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Downtown Detroit Skyline



Metro Detroit Youth Day



Promotes service and volunteerism to the city of Detroit



Gordon Park



Union Masonry Craftsmen Training Detroit Youth

FOUR-YEAR FINANCIAL PLAN FY 2019-2022

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CITY OF DETROIT
FOUR-YEAR FINANCIAL PLAN
FY 2019-2022



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OVERVIEW

Founded in 1701 and incorporated in 1806, Detroit is a political subdivision of the State of Michigan and is its largest city. Detroit is located on an international waterway, which is linked via the St. Lawrence Seaway to seaports around the world. As of July 2016, the city had a population of approximately 673,000 (down from a peak population of nearly 2 million in 1950). Detroit is the 23rd most populated city in the United States of America.

Detroit is a home rule city and body corporate organized under Michigan Public Act 279 of 1909 (as amended), the Home Rule City Act, MCL §§ 117.1 *et seq.* (the "Home Rule City Act"). Detroit has comprehensive home rule power under the Michigan Constitution, the Home Rule City Act and the 2012 Charter of the City of Detroit (the "City Charter"), subject to the limitations on the exercise of that power contained in the Michigan Constitution, the City Charter or applicable Michigan statutes. The City of Detroit is managed by an executive branch and a legislative branch.

The Mayor heads the executive branch. The citizens of Detroit elect the Mayor to a four-year term. Mayor Michael E. Duggan was reelected November 7, 2017 for a second term. The City Charter grants the Mayor broad managerial powers including the authority to appoint department directors, deputy directors and other executive branch officials. The responsibility to implement most programs, provide services and manage day-to-day operations is delegated by the City Charter to the executive branch. The legislative branch is comprised of the City Council and its agencies. The nine members of City Council also are elected to four-year terms. Starting with the election in 2013, in accordance with Detroit's new charter, seven council members are elected by districts (one each per district) and two at-large. Many significant decisions, including budget appropriations, procurement of goods and services and certain policy matters must be approved by the City Council.

On March 1, 2013, the Governor of the State of Michigan determined that a financial emergency existed within the City of Detroit pursuant to the Local Government Fiscal Responsibility Act, Act 72, Public Acts of Michigan, 1990, as amended. On March 14, 2013,

the Governor confirmed that a financial emergency existed within the City and, pursuant to Act 72, assigned to the Local Emergency Financial Assistance Loan Board established pursuant to the Emergency Municipal Loan Act, Act 243 Public Acts of Michigan, 1980, as amended the responsibility for managing the financial emergency. On March 14, 2013, pursuant to Act 72, the Board appointed Kevyn D. Orr as Emergency Financial Manager for the City. On July 18, 2013, in accordance with Act 436 and the approval of the Governor, the Emergency Manager filed on behalf of the City a petition for relief pursuant to Chapter 9 of Title 11 of the United States Code, 11 U.S.C. Sections 101-1532 in the United States Bankruptcy Court for the Eastern District of Michigan. The Emergency Manager filed, on behalf of the City, a Plan for the Adjustment in the Bankruptcy Court to provide for the adjustment of the debts of the City pursuant to and in accordance with Chapter 9 of the Bankruptcy Code.

On September 25, 2014, in accordance with Section 9(6)c of PA 436, the City Council voted unanimously to remove the EM as of the Effective Date of the Plan of Adjustment. By a letter to the Governor, the Mayor approved of the Council's vote on the same day. On November 12, 2014, the United States Bankruptcy Court for the Eastern District of Michigan Southern Division entered an order confirming the Eighth Amended Plan for the Adjustment of Debts of the City of Detroit. The effective date of the Bankruptcy Order was December 10, 2014. Kevyn Orr resigned as Emergency Manager the same day and this returned the City to local control.

As required in PA 436, Sec 21(1 and 2) the emergency manager shall adopt and implement a 2-year budget, including all contractual and employment agreements, for the local government commencing with the termination of receivership. After the completion of the emergency manager's term and the termination of receivership, the governing body of the local government shall not amend the 2-year budget adopted under Subsection (1) without the approval of the state treasurer, and shall not revise any order or ordinance implemented by the emergency manager during his or her term prior to 1 year after the termination of receivership.

Public Act 181 established a Financial Review Commission (FRC) that provides oversight over of the city beginning on the effective date of the Plan of Adjustment, which was December 19, 2014. The FRC consists of 9 members. The FRC shall review and approve the City's 4-year financial plan under Section 4t of the Home Rule City Act. The Home Rule City Act Section 117.4t(b) states:

“For each fiscal year beginning after the effective date of the amendatory act that added this section, the city shall adopt a financial plan covering that fiscal year and the next 3 fiscal years. If a 2-year budget is in effect for the city under section 21, the local financial stability and choice act, 2012 PA 436, MCL 141.1561, the financial plan must be consistent with the 2-year budget. The financial plan shall be proposed by the mayor and approved by the governing body of the city. If applicable, a financial plan must be adopted by the financial review commission created in the Michigan finance review commission act before it takes effect.”

This Financial Plan includes Mayor Duggan's budget for FY 2019 and 3 forecasted years- FY 2020, FY 2021, and FY 2022.

BUDGET CALENDAR

BUDGET CALENDAR FY 2018/2019	
OCTOBER ₂₀₁₇	<ul style="list-style-type: none"> • OCFO/Office of Budget’s (OB) Public Budget Meeting • OB Sends Budget Instructions to Departments
NOVEMBER ₂₀₁₇	<ul style="list-style-type: none"> • OB’s Early Budget Meetings with Mayor • OB Conducts Training on Planning & Budgeting Cloud Service Module
DECEMBER ₂₀₁₇	<ul style="list-style-type: none"> • Departments Submit Budget Requests • OB Meets with Mayor, CFO and COO to Review Budget Submissions
JANUARY ₂₀₁₈	<ul style="list-style-type: none"> • Budget Director Conducts Hearings on Budget • Mayor Meets with CFO on Major Departments
FEBRUARY ₂₀₁₈	<ul style="list-style-type: none"> • OB Presents February Revenue Estimates to CFO • CFO Meets with COO and Mayor on Final Changes • OB Finalizes Recommended Budget with CFO • Revenue Estimating Conference • Mayor's Approval of FY19 Budget • Mayor's Budget Address • City Council Conducts Hearings on Budget
MARCH ₂₀₁₈	<ul style="list-style-type: none"> • City Council Holds Public Hearing on Budget • City Council Votes on Budget • Mayor's Veto, if Applicable • City Council Vetoes Override, if Applicable • CFO Submits Four-Year Financial Plan to Financial Review Commission (FRC)
APRIL ₂₀₁₈	<ul style="list-style-type: none"> • FRC Approves or Disapproves Four-Year Financial Plan
MAY ₂₀₁₈	<ul style="list-style-type: none"> • If disapproved, City Submits Revision to Budget
JUNE ₂₀₁₈	<ul style="list-style-type: none"> • City Council Approves Tax Statement
JULY ₂₀₁₈	<ul style="list-style-type: none"> • Fiscal Year Begins on July 1st

FINANCIAL PLAN REQUIREMENTS

HOME RULE CITY ACT 279 OF 1909 -117.4T		RESPONSE
(l)(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 2019-2022 including debt service. Debt service is reflected in Agencies 18, 35, 36 and various Enterprise Agencies.
(l)(b)(ii)	Projection of cash flow for each fiscal year	The Financial Plan includes cash flows for each fiscal year.
(l)(b)(iii)	A schedule of projected capital commitments for each fiscal year	A schedule of projected capital commitments is included in the Financial Plan.
(l)(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.
(l)(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.
(l)(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.
(l)(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.
(l)(b)(viii)	Any other information the mayor, governing body, or chief financial officer of the city considers appropriate	The Financial Plan includes the February 2018 Revenue Consensus Estimating Conference report.

(l)(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.
(l)(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.
(l)(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	The Financial Plan does not include issuance of debt.
(l)(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.
(l)(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 and Mayor for review.
(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 contingency account in each fiscal year cash reserve and 5% budget reserve to provide for mandated and essential programs to cover potential reductions in projected revenues and increases in projected expenditures.

(I)(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.
(I)(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 based on the result of the Revenue Consensus Estimating Conference held February 14, 2018. The participants determined the revenues were reasonable and conservative.</p> <p>Expenditure projections are based on the trend information and projections included in the plan of adjustments and departmental projections.</p>
(I)(c)(ix)	Rely upon cash flow projections based upon reasonable and appropriate assumptions as to sources and uses of cash, including timing	The City is relying on the projections in the cash flow which were based on the information in the budget, current trends, and required payments including the timing of all payments.

FEBRUARY 2018 REVENUE ESTIMATING CONFERENCE

The budget reflects revenue consistent with the Detroit February 2018 Revenue Estimating Conference. Below is the report from the FY 2018 Revenue Estimating Conference which outlines assumptions, forecasts and estimates used to determine the City's revenues.

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

The February 2018 Revenue Estimating Conference results set the revenues anticipated in the City's FY 2019-2022 Four-Year Financial Plan. The voting principals for February 2018 are:

- John W. Hill, Chief Financial Officer, City of Detroit
- Eric Bussis, Chief Economist and Director, Office of Revenue and Tax Analysis, State of Michigan, Department of Treasury (on behalf of State Treasurer Nick A. Khouri)
- George Fulton, PhD, Director Emeritus, Research Seminar in Quantitative Economics (RSQE), Department of Economics, University of Michigan

The Office of Budget within the Office of the Chief Financial Officer (OCFO), in coordination with the City Council's Legislative Policy Division and the Auditor's General Office, is responsible for preparing the City's revenue estimates for review and consideration by the Revenue Estimating Conference principals. These internal participants met during the month of January to discuss the City's prior year actual revenues (FY 2017), current year estimated revenue (FY 2018) and projected revenues for the next four fiscal years (FY 2019-2022). Representatives from other OCFO divisions also participated to discuss revenues in their respective areas, including the Offices of the Assessor, Departmental Financial Services, Development and Grants, and the Treasury. Mr. Robert Kleine (Interim Director of Michigan State University Extension Center for Local Government Finance and Policy) presented a forecast of economic conditions that may impact the City's revenues. Jed Howbert (Group Executive for Planning, Housing and Development, Mayor's Office) presented an update on the City's economic development projects.

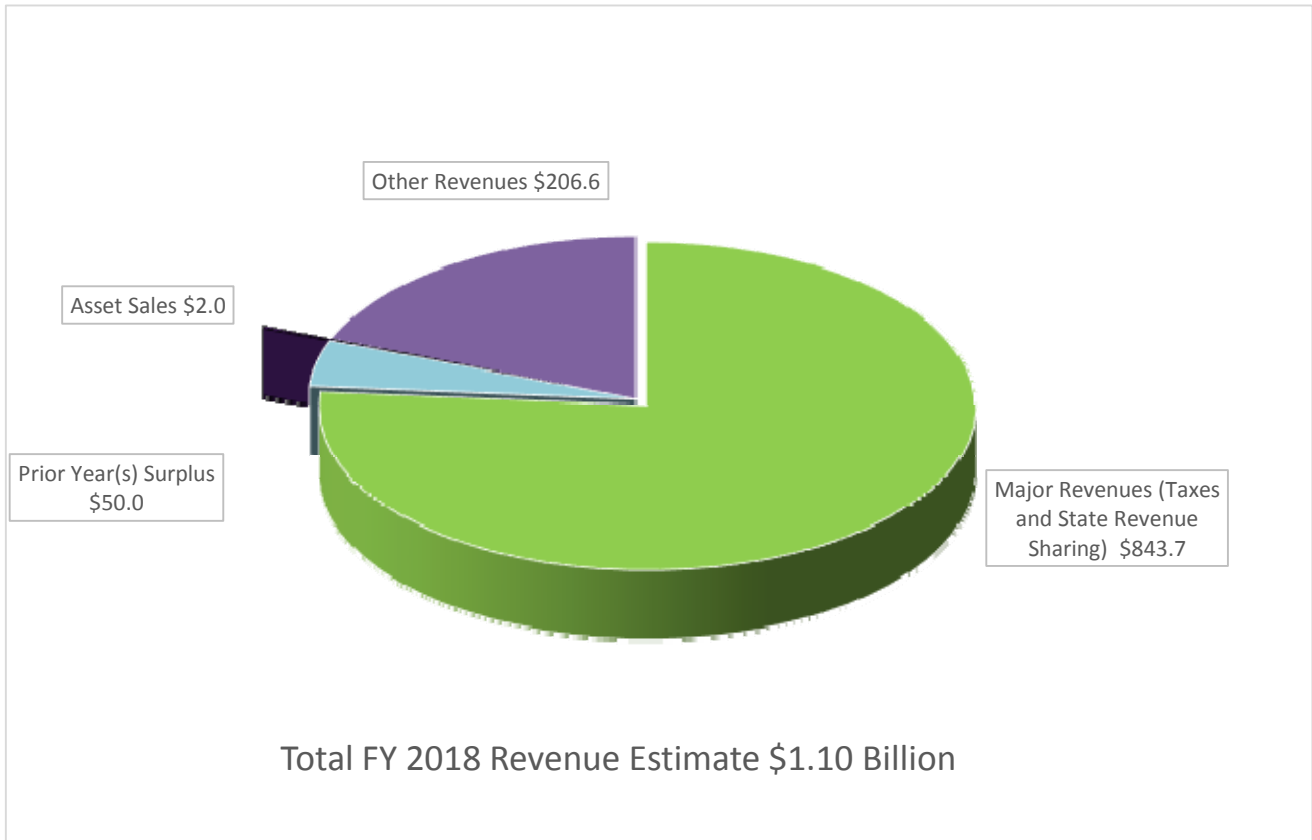
This year, the City's internal participants began the process with an in-depth review of departmental revenues followed by a discussion of the City's major revenues and current economic climate. The task was to review General Fund major revenues and department revenues final year-end results for FY 2017, estimate current fiscal year-end activity for 2018, and project revenues for the forecast period FY 2019 through FY 2022. Using financial system reports, department sub-ledger reports, current operational analysis and local economic data, the participants individually determined their forecasts. Department- Other revenues" of the General Fund were discussed in terms of on-going/recurring revenues, one-time activity/and initiatives. Revenues from all City funds were also considered as required by Public Act 182 of 2014.

