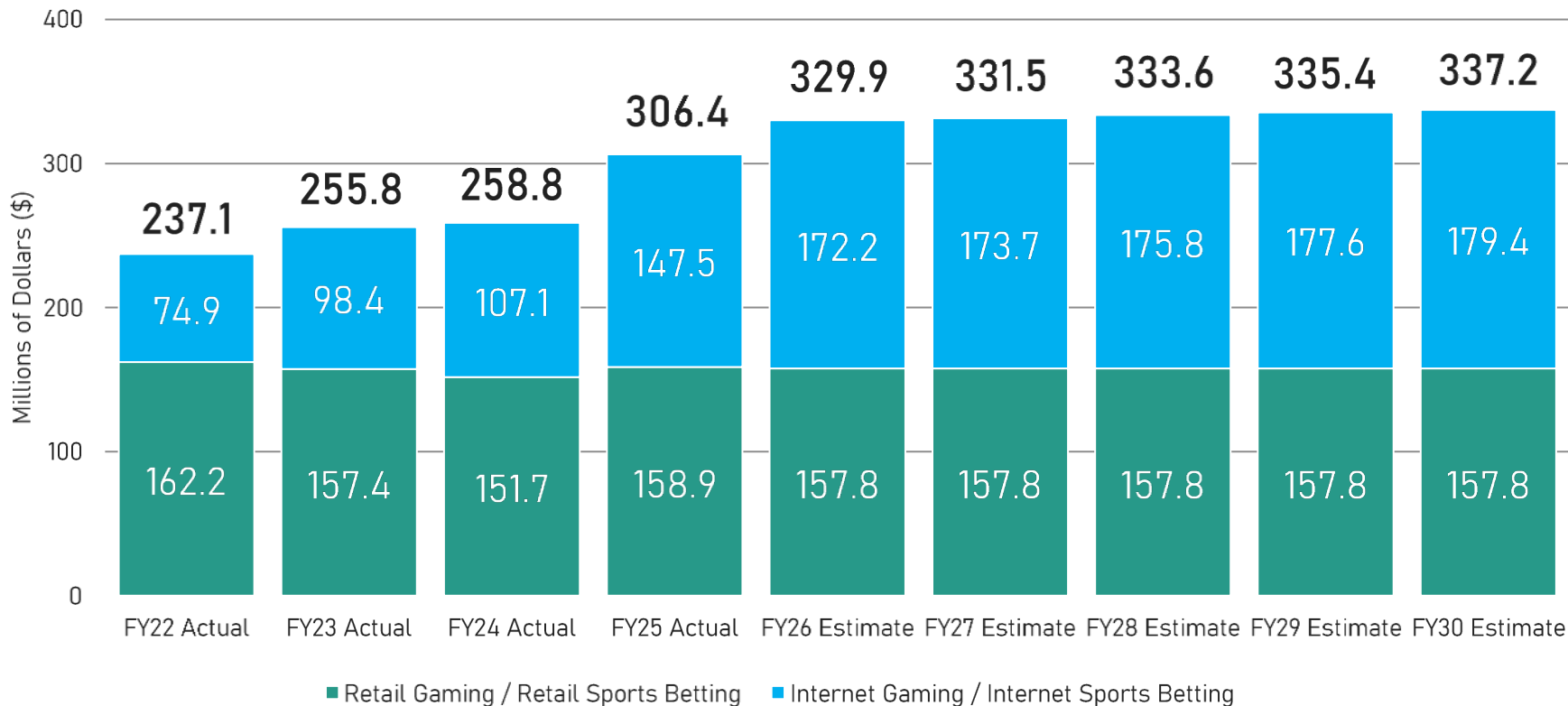
General Fund Revenue Comparison to September 2025 Conference