OVERVIEW OF CONFERENCE RESULTS

Participants reviewed actual collections through December 2017 and year-end collections for FY 2017 as a basis to project revenues for the forecast period. Preliminary fiscal year-end 2018 results for General Fund revenues are \$1.10 billion which consist of \$1.05 billion from recurring revenues and \$50 million from one time revenue sources. FY 2018 estimate includes

\$50 million from prior year(s) surpluses to fund capital projects, blight remediation and technology initiatives.

The vast majority of the General Fund revenues, 76%, are from the Major Revenues, which include Taxes and State Revenue Sharing.



The FY 2018 General Fund Adopted Budget is \$1.07 billion. The September 2017 estimate of \$1.08 billion has been adjusted by \$27.8 million to reflect two accounting policy changes. Major Revenues have been adjusted by \$9.1 million to net property taxes against certain distributions and Other Departmental revenue estimates have been adjusted by \$18.7 million to account for Grand Bargain pension contributions. The primary difference between the February 2018 estimate of \$1,102.3 million and the adjusted September 2017 estimate of \$1,109.3 million is the \$2.4 million increase in Major Revenues and the \$9.6 million reduction in Other Departmental revenues.

FY2018 BUDGET General Fund <i>(in millions)</i>								
	FY 2018 Baseline Budget	One-time Investments	FY 2018 Total Adopted Budget	2017 September Estimate	2017 September Estimate (Adjusted)	2018 February Estimate	Variance (February 2018 to September 2017 Estimate)	Variance (February to Adopted Budget)
<i>Major Revenues (Taxes and State Revenue Sharing)</i>	\$816.20		\$816.20	\$832.2	\$841.3	\$843.7	\$2.4	\$ 27.50
<i>Reinvestment Initiatives</i>	13.2		13.2	7.9	7.9	7.9	0.0	(5.3)
<i>Use of surplus funds</i>		\$50.0	50.0	50.0	50.0	50.0	0.0	0.0
<i>Asset Sales (real and equipment)</i>	5.1		5.1	1.8	1.8	2.0	0.2	(3.1)
<i>Other Departmental revenues (less asset sales)</i>	189.4		189.4	189.6	208.3	198.7	(9.6)	9.3
Total	\$1,023.9	\$50.0	\$1,073.9	\$1,081.5	\$1,109.3	\$1,102.3	(\$7.0)	\$28.4

FEBRUARY 2018 REVENUE ESTIMATES RESULTS

The February 2018 conference includes estimates for FY 2018 and revenue projections for FY 2019 and 2020. The conference developed a trend line forecast of General Fund Revenues for FY 2021 and 2022.

General Fund <i>(in millions)</i>	Income Tax	Property Tax	Utility Users Tax	Wagering Tax	State Revenue Sharing	Other Revenues	Total General Fund Revenues
FY 2018							
Feb 2018 Estimate	\$ 292.1	\$ 133.1	\$ 40.0	\$ 179.0	\$ 199.5	\$ 208.6	\$ 1,052.3
*Sept 2017 Estimate	292.1	133.1	38.9	179.0	198.2	218.0	**1,059.3
Variance Feb over Sept	0.0%	0.0%	2.8%	0.0%	0.7%	(4.3%)	(0.7%)
FY 2019							
Feb 2018 Projection	\$ 299.4	\$ 133.8	\$ 40.0	\$ 180.8	\$ 200.7	\$ 216.4	\$ 1,071.1
*Sept 2017 Projection	299.4	133.1	39.1	180.8	199.2	219.2	1,070.8
Variance Feb over Sept	0.0%	0.5%	2.3%	0.0%	0.8%	(1.3%)	0.03%
FY 2020							
Feb 2018 Projection	\$ 306.9	\$ 135.8	\$ 40.0	\$ 182.6	\$ 201.7	\$ 218.1	\$ 1,085.1
*Sept 2017 Projection	306.9	135.0	39.3	182.6	200.2	220.3	1,084.3
Variance Feb over Sept	0.0%	0.6%	1.8%	0.0%	0.7%	(1.0%)	0.07%
Long Term Trend							
FY 2021	\$ 314.6	\$ 137.8	\$ 40.0	\$ 184.4	\$ 202.7	\$ 220.5	\$ 1,100.1
	2.5%	1.5%	0.0%	1.0%	0.5%	1.1%	1.4%
FY 2022	\$ 322.5	\$ 139.9	\$ 40.0	\$ 186.3	\$ 203.7	\$ 220.9	\$ 1,113.3
	2.5%	1.5%	0.0%	1.0%	0.5%	0.2%	1.2%

* September 2017 Estimate revised to include TIFA \$9.1M and \$18.7M for Grand Bargain. ** (General Fund Total excludes budget surplus of \$50.0 million)

MAJOR REVENUES DISCUSSION

The City of Detroit has five major revenues: Income Tax, Property Tax, Utility Users' Tax, Wagering Tax (Casinos) and State Revenue Sharing. These revenues represent 83% of the General Fund year-end FY 2017 results of \$988 million (excluding one-time activity).

Varying methodologies were utilized by the internal participants, including analysis of historical collection patterns, trend line fitting, moving averages, major

revenue category analysis, individual agency revenue account analyses, and the utilization of run rates. All participants considered and accounted for other known items that impact collections. Participants used a conservative approach in projecting future revenues; speculative revenues were not considered in the numbers, but outlined as potential upward adjustments to revenues discussed later in this report.

Income Tax revenue includes corporate, withholding and individual payments. More than 85% of income tax actual collections are derived from withholdings. The current Municipal Income tax rate is 2.4% for residents, 1.2% for non-residents and 2.0% for corporations, which are set by State law. Public Act 394 of 2012 designated income tax revenues of 0.2% of resident individual tax collections and 0.1% of non-resident individual tax collections for Police operations.

As authorized under Public Act 284 of 1964, as amended by PA 56 of 2011 and again in 2012, the City of Detroit levies an Income Tax on income from all sources with minimum exemptions

In 2015, the City contracted with the State of Michigan to process its income tax on its behalf. In January 2016, the State began phasing that in, as follows:

	Calendar Year 2016	Calendar Year 2017 and 2018
Individual returns: resident and non-resident	MI Processing Start 1/1/2016; estimated 100,000 new returns filed, 304,000 returns in total. Total refunds processed \$17.2 million	Refunds of approximately \$28 million for FY 2017; in the range of \$23 million for FY 2018
Corporate returns		MI Processing started 1/1/2017
Withholdings	725 new entities are now withholding: 80% voluntary registered, 20% city compliance efforts	MI Processing started 1/1/2017
Electronic Filing, Pay and Refunds	1/1/2016 began e-filing; 77% e-filed in 2016	MI Processing started 1/1/2017 for e-pay MI Processing started 1/1/2018 for e-refunds

MUNICIPAL INCOME TAX

Income Tax Collections Five Year History					
(In millions)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Actuals (per CAFR)	\$248.0	\$253.8	\$263.4	\$263.2	\$284.5
% change	2.3%	2.3%	3.8%	0.0%	8.1%

Municipal Income Tax collections for FY 2017 were \$284.5 million up from FY 2016 collections of \$263.2 million. Increased refund activity from the State tempered net collections in FY 2016. Municipal Income Taxes continue to trend upward for the forecast period driven by modest increases in salary and wages.

Income tax collections for FY 2018 continue an upward trend with growth estimated at 2.7%. Projections for FY 2019 through FY 2022 maintain a growth rate of 2.5%.

The September 2017 and February 2018 estimate includes enforcement activity to increase delinquent income tax collections: outside collection agency; city staff to perform field audits; and enhanced taxpayer outreach and communications.

The February 2018 conference considered improved local economic conditions based upon blue chip economic forecasts as presented by Mr. Robert Kleine, Michigan State University.

Article IX of the State Constitution, Sections 3 and 6 (General Property Tax) authorize the levy of taxes on real and personal property not otherwise exempt. The City currently levies the maximum tax permitted by law.

CURRENT PROPERTY TAXES

Property Tax Collections Five Year History					
(In millions)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Actuals (per CAFR)	\$132.8	\$129.4	\$126.4	\$147.4	\$129.5
Add: CAFR Adjustments-TIFA					8.2
Total Gross Collections					\$137.7
% change	(10.1%)	(2.6%)	(2.3%)	16.6%	(6.6%)

Property Tax Collections consist of assessments for the current tax year; delinquent real and personal property remittance from the Wayne County Delinquent Tax Revolving Fund; auction proceeds from the County; and Personal Property Tax reimbursements from the State.

Final FY 2017 year-end result for property tax collection was \$129.5 million. Beginning with the FY 2017 financial audit, property tax collections are recorded in the CAFR at net of Tax Incremental Financing Authority (TIFA) payments of \$8.2 million.

The FY 2018 Adopted Budget of \$124 million assumed a smaller decline in collections than previous budgets due to higher than estimated taxable valuations. Previous estimates were based on continued declines in the City’s property taxable values due to required citywide reassessments and foreclosure activity. Actual taxable value declines were lower than originally anticipated. Improvement in the City’s collection rate from 50% to over 70% also factored into increased collections for FY 2017.

The City received \$9.1 million from the State in personal property tax reimbursements, authorized under the Local Community Stabilization Authority (LCSA) Public Act 86 of 2014. The General Fund received approximately \$4 million of this reimbursement in FY 2017. Lower reimbursement levels are expected for the forecast period.

The City of Detroit partnered with DTE and Wayne County in providing for payment of current and delinquent city of Detroit property taxes, DWSD bills, and DTE bills at DivDat Kiosks conveniently located throughout the city (located in participating Rite-Aid stores, DTE Payment Centers, supermarkets /other retail establishments and in various City of Detroit buildings). The city is also experiencing increased collections through mobile apps.

The City Assessor’s outlook on the Ad Valorem valuations for FY 2019 anticipate future growth in all property classes. The completion of citywide reassessments of residential properties in 2016 along with improved property data availability highlighted increased assessed values across the city and across property classes. Residential property values have increased across the city for the first time in 17 years. Most noteworthy is the increase in market rate sales for the period. Industrial property reassessments were completed in January 2018. Industrial values rose more than 64% over the previous year; this increase was attributed to a significant amount of under-valued industrial land on the city’s tax rolls. Commercial property reassessments are expected to be completed in FY 2019. For the 2018 tax year commercial property values also increased by \$0.2 billion.

Current Property Tax, continued:

One concern is the abnormally low residential property class share, account for only 37% of the city’s total property classes.

A personal property taxable valuations appraisal was completed in 2016, and values increased by 6.3% for tax year 2018.

Property tax revenue estimate for FY 2018 is expected to remain flat with slight growth of one-half percent projected for the forecast period. This is a conservative forecast given the anticipated growth in the city’s valuations in the near future. Assessed values are expected to increase by 6.1% for tax year 2018. However, this increase will not fully impact the city property tax collections, as taxable valuation growth will continue to be capped at a lower level per state law.

The City of Detroit levies a Utility Users’ Tax as permitted under Public Act 100 of 1990 and as amended in 2012. The tax is based on consumption of electricity, gas, steam and telephone (land lines) in the city of Detroit. The City currently levies the maximum tax rate of 5%. Revenues are budgeted in the Police Department per the public act and have a restricted purpose to retain or hire police officers. In 2012, the law was amended to provide \$12.5 million annually for the Public Lighting Authority for the repayment of debt proceeds used for street lighting infrastructure improvements in the city. To offset the loss of Utility Users’ tax revenue to the Police Department, state law (Public Act 394 of 2012) authorized the payment of income tax revenues for police officers (to hire/retain).

UTILITY USERS TAX

The September 2017 and the February FY 2018 estimate for Utility Users’ Taxes differed by 2.8% for FY 2018. This increase was based on an overall 8.5% increase in collections over the previous fiscal year. Utility Users’ Tax collections continue to move within a small range of \$35 to \$42 million, down significantly from historical highs of \$60 million.

Utility Users’ Tax Collections Five Year History					
(In millions)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Actuals (per CAFR)	\$35.3	\$42.4	\$37.9	\$24.0	\$27.1
Add: CAFR Adjustment- PLA				\$12.5	\$12.5
Gross Collections	\$35.3	\$42.4	\$37.9	\$36.5	\$39.6
% change	(10.8%)	20.1%	(10.6%)	(3.7%)	8.5%

The FY 2019 through FY 2022 forecast continues a conservative approach in projecting this revenue source. Projections for the forecast period remain flat with no growth. Factors considered were anticipated rate cuts from DTE Energy; a gradual rise in utility consumption; and prior year’s actual collections.

Estimates/projections were determined on a gross basis,

inclusive of the \$12.5 million Public Lighting Authority payment. Beginning with the June 30, 2016 Comprehensive Annual Financial Report (CAFR), Utility Users Tax revenues are presented net of the Public Lighting Authority (PLA) payment, as the PLA is considered a blended component unit of the city.

WAGERING TAXES

The City is authorized to levy a tax on the adjusted gross receipts of a gaming licensee under Initiated Law 1 of 1996, as Amended by Public Act 306 of 2004. The current tax rate in effect is 10.9% for the three casinos operating in Detroit. The City receives additional revenues from the casinos as specified in the casinos' operating agreements that increases the total percentage to 11.9%. The city is also permitted to assess a municipal service fee of 1.25% of adjusted gross receipts for public safety services provided to the casinos.

Wagering-Casino Tax Collections Five Year History					
(In millions)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Actuals (per CAFR)	\$174.6	\$167.9	\$172.5	\$180.2	\$177.2
% change	(3.7%)	(3.8%)	2.7%	4.5%	(1.7%)

The September 2017 and the February 2018 conference maintained Wagering Tax revenues at the same level. FY 2017 year-end results recorded a 1.7% decline in this revenue source over the previous fiscal year. This decline preceded two

years of revenue growth as the city's revenues rebounded following declines due to the opening of casinos in Ohio.

The forecast for the four year period FY 2019 through FY 2022 include a growth factor of 1.0%. Detroit casinos have rebounded from declining revenues which occurred with the opening of casinos in Ohio. At risk to this forecast is new casinos/gaming operations located within a 50 to 150 mile radius of the city that will exert negative pressure on Detroit casino revenues, as shown with the opening of the Ohio casinos. It is not known what the impact of major renovations to competing casino establishments will have on Detroit casino revenues.