Recurring Income Tax

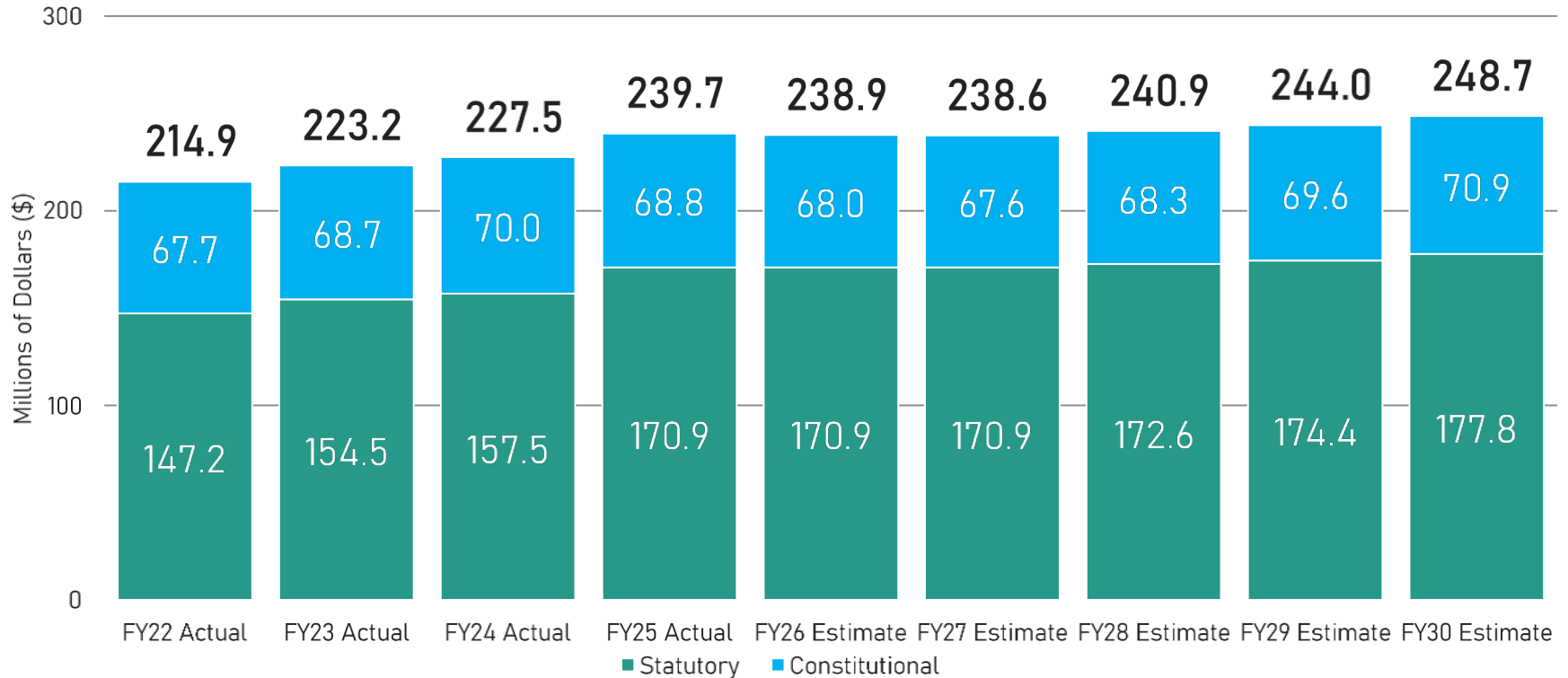


Recurring Wagering Tax



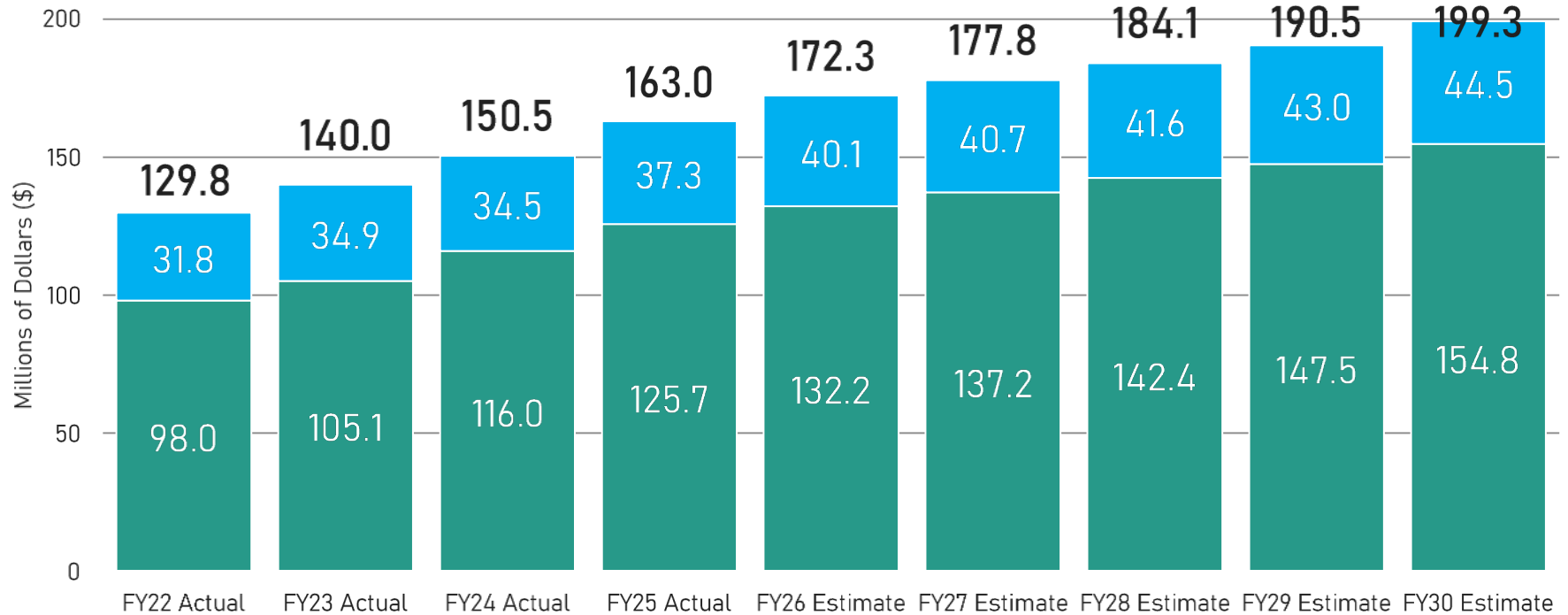
Note: FY22 excludes \$40.5M one-time hold harmless payment from State based on FY21 revenue losses.