Revenue Sharing payments from the State are derived from two components: constitutional and statutory. Constitutional payments are guaranteed under the State Constitution and are calculated as 15% of 4% of the State Sales Tax gross collections. Statutory payments are based upon municipalities meeting the requirements of the City, Village and Township Revenue Sharing (CVTRS) program.

STATE REVENUE SHARING

For FY 2017 and FY 2018, the maximum amount available is 78.51044% of the FY 2010 total statutory payment (if a municipality complies with all requirements of the City, Village, and Township Revenue Sharing (CVTRS) program).

State Revenue Sharing Collections Five Year History					
(In millions)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Actuals (per CAFR)	\$182.4	\$189.8	\$194.8	\$194.7	\$197.8
% change	5.9%	4.1%	2.6%	0%	1.6%

Estimates are based on the current State Revenue Sharing payments projected by the Michigan Department of Treasury and revised Sales Tax revenue projections. Treasury payments are based on the State of Michigan January 2018 Revenue Estimates and the FY 2019 Executive Budget.

The February 2018 estimate for the current fiscal year is \$199.5; \$3.4 million higher than the FY 2018 Adopted Budget of \$196.1 million and 0.8% higher than FY 2017 actuals.

Total revenue sharing increases by 0.6% in FY 2019 and 0.5% for FY 2020 through FY 2022 Statutory share-CVTRS remains flat for the forecast period. The constitutional share based on sales tax revenues is projected to grow by 3.1% in FY 2019 and 1.7% in FY 2020 through FY 2022. The City received a one-time supplemental CVTRS payment of \$578,606 in FY 2018. Each eligible city, village or township received a payment equal to their population multiplied by 0.81198.

Potential risks to this forecast include economic risks from changes in federal fiscal policies that negatively impacts state/local finances; lower sales tax revenues/lower auto sales; and challenges to the state budget due to crises in local finances.

OTHER GENERAL FUND DEPARTMENTAL REVENUES

Other Departmental Revenues collections for FY 2017 total \$356.81 million, which included \$238.9 million from on-going/recurring sources and \$117.9 million from one-time sources. Revenues from one-time sources included \$67.9 million of prior years' surplus used to fund capital projects and blight remediation. It also included \$50 million in General Fund unassigned balances allocated to fund the Retiree Protection Fund.

Projections for recurring revenues grow by less than 1% for FY 2019 through FY 2021. Revenues projections for FY 2022 remain flat.

Noteworthy changes to Departmental Revenues:

1. Estimates for real property sales and sales of equipment were reduced based on prior years' actual collections and lower than expected revenues estimated for FY 2018. Reduced estimates for this activity were included in the forecast for FY 2019 through 2022.
2. Interagency billings for services to other Non-General Fund City departments were reduced as a result of lower volume of reimbursable activity.
3. Fire Department EMS and cost recovery revenues are expected to increase as result of on-going initiatives.
4. Revenues generated by the Civil Rights Inclusion and Opportunity Agency (formerly known as Human Rights), resulting from non-compliance fines, are recorded in a separate Special Revenue Fund as the use of these funds are restricted for workforce employment training activity.
5. State of Michigan reimbursement for the 2016 Presidential Primary Election was received in FY 2017 by the Elections Department. The September 2017 and the February 2018 estimate also included this revenue in FY 2021 for the next election cycle.

GENERAL FUND REVENUES BY MAJOR CATEGORIES

The following is a brief description of the types and sources of revenue that are included in each category shown in departmental budgets:

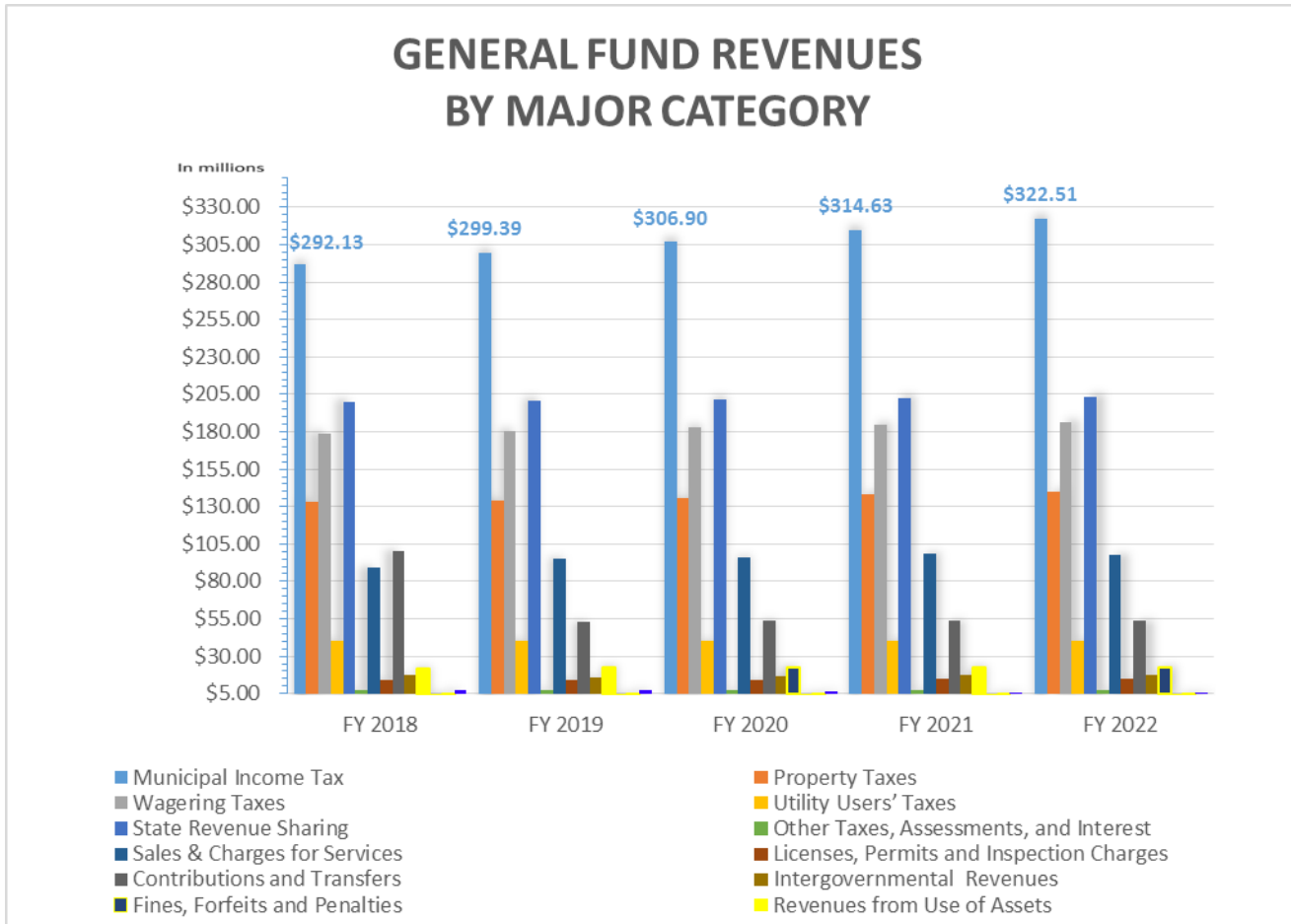
1. **Other Taxes, Assessments, and Interest** - Special assessments, Industrial Facilities Taxes, other miscellaneous property taxes and interest paid on delinquent property taxes.
2. **Sales and Charges for Services** – Inter-fund revenue generated from maintenance and construction, Casino Municipal Service fees, Cable Franchise fees, recreation fees, property tax administrative fees, inter-fund reimbursements including personal services reimbursements, , and other minor sales and service fees.
3. **Licenses, Permits and Inspection Charges** - Various permits and licenses, safety inspection charges, and business licenses charges.
4. **Contributions, Transfers, and Miscellaneous** – Various revenues and contributions due to/or due from one fund resulting in revenues to one fund and an expenditure for another, and other miscellaneous revenues and receipts.
5. **Intergovernmental Revenues-** Reimbursements from other governmental entities (Federal, State, and County) for services provided by the city; includes revenues from Emergency Medical Services billings, 36 District Court reimbursements from the State, Health grants from the State.
6. **Fines, Forfeits, and Penalties** - Ordinance, court and parking fines, property tax penalties, and various fines, forfeits, and penalties.

7. Revenue from Use of Assets - Earnings on investments, various interest earnings, building rentals, marina rentals, concessions, equipment rentals and sales of real property.

8. Sale of Assets and Compensation for Losses – Sale of real property, equipment, tools, and other city assets. Compensation for losses include reimbursement for damages or loss.

FEBRUARY 2018 ESTIMATES & PROJECTIONS GENERAL FUND REVENUES BY CATEGORY										
	FY 2018 Adopted Budget	FY 2018	FY 2019	% change	FY 2020	% change	FY 2021	% change	FY 2022	% change
Municipal Income Tax	283.25	292.13	299.39	2.5%	306.90	2.5%	314.63	2.5%	322.51	2.5%
Property Taxes	124.00	133.10	133.81	0.5%	135.81	1.5%	137.85	1.5%	139.92	1.5%
Wagering Taxes	177.78	178.99	180.78	1.0%	182.59	1.0%	184.41	1.0%	186.26	1.0%
Utility Users' Taxes	35.00	40.00	40.00	0.0%	40.00	0.0%	40.00	0.0%	40.00	0.0%
State Revenue Sharing	196.14	199.45	200.66	0.6%	201.67	0.5%	202.68	0.5%	203.70	0.5%
TOTAL MAJOR REVENUES	816.17	843.67	854.64	1.3%	866.97	1.4%	879.57	1.5%	892.39	1.5%
Other Taxes, Assessments, and Interest	7.27	6.85	6.85	0.0%	6.85	0.0%	6.85	0.0%	6.85	0.0%
Sales & Charges for Services	106.07	85.78	91.33	6.5%	92.36	1.1%	94.72	2.6%	94.52	-0.2%
Licenses, Permits and Inspection Charges	10.14	14.10	14.23	1.0%	14.44	1.5%	14.63	1.3%	14.77	1.0%
Contributions and Transfers	72.05	100.43	53.21	-47.0%	53.33	0.2%	53.46	0.2%	53.58	0.2%
Intergovernmental Revenues	14.97	17.14	15.82	-7.7%	16.78	6.1%	17.00	1.3%	17.22	1.3%
Fines, Forfeits and Penalties	24.81	21.90	22.63	3.3%	22.38	-1.1%	22.38	0.0%	22.38	0.0%
Revenues from Use of Assets	3.30	2.26	2.15	-4.9%	2.16	0.5%	2.17	0.5%	2.17	0.0%
Sales of Assets and Compensation for Losses	5.90	3.19	3.31	3.8%	3.34	0.9%	3.38	1.0%	3.45	2.2%
Miscellaneous	13.24	6.99	6.87	-1.8%	6.48	-5.6%	5.90	-8.9%	5.92	0.0%
TOTAL OTHER REVENUES	257.75	258.65	216.41	-16.3%	218.13	0.8%	220.48	1.1%	220.88	0.2%
TOTAL GENERAL FUND REVENUES	\$ 1,073.92	\$ 1,102.32	\$ 1,071.04	-2.8%	\$ 1,085.10	1.3%	\$ 1,100.06	1.4%	\$ 1,113.27	1.2%

NOTE: Numbers may not add due to rounding.



OTHER GENERAL FUND ACTIVITY

Risk Management Fund

The City is exposed to various types of risk of loss including torts; theft of, damage to, or destruction of assets; loss due to errors or omissions; job-related illnesses or injuries to employees; natural disasters; and environmental occurrences. The City is self-insured against certain third-party claims. The City currently reports the risk management activities (excluding health and dental) of non-Enterprise Funds and the Transportation Fund (an Enterprise Fund) in its General Fund. The General Fund and DDOT pay insurance premiums into the

Risk Management Fund based on past claim activities. Because the Transportation Fund is included in the General Fund’s risk management activities, it does not record a liability in its financial statements. Risk management activities for the other Enterprise Funds are recorded and reported separately in those funds. Contributions to the Risk Management Fund in the form of insurance payments total \$24.1 to \$49 million for fiscal years 2018 through FY 2022.

Budget Reserve Fund and PLD Decommissioning Fund

The City also has a Budget Reserve Fund and a Public Lighting Department (PLD) Decommissioning Fund recorded in the General Fund Class. Per statutory requirements, the Budget Reserve Fund must maintain a balance of 5% of budgeted

expenditures. Currently, the fund has a balance of \$62.3 million, which exceeds the minimum balance requirement. The PLD Decommissioning Fund records the proceeds from scrap material sales, which will be used for decommissioning purposes.

OTHER CITY FUNDS (NON-GENERAL FUND)

Public Act 279 of 1909, as amended by PA 182 of 2014, requires the City to establish a forecast of anticipated revenues of the City for the fiscal year in which the revenue conference is being held and the succeeding two fiscal years. The chart shown

below lists all of the City's Special Revenue Funds and Enterprise Funds. The revenue projections presented for these funds were based on historical data, trend lines and/or current department estimates.

CITY OF DETROIT FUNDS (EXCLUDES GENERAL FUND CLASS)					
(in millions)	FY 2018				
FUND NAME	Adopted Budget	FY 2017 September Projection	FY 2018 February Projection	FY 2019 Projection	FY 2020 Projection
Community Development Block Grant	\$ 32.612	\$ 32.600	\$ 29.727	\$ 29.727	\$ 29.727
Emergency Solution Grants	2.696	2.700	2.683	2.683	2.683
Bridging Neighborhoods Fund	0.000	32.600	32.600	0.000	0.000
Department Grant Funds (Note 1):					
- Fire SAFER -Other Fire Grants	2.000	2.000	3.055	1.084	.084
- Health Grants (Note 2)	21.700	28.100	25.590	26.357	27.148
- Homeland Security Grants	0.800	0.800	0.800	0.800	0.800
- Mayor's Office Grants	0.110	0.090	0.127	0.085	0.0400
- Police Grants	4.813	4.810	4.813	6.533	6.533
- Dept. of Public Works (General) Grants	0.050	0.050	0.050	0.050	0.050
- Recreation	0.400	0.400	.005	1.105	.005
- Elections Grants (Voter Ed) (\$2,500 annually)	0.002	0.002	0.002	0.002	0.002
Construction Code Fund	25.000	25.000	25.000	26.739	26.739
Drug Law Enforcement Fund	1.987	2.010	1.987	2.010	2.010
Library Funds	33.000	33.00	31.876	31.846	32.442
Civil Rights, Inclusion & Opportunity Revolving Fund (Note 2)	0.4500	4.500	3.000	3.000	3.000
Major and Local Streets Fund	77.210	77.210	215.914	85.124	88.625
PA 48 2002 Fund	2.894	2.900	2.900	2.900	2.900
Solid Waste Management	44.035	44.000	50.441	45.426	44.032
Sinking Interest & Redemption (Debt Service)	59.735	53.650	53.650	51.200	50.500
Special Housing Rehab programs (HRD Dept)	4.013	4.010	4.013	4.013	4.013
Airport Funds	1.668	1.900	2.613	2.213	2.213
Municipal Parking Funds	8.133	10.500	35.400	8.238	8.238
Transportation Funds (DDOT)	133.000	133.000	136.590	135.073	136.104
Detroit Water & Sewerage Department-Water Retail	119.848	119.850	134.944	139.332	143.930
Detroit Water & Sewerage Department-Sewerage Retail	278.632	278.630	297.205	331.939	345.518
Total Other Funds	\$854.788	\$894.312	\$1,094.985	\$937.479	\$957.336

Note 1: City Departments Grant Funds represent the reorganization of grants previously consolidated under one fund. Not all departments receive annual grant awards; the budget will be amended to reflect any additional grant awards received during the fiscal year. The projections for FY 2019 and FY 2020 assume receipt of recurring departmental grants.

Note 2: In conjunction with the Gordie Howe International Bridge Project, the city will receive funds from the State of Michigan, the Windsor Detroit Bridge Authority and from the sale of land. These funds are restricted for specific purposes, such as health, job training, and neighborhood development.

FUNDS WITH GENERAL FUND IMPACT

Airport

The [Coleman A. Young International Airport](#) is an Enterprise Agency of the City of Detroit. Revenues from landing fees, rentals, fuel concessions and Federal/State grants maintain the operations of the Airport. In addition, the Airport FY 2018 Budget include a General Fund contribution of \$1.8 million which is expected to be paid.

Projections for FY 2019 and FY 2020 decreases this contribution to \$1.4 million. Higher General Fund contribution amounts are necessary to meet rising utility costs (lighting and drainage fees). Enterprise revenues of \$2.2 million are expected for FY 2019 through FY 2022.

Buildings & Safety - Construction Code Fund

The [Buildings & Safety Engineering & Environmental Department \(BSEED\)](#) is an Enterprise Agency of the City of Detroit as mandated by State law. BSEED's mission is to safeguard public health, safety and welfare by enforcing construction, property maintenance, environmental compliance and zoning codes. Revenues from the Construction Code Fund include civil infraction fines, safety inspection charges, construction inspections and other licenses, permits and inspection charges. Revenues generated in support

of the General Fund operations are from the business licensing activity.

Revenues from the enterprise activity are estimated to increase to \$25 million in FY 2018, a 2.9% increase over the previous fiscal year-end total of \$24.3 million. Revenue growth of 6.9% is expected for the forecast period. The implementation of new electronic ticketing and new development/construction activity within the city is expected to contribute to revenue growth for the forecast period

Transportation

The [Detroit Department of Transportation \(DDOT\)](#) is an Enterprise Agency that provides transit services to the city of Detroit. Revenues are generated from fare boxes, State operating assistance, State and Federal grants, contribution from the General Fund and other miscellaneous revenues. The General Fund contribution for DDOT for FY 2018 is \$61.5 million; this amount remains unchanged for the forecast period. Additional restructuring efforts, including the expansion of routes, should allow this level of General Fund support to continue for the foreseeable future.

Increased Transportation funding is included in the road funding bills passed by the State Legislature in 2014-2015. This legislation provides additional funding for DDOT, at the discretion of the City's Administration, by authorizing a city that meets specific criteria to allocate some of its Michigan Transportation Fund (MTF) revenues for public transit purposes. DDOT revenues continues at \$133 million for FY 2018. FY 2019 revenues are expected to decline slightly by 1.1%. Revenue growth of 0.8% is projected for FY 2020.

Municipal Parking

The [Municipal Parking Department](#) is organized into two operations: the Parking Violation Bureau and the Automobile Parking and Area System. The Parking Violations Bureau is a General Fund operation responsible for enforcing on-street and off-street ordinances in Detroit and the processing and collection of parking violation notices. The Auto Parking and Area System revenues are currently assigned to pay debt service for post-bankruptcy loans. In addition, certain parking structures have been transferred or optioned for

future purchase under terms of the bankruptcy settlement. Revenues from the Enterprise operations for FY 2017 resulted in a surplus of \$5.6 million due to revenues from garages, expected to be sold, but not sold during the fiscal year. Revenue estimates for FY 2018 total \$35.4 million due to the sale of the Premiere Garage and an inflow of funds utilized to pay debt service. Projected revenues for the forecast period decline to \$8.2 million in anticipation of a further reduction in city-owned garage(s).

Solid Waste Fund

The [Solid Waste Management Fund](#) is a Special Revenue Fund. The City of Detroit uses the Solid Waste Management Fund to account for local revenue collected for curbside rubbish pick-up and discard. The majority of Solid Waste Management Fund revenues comes from a residential Solid Waste Fee that is assessed to every home whether or not currently occupied. The solid waste service fee replaced a 3-mill tax for solid waste collection that was eliminated in 2006. The solid waste fee is assessed annually at \$240 for single family homes, and an additional \$100 for multi-family dwellings. Commercial fees are \$1,000.

The City privatized the solid waste activity in FY 2014. Contracts were awarded to two companies to service the east and west side of the City.

A change in processing of delinquent tax bills in FY 2016 resulted in improved collections of solid waste fees. Fiscal Year-end 2017 collections were \$54.6 million due to delinquent collections. For FY 2018 revenues are estimated at \$50.4 million, inclusive of delinquent collections. Collections are projected to decrease to \$44.0 - \$45 million for the forecast period.

OTHER CITY FUNDS

Grants

The City receives various Federal and State Grants for various activities administered by city departments. Some of the city's largest programs are noted below.

The Fire Department received revenues from the Staffing for Adequate Fire & Emergency Response (SAFER) grant, a Federal grant sponsored by Federal Emergency Management Agency (FEMA).

The Health Department administers grants from Federal and State sources for HIV/AIDS, Housing Opportunities for Persons with Aids (HOPWA) grants, Immunization, Women, Infants and Children

(WIC) and Essential Local Public Health Services (ELPHS) grants.

The Housing and Revitalization Department administers programs and contracts funded by the Community Development Block Grant (CDBG), the Emergency Solutions Grant and HOME funds.

The Police Department receives grants from various State and Federal sources including the Department of Justice-Justice Assistance grants (JAG), Community Oriented Policing (COPS) grants, Auto Theft and Victim's Assistance grants.

Bridging Neighborhoods Fund

The City of Detroit has designated \$32 million for the Bridging Neighborhoods Program. The program will provide funds and services for the optional relocation of households and optional retrofits of homes in Del Ray and parts of Southwest Detroit that are most impacted by the Gordie Howe International Bridge Project. In

addition, under this project, the city will also receive \$1.5 million for job training and \$2.4 million for health assessments and long-term emissions monitoring programs. The city has received \$20 million to date from this revenue source.

Library

The Library Fund records the operations of the Detroit Public Library (DPL). DPL is an enterprise agency of the City of Detroit. It is Michigan's largest public library system consisting of a Main Library and 21 neighborhood branches. DPL has a collection of 6.6 million items that includes books, journals, photographs, government documents, and

DVDs. A bookmobile makes weekly visits to schools and community centers, and the Library for the Blind & Physically Handicapped serves those with various physical challenges. The February 2018 conference project lower revenues of \$31.9 million for this fund for the forecast period; a decline of \$1.1 million over the previous forecast.

Major and Local Street Funds

Activity recorded in Major and Local Street Funds provide for the construction and maintenance of streets, bridges, traffic signals and non-motorized improvements. These funds record the city's share of State Gas and Weight Tax revenue that support various projects and accounts for State and Federal grants on a project basis. The Department of Public Works staff manages the Street Fund. The following three divisions are wholly or partially funded through the Street Fund: Street Maintenance Division, City Engineering Division and the Traffic Engineering Division. Increased road funding was enacted with the passage of state legislation amending various public acts in 2014- 2015. The City expects to

receive \$10- \$15 million in additional Gas & Weight Taxes for the forecast period as result of these legislative changes. Revenues from this source are projected to range from \$77.2 million in FY 2018 to \$88.6 million in fiscal year FY 2020.

The City sold \$124.5 million in bonds in November 2017 in order to expedite road improvements projects. These Michigan Transportation Fund Bonds will be repaid from the incremental increases in Gas & Weight Taxes noted above. The funds will be periodically drawn-down as road projects progress.

Sinking and Interest Fund (Debt Service)

The Sinking (bond) and Interest Redemption Fund provides for the scheduled retirement of principal and interest on long-term City debt. This debt derives from the issuance of Unlimited Tax General Obligation Bonds. Debt service on Limited Tax General Obligation Bonds are recorded in the General Fund. The debt service for enterprise funds appears in the Enterprise Agency sections. The revenues for the Sinking and Interest (Debt

Service) Fund are generated from a separate debt service millage on real and personal property located in the city of Detroit. Debt service schedules has funding declining from \$53.6 to \$50.5 million in FY 2018 and further declining to \$44 million in FY 2020 due to the August 2016 refinancing transaction that lowered principal and interest obligations for this fund.

Detroit Water & Sewerage - Retail

The Department was reorganized into two separate entities: the regional Great Lakes Water Authority (GLWA) and the Detroit Department of Water and Sewerage Disposal- Retail (DWSD-Retail), effective January 1, 2016. Projections presented for the forecast period are for DWSD-Retail only. The February 2018 conference estimated revenues of \$134.9 million and \$297.2 million for water and sewerage operations respectively for FY 2018. Revenues are projected to increase by approximately 4% for each of the forecast years. The September 2017 estimate reflects the amount included in the current Four Year Financial Plan.

Under the reorganization, Detroit maintains its own local system. The city keeps exclusive control of the local water and sewer system in DWSD – under authority of the Mayor and City Council. The Detroit local system is made up of approximately 3,000 miles of local sewer pipe and 3,400 miles of local water mains serving the neighborhoods of Detroit. The City has full authority to repair and rebuild the local system.

Great Lakes Water Authority (GLWA) is an authority formed to operate the regional system. GLWA operates the regional water and sewer assets. The GLWA Board is made up of 6 members: 2 appointed by the Mayor of Detroit, 1 each by Wayne, Oakland and Macomb Counties, and 1 by the Governor from the service area outside the three counties. The Authority provides services to communities in Oakland, Wayne and Macomb counties, estimated as 4 million customers from 127 communities.

The Authority sets the rates for all water and sewerage services. Rate increases are capped at 4% annually per agreement. GLWA entered into a long-term 40-year lease of the water and sewer assets owned by the Detroit Water and Sewerage Department. Lease terms provide for the payment of \$50 million per year for the next 40 years to the City of Detroit for water and sewer infrastructure improvements. This will allow Detroit to finance up to \$500-\$800 million in bonds to rebuild the city's aged water and sewer system.

SET ASIDES

The FY 2018 Budget included \$50 million from prior years' budget surplus for capital, technology and blight spending. An additional \$50 million in unassigned General Fund Balance was appro-

riated for the Retiree Protection Fund, for a total of \$105 million plus interest contributed by the city to the fund to date.

RISKS TO FORECAST

- Changes to federal fiscal policy may negatively impact federal entitlement programs resulting in a loss of funds to state and local municipalities.
- Increased uncertainty in federal government monetary and trade policy. Failure to raise debt ceiling would have a negative impact on the economy.
- Challenges to State budget from declining local finances and other critical issues may unfavorably impact the Statutory State Revenue Sharing distribution to local municipalities. Lower Sales Tax revenues/slowing auto sales directly impact local share.
- Risks to estimated property tax collections due to the impact of Wayne County chargebacks netted against the delinquent accounts revolving fund payment.
- Loss to personal property tax collections not fully reimbursed by the state.
- Lower consumer confidence depresses spending and reduces sales tax revenues.
- Rising interest rates resulting in lower consumer spending/housing activity. Uncertainty in fed actions on when/how much Fed Fund Rate will rise.
- Rising inflation adversely impacts economic performance.
- Lower census numbers result in loss of federal/state funds tied to population.
- Potential recession in the near future.

**POTENTIAL UPWARD
ADJUSTMENTS TO
FORECAST**

- Major development projects, announced or in process, are not included in revenue estimates until revenue stream to the city materializes. The potential for increased economic development to increase the city’s tax base and generate additional revenues for the city.
- Ongoing improvements to collection efforts in FY 2018 results in additional tax revenues not currently reflected in the estimates.
- State of Michigan processing of the City’s income tax and subsequent withholding collections results in increased compliance and generate additional revenues for the city. E-pay payment option should improve collection activity.
- Passage of State legislation requiring non-Detroit businesses to withhold income taxes of employees residing in Detroit should significantly increase income tax collections.
- Revenue initiatives in the Four-Year Financial Plan, but not included in the estimates/projections may result in additional revenues if timely and successfully implemented.
- Sales tax on internet purchases may increase state local share distributions to city/villages/townships.

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The following economic forecast was provided by Robert Kleine, Interim Director, of Michigan State University-Extension Center for Local Government Finance and Policy.

U.S. Economy

The national economy continued to grow at a moderate pace in 2016, but slightly faster than the growth rate of recent years. Real GDP increased at a rate of 2.3% compared with 1.5% in 2016, and 2.15% over the last 4 years. The relatively slow rates of growth are due mainly to weak government spending, slow growth in exports due to the strength of the dollar (until recent months), increasing income inequality, and in 2017, the maturity of the economic recovery which has reached 102 months, the third longest in history.