Recurring State Revenue Sharing



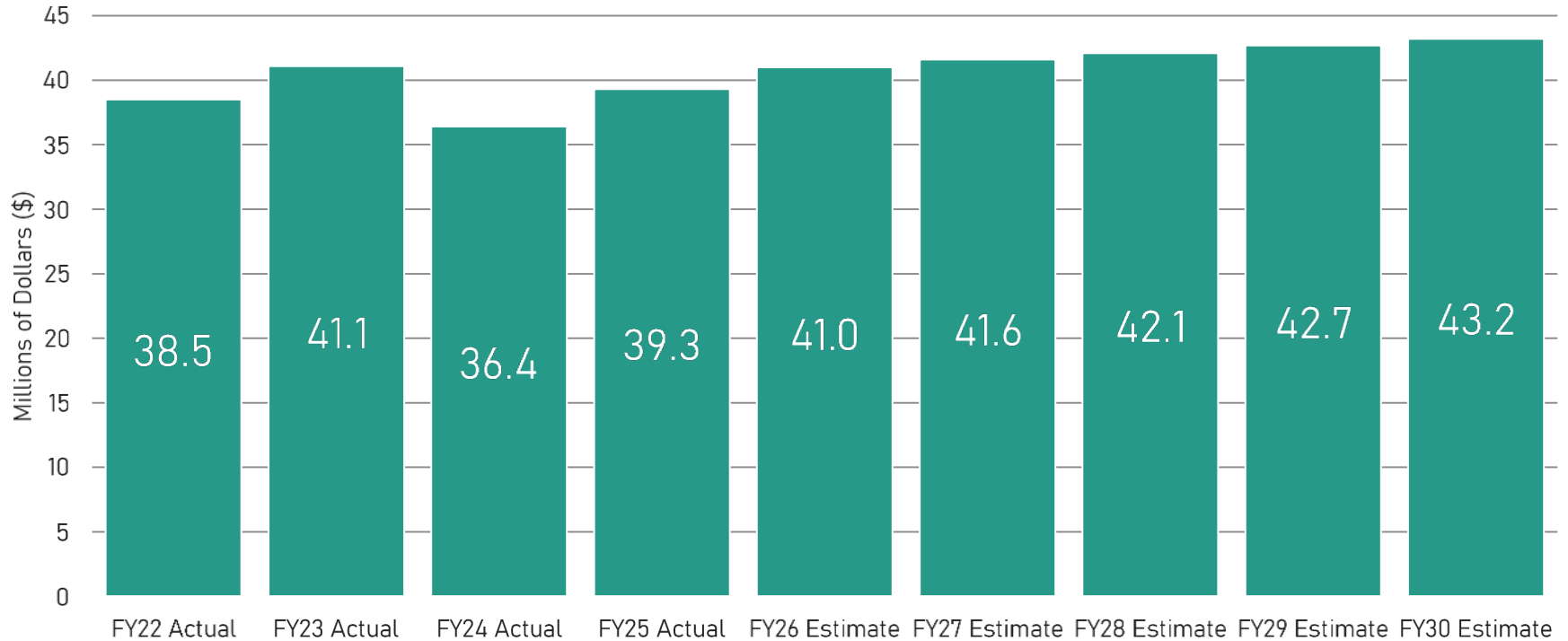
Note: Excludes one-time 1% increase in statutory revenue sharing for FY23 and one-time 2% increase in FY24.