A comparison of growth rates by sector for the last 4 years and the last year shows an improvement in the recent period in business investment and exports and weakening in residential investment and a modest weakening in consumption. In the last two quarters, consumption and exports have shown improved growth.

Employment growth slowed in 2017, as job gains averaged 171,000 a month compared with 206,000 for the previous two years.

Light motor vehicle sales maintained a strong pace in 2017, reaching 17.2 million units, but down from a record 17.5 million units in 2016.

The forecast is for real GDP to continue to grow at about a 2.5% rate in 2018 and weaken over the next two years; 2019 (2.1%) and 2020 (1.9%).

Wage and salary growth will continue to slow in the next three years, increasing 1.5% in 2018 and, 0.9% in 2019 and 2020, compared to 1.4% in 2017.

Motor vehicle sales will remain at a high level but fall below the 2015 and 2016 records. The consensus forecast for 2018 is 16.9 million units. The forecast is 16.8 million units for 2019 and 16.7 million units for 2020.

The risks to the forecast beyond 2017 are substantial. Some of the major risks are potential conflicts on trade causing job losses, enacted major tax cuts that will likely balloon the deficit, sharp cuts in government spending that could slow economic growth, over tightening by the Fed, the failure to raise the debt ceiling, and policy mistakes by inexperienced members of the new administration.

The forecasts are largely those agreed to in the State's revenue estimating conference that convened in January.

Michigan Economy

Michigan's economic performance is largely dependent on the national economy, particularly on motor vehicle sales.

Michigan added 57,000 wage and salary jobs in 2017 (December to December). This compares with an average gain of 77,000 from 2011 to 2016, and a gain of 92,000 in 2016.

Using another measure, the monthly average for 2016 and 2017, the increase was 66,000, down from 85,000 in 2016.

After very slow growth in the first half of 2017, wage and salary employment rose 40,000 in the last half of the year. However, growth has slowed in every major sector in the past year compared with the previous year, with the overall growth down from 2.4% to 1%. For example, motor vehicle employment rose 4.5% in 2016 but fell 1.6% in 2017.

Michigan has added 564,000 jobs since hitting bottom in March, 2010, and has more than regained all the jobs lost during the Great Recession. However, wage and salary employment is still 265,000 below the 2000 peak.

The slowing of the national economy, beginning in 2019, and the modest decline in auto sales will slow Michigan employment growth in 2018, 2019, and 2020 to about half the 2016 increase; an increase of 40,000 jobs in 2018 and 2019 and, 49,000 in 2020. These estimates are based on the monthly average rather than the December-to-December change.

The consensus forecast is for the unemployment rate to average 4.3% in 2018, down slightly from 4.5% in 2017, 4.3% in 2019 and 4.2% in 2020. These estimates appear to be somewhat optimistic. The December unemployment rate was 4.7%, up from 3.7% in July. This is concerning as the unemployment rate has never increased this much without a recession following. There are no clear signs of a recession, but given the length of the current economic expansion, a recession in the next 2 to 3 years would not be a surprise. Estimates for 2019 and 2020 should be cautious.

Michigan's low unemployment rate is misleading. Since employment bottomed in late 2009, the Michigan labor force has increased only 0.6%, with all the growth in the last two years, while the U.S. labor force has increased 4.4%. If Michigan's labor force had increased as fast as the national labor force the Michigan unemployment rate would be 8.2%.

Michigan personal income increased an estimated 3.0% in 2017 down from 4.6% in 2016. The forecast is for a 4.3% increase in 2018, a 4.4% increase in 2019, and a 4.5% increase in 2020. The average annual gain since 2010 is 4%. I believe the estimates for 2019 and 2020 are optimistic. There has been only one year since 2000 when personal income has increased faster than 4.6%. A more reasonable estimate would be in the range of 3.5% to 4%. The estimates are produced by the University of Michigan’s (RSQE) economic model; their explanation for relatively fast growth is larger than normal increases in transfer and property income due to Federal tax changes and higher inflation.

There has been little inflation in the last three years, due in part to the decline in oil prices. The Detroit CPI increased 1% in 2014, fell 1.4% in 2015, and increased 1.6% in 2016 and 1.8% in 2017. The forecast is for a 1.6% increase in 2018, a 1.9% increase in 2019, and a 2.2% increase in 2020. The increase in inflation is due, in large part, to the forecast of stable to rising oil prices, and some upward pressure on wages from the tightening labor market.

For both the U.S. and Michigan, forecasts for 2019 and 2020 should be cautious as I believe there is a good chance of a significant slowdown in economic growth in 2019 or even a recession. The current economic expansion will become the longest in history in July, 2019 if it continues. This fact combined with the other risks discussed above raises concerns about how long this expansion can continue.

Exhibit 1 summarizing the U.S. and Michigan Forecast.

EXHIBIT 1			
SUMMARY OF U.S. AND MICHIGAN FORECAST, 2017 AND 2018			
	2018	2019	2020
U.S.			
Real GDP	2.5%	2.1%	1.9%
Wage & Salary Employ. Growth	1.5%	1.2%	0.9%
Unemployment Rate	4.2%	4.0%	4.1%
Motor Vehicle Sales (millions)	16.9	16.8	16.7
CPI	2.5%	1.9%	2.2%
Michigan			
Personal Income	4.3%	4.4%	4.5%
Wage & Salary Employ. Growth	0.9%	0.9%	1.1%
Unemployment Rate	4.3%	4.3%	4.2%
Detroit CPI	1.6%	1.9%	2.2%

Detroit Economy and Revenues

There is little current economic data available for the city of Detroit but the same trends that affect the national and Michigan economies will affect Detroit, although there will clearly be some differences.

Current employment data is available for the Detroit-Dearborn-Livonia Metro area, which covers Wayne County. Wayne County has grown much slower than the state since 2010, and has been growing at a rate of about 2% in recent quarters, slightly faster than the state.

Detroit's major revenue sources are the income tax, property taxes, casino taxes, and state revenue sharing.

Income Tax

The income tax accounts for about 25% of Detroit's General Fund (GF) revenue.

The average annual growth rate from 2012 to 2016 was 2.9%. The increase for FY 2017 was 8.1%. The large increase was mainly due to state assistance in the collection of the tax.

Estimating revenues for FY 2018, FY 2019, and FY 2020 is difficult for two reasons. First, the state has taken over the processing of income tax returns which is resulting in increased collections, but it is too early to estimate the additional revenue, and second, the corporate income tax is very volatile and difficult to estimate. Based on the forecast for Michigan personal income and looking at 2018 estimates for other income tax cities, a reasonable estimate for the individual income tax is 3% for FY 2018 and 2.0% for FY 2019 and FY 2020, excluding any impact from state collection, or other unusual events. The estimates are \$283.3 million for FY 2018, \$289 million for FY 2019 and \$295 million for FY 2020.

State Revenue Sharing

Revenue sharing payments have increased the last four years, but are down about 25% since 2008. The estimates are \$198.9 million for FY 2018, \$200.7 million for 2019, and \$202.4 million for 2020. The 2018 number is the January estimate from the Senate Fiscal Agency. The 2019 and 2020 estimates assumes a 3% increase in the constitutional portion, which is tied to the growth in the sales tax, and no change in the statutory portion.

Property Taxes

Property taxes account for only 12% of GF revenues. The average for all cities is 43%. The key determinant of growth in property taxes for most local governments is the change in the U.S. CPI, as taxable value is limited to the rate of inflation or 5%, whichever is less. The cap in 2017 was 0.9% and the projected cap for 2018 in 2.1%. Detroit’s TV has declined 28.5% since 2012, and the decline in 2017 was 5.9%. It is likely that the worst of the declines is over, and that growth in future years will be limited by the cap.

The estimates are \$124 million for FY 2018, \$126 million for 2019, and \$128 million for 2020. These estimates do not take into account new tax abatements or other special factors.

Wagering Taxes

These taxes provide about 16% of GF revenue. The recent trend has been uneven. Up in 2012 (2.6%), down in 2013 and 2014 (7.5%), up in 2015 and 2016, and down in 2017. A baseline forecast might be the average of the last 5 years, which is about \$175 million. Special factors such as increased competition or upgraded facilities could affect the estimate.

Exhibit 2 summarizes the Detroit revenue forecast.

EXHIBIT 2			
DETROIT REVENUE PROJECTIONS			
<i>(in millions)</i>	2018	2019	2020
Property Tax	\$124.0	\$126.0	\$128.0
Income Tax	\$283.3	\$289.0	\$295.0
Revenue Sharing	\$198.9	\$200.7	\$202.4
Casino Tax	\$178.0	\$179.8	\$180.0

BUDGET RESERVE SCHEDULE

City of Detroit Budget Reserve Schedule				
	FY 2018-2019	FY 2019-2020	FY 2020-2021	FY 2021-2022
Beginning Balance	\$ 62,280,192	\$ 62,280,192	\$ 62,280,192	\$ 62,280,192
Transfer In/ (Out)	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ 62,280,192	\$ 62,280,192	\$ 62,280,192	\$ 62,280,192
Minimum Balance (5% of appropriations)	\$ 53,552,011	\$ 54,267,657	\$ 55,015,430	\$ 55,676,076
PA 182 Sec 4t (1) (c) (vi)				
Include a general reserve fund for each fiscal year to cover potential reductions in projected revenues or 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 2018 to FY 2022							
<i>\$ in millions</i>		Actual			Forecast				Forecast
		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Forecast	
								5 Year	
Receipts									
Municipal Property Taxes	(1)	\$ 122.1	\$ 133.1	\$ 133.8	\$ 135.8	\$ 137.8	\$ 139.9	\$	680.4
Net Municipal Income Taxes		289.5	295.9	304.8	313.9	321.7	329.8		1,566.1
Utility Users Tax	(2)	38.3	40.0	40.0	40.0	40.0	40.0		200.0
Wagering Taxes		176.8	178.6	180.4	182.2	184.0	185.9		911.1
Municipal Service Fee to Casinos		17.4	18.4	18.6	18.8	19.0	19.2		94.0
State Revenue Sharing	(3)	229.4	199.5	200.7	201.7	202.7	203.7		1,008.3
Other		170.7	221.3	225.7	240.2	248.1	248.1		1,183.4
Financing / Escrow proceeds	(4)	26.8	25.0	16.8	-	-	-		41.8
Total Receipts		1,071.0	1,111.8	1,120.8	1,132.6	1,153.3	1,166.6		5,685.1
Disbursements									
Payroll, Taxes & Deductions		(396.1)	(458.2)	(465.6)	(467.8)	(466.5)	(465.5)		(2,323.6)
Benefits	(5)	(163.5)	(182.1)	(219.5)	(224.3)	(228.5)	(239.3)		(1,093.7)
A/P Vendors & Other		(383.3)	(340.3)	(355.8)	(352.5)	(365.2)	(368.4)		(1,782.2)
Sub-Total Operating Disbursements		(942.9)	(980.6)	(1,040.9)	(1,044.5)	(1,060.2)	(1,073.2)		(5,199.5)
Debt-related payments	(6)	(66.9)	(117.3)	(69.4)	(88.1)	(93.1)	(93.4)		(461.3)
Total Disbursements		(1,009.8)	(1,097.9)	(1,110.3)	(1,132.6)	(1,153.3)	(1,166.6)		(5,660.8)
Net Cash Flow		61.2	13.9	10.5	-	-	-		24.3
Beginning Cash Balance		372.1	(7) 186.3	262.5	335.2	397.5	459.8		186.3
Net Cash Flow		61.2	13.9	10.5	-	-	-		24.3
Ending Cash Balance		433.3	200.2	272.9	335.2	397.5	459.8		210.6
Budget Reserve Fund	(8)	0.0	62.3	62.3	62.3	62.3	62.3		62.3
Total Cash Balance		433.3	262.5	335.2	397.5	459.8	522.1		272.9
Memo:									
Exit proceeds in Escrow		69.3	44.3	27.5	27.5	27.5	27.5		27.5

Note: Cash flows and balances above contain activity of the Risk Management Fund, Street Fund, Solid Waste Fund, General Grants and Motor Vehicle Fund.
 (1) The amount reflects City of Detroit revenue net of distributions to other entities.
 (2) Includes PLA debt portion of Utility Users Tax.
 (3) FY17 includes FY16 payment of \$32m that was received in July 2017.
 (4) Represents use of unspent Quality of Life bond proceeds.
 (5) FY17 includes \$80m Retiree Protection Fund pension set aside and FY18 includes \$15m RPF set aside.
 (6) \$55m is designated for repurchasing a portion of the City's outstanding financial recovery bonds.
 (7) Beginning balance FY18 has been reduced to reflect the removal of Fund 7003 (Prop Tax Distributions) and State of MI Trust Fund balance.
 (8) The Budget Reserve Fund established in FY18 is in excess of 5% of the annual budget and in a segregated account.