Recurring Property Tax



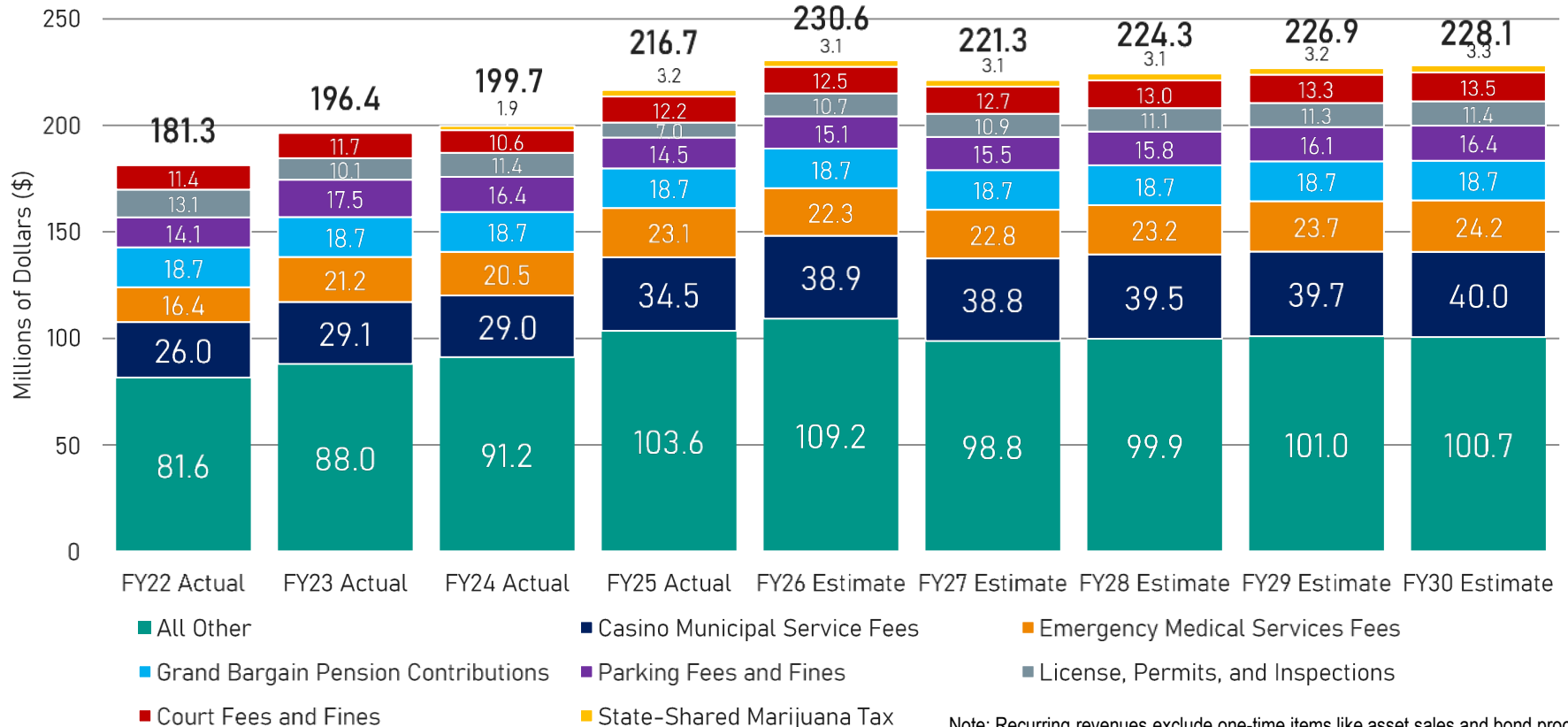
Note: Includes ad valorem taxes and special act taxes (e.g., Neighborhood Enterprise Zone, Industrial Facilities Exemption, and Obsolete Property Rehabilitation Act). Current Year taxes are net of tax increment financing (TIF) distributions.