FY 2019-FY 2022 EXPENDITURES AND REVENUES BY AGENCY TABLE

**CITY OF DETROIT
FY2019 - FY2022 FINANCIAL PLAN
Expenditures and Revenues by Agency (in millions)**

	FY2018-19			FY2019-20			FY2020-21			FY2021-22		
	EXP	REV	NTC	EXP	REV	NTC	EXP	REV	NTC	EXP	REV	NTC
GENERAL CITY AGENCIES												
EXECUTIVE AGENCIES												
19 Public Works	136.8	137.7	(0.9)	138.9	139.8	(0.9)	148.2	149.1	(0.9)	152.3	153.2	(0.9)
23 Office of the Chief Financial Officer	56.2	6.6	49.6	54.8	6.8	48.0	54.1	6.9	47.1	54.1	7.1	46.9
24 Fire	128.8	23.8	105.0	128.4	24.9	103.5	127.2	25.4	101.9	127.2	25.9	101.4
25 Health Department	39.9	28.6	11.3	39.4	29.4	10.0	40.2	30.2	10.0	41.0	31.1	9.9
28 Human Resources	13.4	1.1	12.3	13.4	1.2	12.2	12.7	1.2	11.5	12.7	1.2	11.5
29 Civil Rights, Inclusion, & Opportunity	4.0	3.3	0.7	4.0	3.3	0.7	4.0	3.3	0.7	4.0	3.3	0.7
31 Dept of Innovation & Technology	42.6	-	42.6	29.6	-	29.6	28.4	-	28.4	27.5	-	27.5
32 Law	16.0	1.9	14.1	16.0	2.0	14.0	15.9	2.0	13.9	15.9	2.1	13.9
33 Mayor's Office	10.5	1.0	9.5	10.5	1.0	9.5	10.4	1.0	9.5	10.4	1.0	9.5
36 Housing and Revitalization	75.5	38.6	36.9	50.7	38.5	12.2	50.6	38.5	12.1	50.6	38.5	12.1
37 Police	321.7	67.1	254.6	318.2	67.7	250.5	317.0	68.3	248.7	316.8	68.9	247.9
38 Public Lighting	31.8	14.6	17.2	31.7	14.2	17.5	31.7	13.6	18.1	31.7	13.6	18.1
39 Recreation	-	-	-	-	-	-	-	-	-	-	-	-
43 Planning & Development	10.9	2.5	8.4	5.5	2.7	2.8	5.5	2.7	2.8	5.5	2.7	2.8
45 Department of Appeals & Hearings	1.1	1.6	(0.5)	1.1	1.6	(0.5)	1.1	1.6	(0.5)	1.1	1.6	(0.5)
47 General Services	134.7	21.5	113.1	93.1	20.6	72.5	90.5	20.8	69.7	88.7	21.0	67.7
LEGISLATIVE AGENCIES												
50 Auditor General	3.9	-	3.9	3.8	-	3.8	3.8	-	3.8	3.8	-	3.8
51 Board of 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	10.9	0.0	10.9	10.8	0.0	10.8	10.8	0.0	10.8	10.8	0.0	10.8
53 Ombudsperson	1.0	-	1.0	1.0	-	1.0	1.0	-	1.0	1.0	-	1.0
54 Inspector General	1.2	-	1.2	1.2	-	1.2	1.2	-	1.2	1.2	-	1.2
70 City Clerk	2.5	0.0	2.5	2.4	0.0	2.4	2.3	0.0	2.3	2.3	0.0	2.3
71 Elections	9.1	0.0	9.1	9.1	0.0	9.1	9.1	1.3	7.8	9.1	0.0	9.1
JUDICIAL AGENCY												
60 36th District Court	33.3	18.3	15.0	33.3	18.3	15.0	33.3	18.3	15.0	33.3	18.3	15.0
35 Non-Departmental	286.5	997.0	(710.5)	291.6	909.4	(617.8)	314.4	922.0	(607.6)	330.5	934.9	(604.4)
TOTAL GENERAL CITY AGENCIES	1,372.9	1,365.3	7.6	1,288.9	1,281.3	7.6	1,314.0	1,306.4	7.7	1,332.1	1,324.5	7.7
18 Debt Service	51.2	51.2	-	50.5	50.5	-	49.8	49.8	-	41.6	41.6	-
ENTERPRISE AGENCIES												
10 Airport	2.2	2.2	-	2.2	2.2	-	2.2	2.2	-	2.2	2.2	-
13 Buildings and Safety	29.9	30.4	(0.5)	29.9	30.4	(0.5)	29.9	30.5	(0.6)	29.9	30.5	(0.6)
20 Department of Transportation	135.1	135.1	-	136.1	136.1	-	137.2	137.2	-	138.3	138.3	-
34 Municipal Parking	14.6	21.7	(7.1)	14.6	21.7	(7.1)	14.6	21.7	(7.1)	14.6	21.7	(7.1)
48 Water - Retail	136.3	136.3	-	136.3	136.3	-	136.3	136.3	-	136.3	136.3	-
49 Sewerage - Retail	306.9	306.9	(0.0)	306.9	306.9	-	306.9	306.9	-	306.9	306.9	-
72 Library	31.8	31.8	-	32.4	32.4	-	33.0	33.0	-	33.7	33.7	-
TOTAL ENTERPRISE AGENCIES	656.9	664.5	(7.6)	658.5	666.1	(7.6)	660.2	667.9	(7.7)	662.0	669.6	(7.7)
GRAND TOTAL	2,081.0	2,081.0	-	1,998.0	1,998.0	-	2,024.0	2,024.0	-	2,035.7	2,035.7	-

APPROPRIATIONS AND REVENUES BY MAJOR CLASSIFICATIONS

EXPENDITURES AND REVENUES BY MAJOR CLASSIFICATIONS

CITY OF DETROIT
BUDGET DEVELOPMENT
ALL FUNDS

	FY2016-17 Actuals (Unaudited)	FY2017-18 Adopted	FY2018-19 Recommended	FY2019-20 Forecast	FY2020-21 Forecast	FY2021-22 Forecast
EXPENDITURES						
Salaries and Wages	481,468,476	553,447,034	586,669,312	584,276,080	582,944,284	582,409,356
Employee Benefits	302,498,207	243,266,064	249,559,308	254,204,740	259,071,338	264,095,180
Professional and Contractual Services	222,530,593	175,825,473	147,903,254	144,041,526	143,271,098	142,667,226
Operating Supplies	143,115,078	94,995,661	98,684,553	97,025,094	96,537,501	96,147,426
Operating Services	137,892,378	167,639,514	157,180,995	157,364,123	173,056,726	182,738,753
Equipment Acquisition	42,878,744	26,446,041	10,069,666	10,069,666	10,069,666	10,069,666
Capital Outlays	30,587,710	25,543,640	26,680,419	26,680,419	26,680,419	26,680,419
Fixed Charges	835,330,448	295,709,935	131,501,315	149,477,475	153,763,900	145,885,991
Other Expenses	557,534,428	296,326,844	572,717,177	574,819,641	578,591,523	584,982,082
Total Expenditures	2,753,836,062	1,879,200,206	1,980,965,999	1,997,958,764	2,023,986,455	2,035,676,099
EXPENDITURES - Surplus Funded						
Blight Reduction		30,000,000	45,241,721			
Capital Projects		20,000,000	52,200,000			
Other One-Time Projects			2,558,279			
Total Surplus Funded Expenditures		50,000,000	100,000,000			
Grand Total Expenditures		1,929,200,206	2,080,965,999	1,997,958,764	2,023,986,455	2,035,676,099
REVENUES						
Grants, Shared Taxes, and Revenues	393,074,000	279,585,106	288,944,222	289,617,356	291,440,535	293,297,972
Revenues from Use of Assets	84,179,378	39,673,640	91,885,616	91,903,406	91,910,588	91,918,771
Sales of Assets and Compensation for Losses	3,253,738	5,553,309	2,502,000	2,531,887	2,566,762	2,642,175
Sales and Charges for Services	575,234,753	580,258,219	577,462,304	579,212,667	583,401,602	585,099,129
Fines, Forfeits, and Penalties	38,579,928	32,746,671	32,005,858	32,013,317	32,020,849	32,028,458
Licenses, Permits, and Inspection Charges	37,799,779	33,902,418	38,171,415	38,383,891	38,571,891	38,713,891
Taxes, Assessments, and Interest	742,475,740	791,123,116	824,395,319	839,101,145	859,457,550	867,337,436
Contributions and Transfers	265,305,703	92,435,406	86,971,763	86,953,550	86,953,550	86,953,550
Miscellaneous	660,716,400	23,922,321	38,627,502	38,241,545	37,663,128	37,684,717
Total Revenues	2,800,619,419	1,879,200,206	1,980,965,999	1,997,958,764	2,023,986,455	2,035,676,099
REVENUES - Prior Year Surplus						
Contributions and Transfers		50,000,000	100,000,000			
Total Prior Year Surplus		50,000,000	100,000,000			
Grand Total Revenues		1,929,200,206	2,080,965,999	1,997,958,764	2,023,986,455	2,035,676,099

APPROPRIATIONS AND REVENUES BY MAJOR CLASSIFICATIONS—GENERAL FUND

EXPENDITURES AND REVENUES BY MAJOR CLASSIFICATIONS

CITY OF DETROIT
BUDGET DEVELOPMENT
FUND 1000 - GENERAL FUND

	FY2016-17	FY2017-18	FY2018-19	FY2019-20	FY2020-21	FY2021-22
EXPENDITURES	Actuals (Unaudited)	Adopted	Recommended	Forecast	Forecast	Forecast
Salaries and Wages	353,027,585	427,998,011	456,894,818	454,549,146	453,217,350	452,682,422
Employee Benefits	141,299,531	192,131,912	199,343,880	204,007,118	208,873,716	213,897,558
Professional and Contractual Services	70,426,776	75,756,089	76,578,268	74,533,268	72,565,018	70,731,668
Operating Supplies	51,231,475	39,055,291	45,799,081	44,139,622	43,652,029	43,261,954
Operating Services	67,441,974	85,461,991	90,693,222	90,763,511	106,449,810	116,125,344
Equipment Acquisition	8,175,241	19,417,198	2,165,024	2,165,024	2,165,024	2,165,024
Capital Outlays	2,534,203	372,000	175,000	175,000	175,000	175,000
Fixed Charges	432,723,673	61,260,791	69,417,551	88,101,396	93,135,875	93,407,764
Other Expenses	153,219,713	122,462,120	129,973,368	126,919,054	120,074,787	121,074,787
Total Expenditures	1,280,080,172	1,023,915,405	1,071,040,212	1,085,353,139	1,100,308,609	1,113,521,521
EXPENDITURES - Surplus Funded						
Blight Reduction		30,000,000				
Capital Projects		20,000,000				
Other One-Time Projects			2,558,279			
Total Surplus Funded Expenditures		50,000,000	2,558,279			
Grand Total Expenditures		1,073,915,405	1,073,598,491	1,085,353,139	1,100,308,609	1,113,521,521
REVENUES						
Grants, Shared Taxes, and Revenues	279,250,529	196,964,658	202,238,405	203,249,748	204,259,718	205,280,130
Revenues from Use of Assets	17,096,650	3,299,000	4,326,390	4,344,000	4,351,000	4,359,000
Sales of Assets and Compensation for Losses	2,351,370	5,553,309	2,502,000	2,531,887	2,566,762	2,642,175
Sales and Charges for Services	100,877,180	121,051,728	121,426,098	123,527,244	126,231,869	126,381,956
Fines, Forfeits, and Penalties	26,701,430	25,290,100	24,401,000	24,401,000	24,401,000	24,401,000
Licenses, Permits, and Inspection Charges	11,359,765	10,143,432	12,698,784	12,911,260	13,099,260	13,241,260
Taxes, Assessments, and Interest	556,151,190	627,299,000	660,827,000	672,154,000	683,744,000	695,540,000
Contributions and Transfers	15,048,701	22,054,983	17,200,000	17,200,000	17,200,000	17,200,000
Miscellaneous	381,511,665	12,259,195	25,420,535	25,034,000	24,455,000	24,476,000
Total Revenues	1,390,348,480	1,023,915,405	1,071,040,212	1,085,353,139	1,100,308,609	1,113,521,521
REVENUES - Prior Year Surplus						
Contributions and Transfers		50,000,000	2,558,279			
Total Prior Year Surplus		50,000,000	2,558,279			
Grand Total Revenues		1,073,915,405	1,073,598,491	1,085,353,139	1,100,308,609	1,113,521,521

FY19 Blight and Capital Expenditures were removed from the General Fund and separate funds were established. See All Funds report on preceding page.

**CITY OF DETROIT
BUDGETED POSITIONS**

	FY 2017-18 Budget	FY 2018-19 Recommend	Budget vs Rec Variance	FY 2019-20 Forecast	FY 2020-21 Forecast	FY 2021-22 Forecast
GENERAL CITY AGENCIES						
EXECUTIVE AGENCIES						
19 Department of Public Works	419	438	19	438	438	438
23 Office of the Chief Financial Officer.....	482	479	(3)	466	460	460
24 Fire - Civilian	352	352	0	352	352	352
24 Fire - Uniform	922	922	0	922	922	922
Total 24 Fire.....	1,274	1,274	0	1,274	1,274	1,274
25 Dept. of Health and Wellness Promotion.....	76	119	43	119	119	119
28 Human Resources	108	106	(2)	106	106	106
29 Civil Rights, Inclusion and Opportunity.....	8	18	10	18	18	18
31 Dept. of Innovation & Technology	134	136	2	136	136	136
32 Law	118	120	2	120	120	120
33 Mayor's Office	70	79	9	78	78	78
36 Housing and Revitalization Department	81	85	4	85	85	85
37 Police - Civilian	629	682	53	682	682	682
37 Police - Uniform	2,552	2,640	88	2,640	2,640	2,640
Total 37 Police.....	3,181	3,322	141	3,322	3,322	3,322
38 Public Lighting	6	5	(1)	5	5	5
39 Recreation [positions have been moved to GSD (47)].....	326	0	(326)	0	0	0
43 Planning Department	41	41	0	41	41	41
45 Department of Administrative Hearings	7	7	0	7	7	7
47 General Services Department	454	876	422	876	876	876
LEGISLATIVE AGENCIES						
50 Auditor General	12	15	3	15	15	15
51 Board of Zoning Appeals	5	5	0	5	5	5
52 City Council	66	73	7	73	73	73
53 Ombudsperson	7	8	1	8	8	8
54 Inspector General	8	10	2	10	10	10
70 City Clerk	18	20	2	20	20	20
71 Department of Elections	71	108	37	108	108	108
JUDICIAL AGENCY						
60 36th District Court	331	326	(5)	326	326	326
OTHER AGENCIES						
35 Non - Departmental	68	92	24	92	92	92
Apprn. 13637 Elected Officials' Compensation	11	11	0	11	11	11
Total 35 Non - Departmental	79	103	24	103	103	103
TOTAL GENERAL CITY AGENCIES	7,382	7,773	391	7,759	7,753	7,753
ENTERPRISE AGENCIES						
10 Airport	4	4	0	4	4	4
13 Buildings, Safety Environmental & Engineering Dept	231	280	49	280	280	280
20 Department of Transportation	927	927	0	927	927	927
34 Municipal Parking	95	90	(5)	90	90	90
48 Water Retail	579	603	24	603	603	603
49 Sewerage Retail	0	15	15	15	15	15
72 Library	332	322	(10)	322	322	322
TOTAL ENTERPRISE AGENCIES	2,168	2,241	73	2,241	2,241	2,241
GRAND TOTAL	9,550	10,014	464	10,000	9,994	9,994

CITY OF DETROIT CAPITAL PLAN

INTRODUCTION

The City of Detroit launched a new capital planning process in 2016 to ensure effective management of our infrastructure over its life-cycle—from planning, to acquisition, to operation, and finally to disposition. The purpose of the capital plan is to help the City of Detroit to:

- Move beyond the short-term needs or emergencies dominating expenditures
- Assess current and project future adequacy of facilities
- Project changing service needs city-wide as population and economy changes
- Improve information used to make decisions
- Reward cost-saving collaborations and collocations of agency activities
- Best leverage private sector development in different parts of the city

FY19-FY22 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.

The nearly \$245 million of capital investments outlined in this FY18-19 Capital Plan are aligned with both the FY18-22 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.

In addition to the projects outlined in this plan, a large number of projects are beginning in the

second half of FY17-18 and will be completed during FY18-19. These projects are discussed here due to the timing of their completion.

All of the City’s capital investments have been organized into the following categories. A selection of projects has been chosen for a more in-depth discussion below.

OPEN SPACES & RECREATION

In the second half of FY17-18, the City is launching 13 park improvement projects with at least one in each Council district to bring new vibrancy and beauty in their neighborhoods and provide multi-sport opportunities for youth and adults. These investments leverage remaining Neighborhood Development General Obligation (G.O.) bond proceeds to attract philanthropic support and state matching grants. The improvements are anticipated for completion in FY19. These parks have undergone modern planning processes, including the use of inclusive planning strategies in which community meetings are held to receive input from the citizens most directly impacted by a park’s renovation. The City’s parks planning philosophy of open and inclusive spaces that meet the diverse needs our citizens of all ages will continue to guide these park improvements.

Every City recreation center will receive a number of overdue improvements. These include new air conditioning and heating systems, plumbing and electrical modernization, improved lighting and safety systems, and public space improvements, including pool repairs at our recreation centers with pool facilities. The Fort Wayne Welcome Center will undergo roof repairs which will allow visitors to better experience Fort Wayne and its fascinating history.

Finally, \$1.3 million will be invested in FY19 into 5 comprehensive, strategic neighborhood planning

efforts. These plans will envision public space improvements to increase the quality of life in neighborhoods, including enhancements such as traffic calming measures, safer pedestrian crossings, greenways and plazas, and increased lighting.

PUBLIC SAFETY

Though many of the improvements to public safety facilities are beginning in the latter half of FY18 using remaining Public Safety G.O. bond proceeds, they will be completed throughout FY19. Three police precincts and 11 fire houses throughout the City will undergo \$6.5 million in capital improvements, including electrical systems, plumbing, roof repairs, HVAC systems, structural strengthening, and security improvements.

In addition to the public safety facilities improvements, replacement of the City's police and fire fleets will continue, with Phase II of the City's vehicle replacement plan rolling out over the course of FY19. A significant share of the \$15 million FY19 General Fund investment into the City fleet is allocated for the replacement of old and outdated police and fire vehicles and apparatus. It is anticipated that over 250 police and fire vehicles will be replaced in FY19. The increased reliability of these new units will improve public safety citywide.

Guided by the FY19-22 Capital Agenda's mission of modernizing the City's technological infrastructure, the FY19 Capital plan allocates just over \$2.5 million for new technology for the Police and Fire departments. These public safety informational technology improvements will include new computers, faster wireless connections to allow for the speedier download of dash camera, body camera, and Taser camera footage from officers to secured cloud storage, and better communications technology to allow

for more effective, uninterrupted public safety communication.

Finally, \$1 million from the remaining Public Safety G.O. bond proceeds is being invested into the City's Animal Care and Control facility to increase capacity and improve conditions for the animals which have come into the City's care.

TRANSPORTATION

Investment in roadways and transit is critical in a city as large as Detroit, particularly where improvements can bring a safer experience to drivers, transit users, cyclists, and pedestrians. To that end, in November 2017, the City Council approved the borrowing of \$124.5 million to fund major infrastructure improvements to revitalize the City's commercial business corridors, including road and sidewalk repair and replacement. Funding for the improvements will come from increased revenues the city is receiving from its share of state gas taxes and vehicle registration fees that have not been included in its current road improvement plan. Through this funding, commercial strips across the city to be beautified to help reclaim estimated \$2.6B in Detroit retail spending lost to other communities. This investment is part of City's larger \$317M plan to improve 300 miles of road, replace; 300,000 damaged sidewalk flags over next five years.

In addition to these road bond proceeds, a total of \$42.3 million more will be invested in FY19 for the improvement of roads and bridges, transit infrastructure, and traffic control citywide. Some of these additional investments include \$10.8 million for resurfacing deteriorating roadways and repairing potholes, \$10 million to implement traffic control improvements, and \$3 million for new road maintenance vehicles and equipment, including paving machines and repair trucks.

Public transit is a critical component of our local economy, enabling thousands of people per day to commute to and from work. When additional transit funds from the Federal Transit Administration are received and amended in the budget, the City anticipates investing \$25.5 M in FY19 to continue an ongoing campaign of replacing older buses with modern, fuel efficient models. The City will also undertake critical repairs and improvements at the City's transit centers and information technology to reduce commuter wait times.

TECHNOLOGY

Consistent with the FY18-22 Capital Agenda's stated goal of modernizing the City government and its processes, \$12.4 million has been allocated in FY19 for the implementation of several significant upgrades to City systems. These critical investments include: an Enterprise Asset Management system, which will track all City assets, their conditions, and the amount of investment made into the asset; an Enterprise Document Management system, which will allow many of the City's currently paper-based functions to be executed digitally; and an Enterprise Records Management system, which will enable the City to retain records subject to public review in a more effective manner.

In addition to the large enterprise system implementations, the City will continue replacing computers citywide, as well as investing in network infrastructure enhancements like increased server capacity to accommodate the increasingly digital nature of government.

GOVERNMENT INFRASTRUCTURE

FY19 will see the City continue with Phase II of its vehicle replacement plan. The non-Public Safety share of the \$15 million General Fund investment described earlier will bring the City's general fleet closer to an overall state of good repair by first

replacing vehicles with known mechanical issues and those whose average age far exceeds the industry standard life expectancy for a government service vehicle. Upon replacement, vehicles are assigned a standard operational life cycle of approximately 5 years (depending on use) before being sold at auction, with the proceeds of these auctions being used to fund the purchase of new vehicles.

Consistent with the Capital Agenda's goal of modernizing government facilities, over \$8 million will be invested into five of the City's service yards. These service yards are hubs of City service provision, with fleet repair facilities, salt domes, and storage of heavy duty equipment like salt trucks, dump trucks, and construction equipment. Several of these facilities also serve as the headquarters for many of the City's service operations, such as City Engineering and the Grounds Maintenance, Board Up and Corridor Cleanup, and Street Maintenance Divisions. These investments will improve operational efficiency through modernization and continue the City's goal of bringing municipal facilities to a state of good repair.

The Detroit Water & Sewerage Department (DWSD) Capital Plan, included as part of the overall FY19 City Capital Plan, envisions \$152.5 million in capital investments into the City's water and sewerage infrastructure in FY19. The DWSD plan for the water infrastructure calls for the replacement of 20 miles of water main, particularly those that have experienced more than 5 breaks per 1,000 feet of pipe, ongoing customer meter replacements, and the continuation of the fire hydrant replacement program, which will help increase the City's Insurance Services Office (ISO) score for fire protection. Improvements to the sewerage infrastructure in FY19 include continued repairs to sewer lines and the continued implementation of green infrastructure projects to reduce the

amount of storm water entering the combined sewer system and thus reduce the number of untreated discharges into the area watershed. The DWSD Capital Plan for FY19 also envisions the use of \$4 million for the replacement of service vehicles, allowing for more effective and timely responses to unplanned situations such as water main breaks and sewer line blockages.

FINANCING THE FY19-22 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 prior years’ surplus, state and federal funds, and private grants. The City’s approach to generating budget surpluses has been, and will continue to be, using conservative revenue estimates and controlled expenditure growth. The revenue estimating process is supported by semi-annual consensus forecasting meetings where outside experts continue to validate this conservative approach.

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 unallocated fund balance to be allocated among the competing one-time spending needs. In FY18, the City set aside \$20 million in surplus to support capital projects and has allocated \$50 million in FY19.

During FY2016, the City conducted a comprehensive review of its general obligation (G.O.) bond accounts, evaluating and realigning approximately \$50 million of existing appropriations to priorities. As of FY18, the G.O. bond accounts had a remaining balance of \$29.6 million. These funds have now been completely allocated for capital projects that will begin in the second half of FY18 and be completed in the first half of FY19.

General Obligation Bond Spend Down	Unused Proceeds	FY18 Project Spend	FY19 Project Spend	Final Balance
Neighborhood/Economic Development & Housing Rehabilitation	13,617,839	10,517,839	3,100,000	-
Public Safety Facilities Improvements	8,819,124	8,082,614	736,510	-
Public Lighting System Improvements	3,506,472	3,506,472	-	-
Charles H. Wright Museum	174,303	174,303	-	-
Detroit Historical Museum	480,088	480,088	-	-
Municipal Facilities	204,460	204,460	-	-
Transportation Facilities	2,808,151	2,808,151	-	-
TOTAL	29,610,436	25,773,926	3,836,510	-

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 Treasury Department manages borrowing according to the City’s debt management policies. These policies address issues such as debt affordability and limitations on the level of variable rate debt the City will use.

The City currently has \$1.8 billion in outstanding bonded debt; excluding DWSD debt obligations. Debt service is currently about 6.4% of the general fund budget, annually. Detroit has access to the credit markets through the Michigan Financing Authority. 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 FY18 budget was amended to reflect the appropriation of the full amount. DWSD also has access to credit marked through the Great Lakes Water Authority, which issues bonds to cover the DWSD capital program. These bonds are repaid with revenues from rate payers.

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 FY19, the City anticipates leveraging its General Fund, prior year bond proceeds, and road bond funds to bring greater philanthropic investment into Detroit's neighborhoods.

CAPITAL PLANNING PROCESS

Capital assets, tangible or intangible, are long-lived, and acquired or constructed over many

years. They range across land and parks, buildings, vehicles, facilities, information technology, equipment, streets, sidewalks, bridges, parking garages, parks, buses, traffic control systems, public lighting, parking meters and garages, etc. The strategic framework integrates modernization and safety.

This capital strategy will require reinforcement as the future unfolds, and timing and details of execution will be fleshed out accordingly. The City of Detroit's five-year capital improvement plan, known as the Capital Agenda will be revised every other year and translated annually into a capital budget and financial plan for the next four fiscal years. The intention is a plan that is updated as conditions and aspirations change, informed by more robust tracking and management.

Eventually, this new tracking and strategic analysis will result in a 10 year scope. There will be more rigorous analysis of operational impacts, and there will also be a focus on public input and choices about the City's public capital priorities.¹ The City's Capital Plan will respond to changing needs.

As noted previously, the City will annually implement its Capital Plan by appropriating funds for capital projects through the budget development process. Each department will submit requests for capital funding along with their operating and maintenance budget requests during the budget development cycle. These requests will then be evaluated to determine their conformity to the stated goals of the Capital Agenda as well as their overall impact on the City's capital improvement needs.

¹ The City's five-year capital improvement plan, the Capital Agenda, was submitted to City Council for approval on

November 1, 2016. These paragraphs are excerpted from the City's Capital Agenda.

**CITY OF DETROIT
FY18 BUDGET AND FY19-22 FOUR-YEAR PLAN
CAPITAL IMPROVEMENTS**

APPROPRIATIONS:	FY2018 Adopted Budget	FY18-19 Recommended	FY19-20 Forecast	FY20-21 Forecast	FY21-22 Forecast	FOUR-YEAR PLAN TOTAL
GENERAL CITY						
DEPARTMENT OF INNOVATION & TECHNOLOGY						
Enterprise Asset Management System	\$ -	\$ 6,000,000	\$ -	\$ -	\$ -	\$ 6,000,000
Enterprise Document Management System	-	2,500,000	-	-	-	2,500,000
Enterprise Records Management System	-	2,500,000	-	-	-	2,500,000
Network Infrastructure Improvements	1,777,924	539,687	-	-	-	539,687
Technology Upgrades - Software	1,740,242	-	-	-	-	-
Acquisition - Public Safety Technology	2,150,000	-	-	-	-	-
Citywide PC Replacement	5,036,008	880,000	-	-	-	880,000
Total DOIT	\$ 10,704,174	\$ 12,419,687	\$ -	\$ -	\$ -	\$ 12,419,687
EASTERN MARKET						
Infrastructure Improvements - CBDG	\$ 240,000	\$ -	\$ -	\$ -	\$ -	\$ -
FIRE						
Technology Improvement	\$ -	\$ 390,000	\$ -	\$ -	\$ -	\$ 390,000
FLEET MANAGEMENT						
Municipal Fleet Replacement - General Fund	\$ 9,295,826	\$ 15,000,000	\$ -	\$ -	\$ -	\$ 15,000,000
GENERAL SERVICES DEPARTMENT						
City Service Yards Improvements	\$ -	\$ 6,715,485	\$ -	\$ -	\$ -	\$ 6,715,485
Recreation Facilities Improvements	-	2,186,100	-	-	-	2,186,100
Election Facility Improvements	-	387,000	-	-	-	387,000
Belle Isle - DWSD Improvement	-	500,000	-	-	-	500,000
Median Renovations - Street Fund	593,000	-	-	-	-	-
Total GSD	\$ 593,000	\$ 9,788,585	\$ -	\$ -	\$ -	\$ 9,788,585
PLANNING & DEVELOPMENT						
Neighborhood Studies & Acquisitions	\$ 1,150,000	\$ 5,345,000	\$ -	\$ -	\$ -	\$ 5,345,000
Total Planning & Development	\$ 1,150,000	\$ 5,345,000	\$ -	\$ -	\$ -	\$ 5,345,000
POLICE						
Acquisition- Information Technology	\$ 2,111,531	\$ -	\$ -	\$ -	\$ -	\$ -
PC Replacement	-	2,196,625	-	-	-	2,196,625
Total Police	2,111,531	2,196,625	-	-	-	2,196,625
DEPARTMENT OF PUBLIC WORKS - STREET FUND						
Equipment	\$ 1,516,000	\$ 3,002,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 7,502,000
Highway Bridges	2,530,700	1,977,000	2,025,750	-	-	4,002,750
Roads and Bridges, Operation	500,000	500,000	500,000	500,000	500,000	2,000,000
Street Resurfacing	9,635,474	10,878,709	16,676,970	12,924,444	18,606,909	59,087,032
Traffic Control Improvements	3,307,000	2,586,000	2,050,000	2,050,000	2,050,000	8,736,000
Traffic Control Improvements - State	1,120,000	1,683,000	1,000,000	4,000,000	1,000,000	7,683,000
Traffic Control Roadways (Fed Aid)	4,550,000	5,773,000	3,350,000	3,350,000	3,350,000	15,823,000
Debt Service	-	1,205,755	3,160,973	13,785,557	13,731,376	31,883,661
Total DPW	\$ 23,159,174	\$ 27,605,464	\$ 30,263,693	\$ 38,110,001	\$ 40,738,285	\$136,717,443