Recurring Utility Users Tax



Note: Utility Users Tax for the General Fund is net of annual \$12.5M dedicated to Public Lighting Authority debt service.

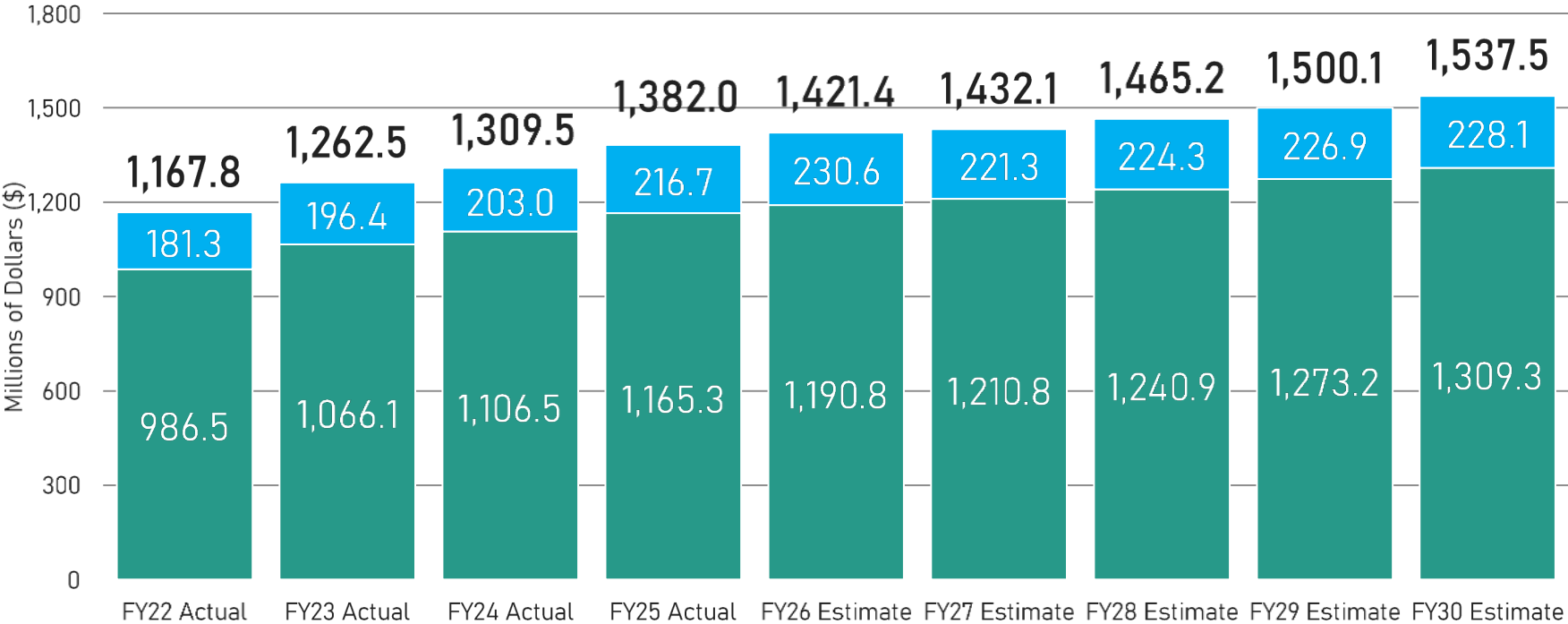
Recurring Other Revenues (General Fund)



Note: Recurring revenues exclude one-time items like asset sales and bond proceeds.



Recurring General Fund Revenue

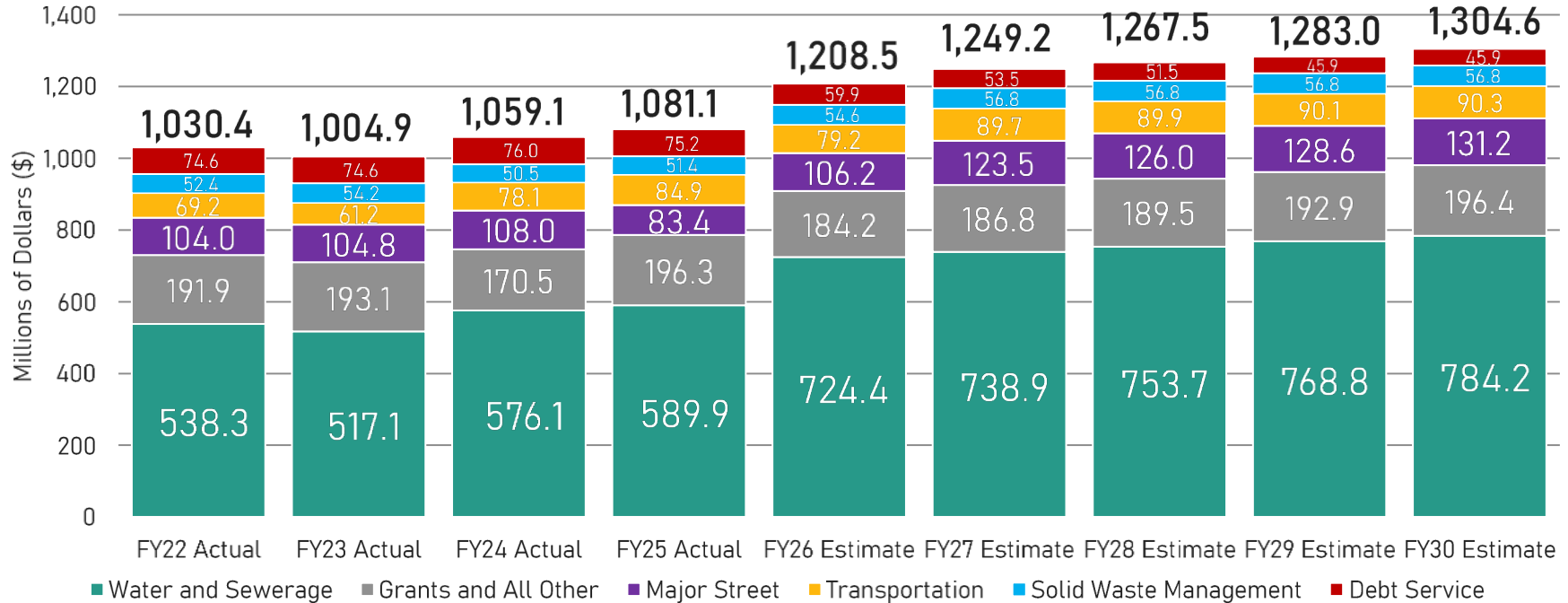


■ Major Revenues ■ Other Revenues

Note: Excludes non-recurring revenues, such as bond proceeds, asset sales, and one-time tax payments, which are not expected to continue in future years.



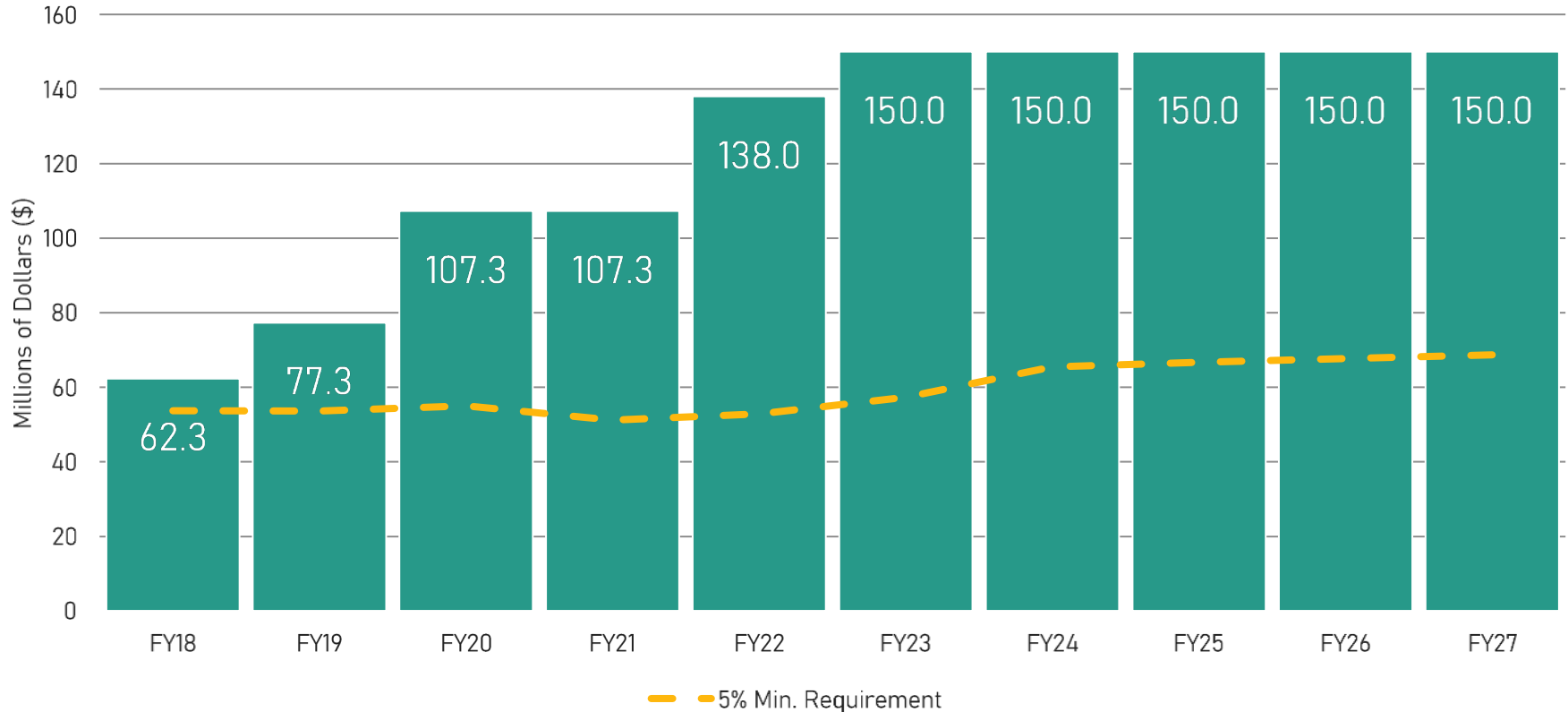
Recurring Enterprise and Special Revenue Funds



Notes: Does not include contributions and transfers across funds (e.g., General Fund contribution to Transportation).

- Amounts exclude inter-fund transfers. Actuals include various grant reimbursements and other one-time items not included in forecasts.
- DWSD estimates include use of bonds and other fund balances not reported in revenue actuals.
- All Other Funds includes Risk Management, Blight, and Gordie Howe Bridge Project revenues not expected to be recurring.
- Solid Waste Fund includes \$10 per year residential fee increase for the next three years, approved by City Council on 2/6/24.

Budget Reserve (“Rainy Day Fund”)



Forecast risks and upside potential

Downside risks

- Uncertainty and unpredictability to employment and personal income from federal trade and fiscal policy
- Pace of growth in employment
- Lower state revenue sharing from reduction in state sales tax collections
- Shift in wagering behavior pattern from historically positive trend

Upside potential

- Incremental employment and property tax from economic development initiatives (e.g., healthcare, research & development, start-up tech, entertainment & sports)
- Larger share of tax derived from income earned (hours of work) within City, driven by above trend wage growth, more in-person work, and employment job growth
- Increased individual and corporate tax compliance
- A potential legislative change in the marginal internet wagering tax rate for large casinos, proposed in the Executive Budget Recommendation for the State.

THANK YOU

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Revenue & Economic Reports