**CITY OF DETROIT
FY18 BUDGET AND FY19-22 FOUR-YEAR PLAN
CAPITAL IMPROVEMENTS**

APPROPRIATIONS:	FY2018 Adopted Budget	FY18-19 Recommended	FY19-20 Forecast	FY20-21 Forecast	FY21-22 Forecast	FOUR-YEAR PLAN TOTAL
ENTERPRISE AGENCIES						
AIRPORT						
Aviation FAA - Engineering Study	\$ 80,000		\$ -	\$ -	\$ -	\$ -
BUILDINGS, SAFETY ENGINEERING & ENVIRONMENTAL						
Buildout for Development Resource Center - One Stop Shop	\$ 633,266		\$ -	\$ -	\$ -	\$ -
DETROIT DEPARTMENT OF TRANSPORTATION						
Fixed-Route Vehicle Replacement/Expansion	\$ -	\$ 3,018,565	\$ 3,018,565	\$ 1,164,732	\$ 1,448,998	\$ 8,650,860
Non-Revenue Vehicle Replacement/Expansion	-	161,534	165,572	169,711	173,954	670,771
Mid-life Vehicle Acquisition/Overhaul	-	5,169,075	5,298,302	7,014,731	6,726,222	24,208,330
Facility Improvements	-	5,169,075	5,169,075	5,169,075	5,169,075	20,676,300
Information Technology	-	250,000	250,000	250,000	250,000	1,000,000
Operations Equipment	-	1,000,000	1,000,000	-	-	2,000,000
Total DDOT ¹	\$ -	\$ 14,768,249	\$ 14,901,514	\$ 13,768,249	\$ 13,768,249	\$ 57,206,261
DETROIT WATER & SEWERAGE DEPARTMENT- RETAIL						
WATER						
Water Field Services	\$ 67,200,000	\$ 74,086,000	\$ 58,970,000	\$ 41,000,000	\$ 37,500,000	\$211,556,000
Metering	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	16,000,000
General Purpose	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	8,000,000
Water Central Services: Fleet	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	8,000,000
Water Central Services: Facilities	2,500,000	2,500,000	2,500,000	2,000,000	2,000,000	9,000,000
Water Central Services: Information Technology	875,000	793,000	1,993,000	120,000	1,000,000	3,906,000
Total DWSD - Water	\$ 78,575,000	\$ 85,379,000	\$ 71,463,000	\$ 51,120,000	\$ 48,500,000	\$256,462,000
SEWER						
Sewer Field Services	\$ 42,500,000	\$ 47,500,000	\$ 57,500,000	\$ 37,500,000	\$ 37,500,000	\$180,000,000
Green Infrastructure	12,225,000	14,350,000	6,000,000	10,000,000	10,000,000	40,350,000
Pump Stations						
Sewer Centralized Services: Fleet	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	8,000,000
Sewer Centralized Services: Facilities	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	10,000,000
Sewer Centralized Services: Information Technology	875,000	793,000	1,993,000	120,000	1,000,000	3,906,000
Total DWSD - Sewer	\$ 60,100,000	\$ 67,143,000	\$ 69,993,000	\$ 52,120,000	\$ 53,000,000	\$242,256,000
NON DEPARTMENTAL						
City of Detroit Capital Share	\$ -	\$ 3,060,103	-	-	-	\$ 3,060,103
Transportation Improvements-District 3	\$ -	\$ 4,000,000	-	-	-	\$ 4,000,000
APPROPRIATION TOTALS	\$186,641,971	\$ 247,095,713	\$186,621,207	\$155,118,250	\$156,006,534	\$744,841,704
REVENUES:						
Revenues from Operations	\$138,675,000	\$ 152,522,000	\$141,456,000	\$103,240,000	\$101,500,000	\$498,718,000
Federal and State Grant Funds	4,214,797	14,768,249	14,901,514	13,768,249	13,768,249	57,206,261
General Fund Prior Years' Surplus - Capital	20,000,000	52,200,000	-	-	-	52,200,000
Street Fund Reimbursement - Gas & Weight Taxes	23,752,174	27,605,464	30,263,693	38,110,001	40,738,285	136,717,443
REVENUE TOTALS	\$186,641,971	\$ 247,095,713	\$186,621,207	\$155,118,250	\$156,006,534	\$744,841,704

¹ DDOT grants are awarded after the City's budget development period. Capital projects for the current and proposed fiscal year are submitted as a budget amendment upon receipt of the grant award.

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Correction of Errors to the 2019-2022 Four-Year Financial Plan

TRUE COPY CERTIFICATE

Form C of D-16-CE

STATE OF MICHIGAN, }
City of Detroit } ss.

CITY CLERK'S OFFICE, DETROIT

I, Janice M. Winfrey, City Clerk of the City of Detroit, in said State, do hereby certify that the annexed paper is a TRUE COPY OF RESOLUTION

adopted (passed) by the City Council at session of

March 20, _____ 20 18

and approved by Mayor

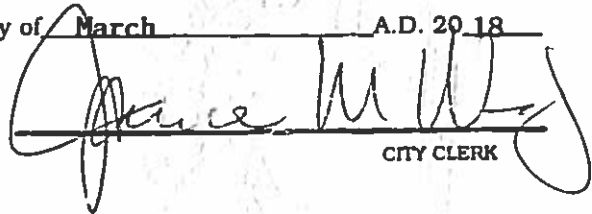
March 22, _____ 20 18

as appears from the Journal of said City Council in the office of the City Clerk of Detroit, aforesaid; that I have compared the same with the original, and the same is a correct transcript therefrom, and of the whole of such original.

In Witness Whereof, I have hereunto set my hand and affixed the corporate seal of said City, at

Detroit, this 22nd _____

day of March _____ A.D. 20 18



CITY CLERK

21

March 15, 2018

HONORABLE CITY COUNCIL

Re: Correction of Errors to the 2019 – 2022 Four-Year Financial Plan (Revised)

After further review of the 2019 – 2022 Four-Year Financial Plan presented on February 23, 2018, errors have been discovered which should be corrected. There are two categories of corrections. First, there are “substantive” errors, which must be corrected as an amendment to the Recommended Budget. Second, there are typographic and/or data entry errors, which do not affect appropriation totals or budget balancing.

This revision includes the addition of the Public Health Fund and a correction to the change under the “Budget Summary Changes” section.

2019 – 2022 Four-Year Financial Plan – Amendments

Health (25)

Expenditures

Pg.#	Appr. # / Name	Description	Current Recommendation	Proposed Recommendation	Variance
C18	20524 - Public Health Fund	To Establish a New Appropriation Health Net Expenditure Change	\$ -	\$ -	\$ -

Non-Departmental (35)

Expenditures

Pg.#	Appr. # / Name	Description	Current Recommendation	Proposed Recommendation	Variance
C25	13967 - Contingency Funds	Cost Center 351043 - Contingency Funds	\$ 10,150,000	\$ -	\$ (10,150,000)
	20253 - Blight Remediation	Cost Center 350011 - Blight Reinvestment	\$ -	\$ 10,150,000	\$ 10,150,000
	Neighborhood Improvement Fund	To Establish a New Appropriation	\$ -	\$ -	\$ -
		Non Departmental Net Expenditure Change			\$ -

Housing & Revitalization (36)

Expenditures

Pg.#	Appr. # / Name	Description	Current Recommendation	Proposed Recommendation	Variance
C33	20518 - Housing Affordability Fund	To Establish a New Appropriation	\$ -	\$ 468,000	\$ 468,000
C30	13529 - HRD Section 108 Loans	Cost Center 364091 - Woodward Garden Sec. 108	\$ 1,835,885	\$ 2,085,885	\$ 250,000
		Housing & Revitalization Net Expenditure Change			\$ 718,000

Revenues

Pg.#	Appr. # / Name	Description	Current Recommendation	Proposed Recommendation	Variance
C69	06102 - HRD - Letter of Credit BG	361375 - Letter of Credit BG	\$ 27,041,924	\$ 27,291,924	\$ 250,000
		Housing & Revitalization Net Revenue Change			\$ 250,000



To: *Honorable City Council*
 Re: *Correction of Errors to the 2019 – 2022 Four-Year Financial Plan (Revised)*

March 15, 2018
Page 2

Planning (43)

Expenditures

Pg.#	Appro. # / Name	Description	Current Recommendation	Proposed Recommendation	Variance
C42	14027 - Planning CDBG	Cost Center 433110 - Planning - CDBG	\$ 2,685,372	\$ 2,435,372	\$ (250,000)
		Planning Net Expenditure Change			\$ (250,000)

Revenues

Pg.#	Appro. # / Name	Description	Current Recommendation	Proposed Recommendation	Variance
C76	14027 - Planning CDBG	Cost Center 433110 - Planning - CDBG	\$ 2,685,372	\$ 2,435,372	\$ (250,000)
		Planning Net Revenue Change			\$ (250,000)

General Services (47)

Expenditures

Pg.#	Appro. # / Name	Description	Current Recommendation	Proposed Recommendation	Variance
C43	11830 - GSD Facilities & Grounds Maintenance	Cost Center 470010 - Facilities Management	\$ 12,084,598	\$ 11,616,598	\$ (468,000)
		General Services Net Expenditure Change			\$ (468,000)

2019 – 2022 Four-Year Financial Plan – Corrections

Budget Summary Changes

General Services (47)

Pg.#	POSITIONS	12-1-2017 Actual	FY 2018 Budget	FY 2019 Budget	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast
B47-3	General Fund	375	454	799	799	799	799
	Non-General Fund	0	0	77	0	0	0
	Total Positions	375	454	876	799	799	799

Position Report Changes

None

Position Title Corrections

None



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF BUDGET

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVE., SUITE
DETROIT, MICHIGAN 48226
PHONE: (313) 224-6260
FAX: (313) 224-2827
WWW.DETROITMI.GOV

To: *Honorable City Council*
Re: *Correction of Errors to the 2019 – 2022 Four-Year Financial Plan (Revised)*

March 15, 2018
Page 3

SIGNATURE PAGE

Sincerely,

A handwritten signature in cursive script that reads "Tanya Stoudemire".

Tanya Stoudemire, J.D.
Deputy CFO/Budget Director

cc: Michael E. Duggan, Mayor
John Hill, Chief Financial Officer
David Whitaker, Legislative Policy Division
Irvin Corley, Legislative Policy Division



CITY OF DETROIT
 OFFICE OF THE CHIEF FINANCIAL OFFICER
 OFFICE OF BUDGET

COLEMAN A. YOUNG MUNICIPAL CENTER
 2 WOODWARD AVE., SUITE
 DETROIT, MICHIGAN 48226
 PHONE: (313) 224-6260
 FAX: (313) 224-2827
 WWW.DETROITMI.GOV

BY COUNCIL MEMBER Ayers

WHEREAS, the 2019-2022 Four-Year Financial Plan submitted to the Detroit City Council on February 23, 2018 included errors with appropriations that must be corrected, **NOW BE IT FURTHER**

RESOLVED, that the Deputy CFO – Budget Director be and is hereby authorized to:

- Establish Appropriation # 20518 – Housing Affordability Fund
- Establish Appropriation # 20517 – Neighborhood Improvement Fund
- Establish Appropriation # 20524 – Public Health Fund and,

- Decrease Appropriation #13967 – Contingency Funds by \$10,150,000
- Increase Appropriation #20253 – Blight Remediation by \$10,150,000
- Increase Appropriation #20518 – Housing Affordability Fund - \$468,000
- Increase Appropriation #13529 – HRD Section 108 Loans - \$250,000
- Increase Revenue Appropriation #06102 - HRD – Letter of Credit BG by \$250,000
- Decrease Appropriation #14027 – Planning CDBG by \$250,000
- Decrease Revenue Appropriation # 14027 – Planning CDBG by \$250,000
- Decrease Appropriation #11830 – GSD Facilities & Ground Maintenance by \$468,000

NOW BE IT FURTHER,

RESOLVED, that the 2019-2022 Four-Year Financial Plan be and is hereby amended as outlined in the forgoing communication and; **NOW BE IT FURTHER,**

RESOLVED, that the Deputy CFO – Budget Director be and is hereby authorized to amend the Four-Year Financial Plan in accordance with the resolution.

21

**ADOPTED AS FOLLOWS
COUNCIL MEMBERS**

	YEAS	NAYS
Janee AYERS		
Scott BENSON		
Raquel CASTANEDA-LOPEZ		
Gabe LELAND	<i>8</i>	<i>0</i>
Roy MCCALISTER, JR.		
*Mary SHEFFIELD		
Andre SPIVEY		
James TATE		
Brenda PRESIDENT JONES		
*PRESIDENT PRO TEM		
	<i>8</i>	<i>0</i>
WAIVER OF RECONSIDERATION (No. _____)		
Per motions before adjournment.		

Closing Resolution (Administration)

TRUE COPY CERTIFICATE

Form C of D-16-CE

STATE OF MICHIGAN, }
City of Detroit } ss.

CITY CLERK'S OFFICE, DETROIT

I, Janice M. Winfrey, City Clerk of the City of Detroit, in said State, do hereby certify that the annexed paper is a TRUE COPY OF RESOLUTION

adopted (passed) by the City Council at session of

March 9, 2018

and approved by Mayor

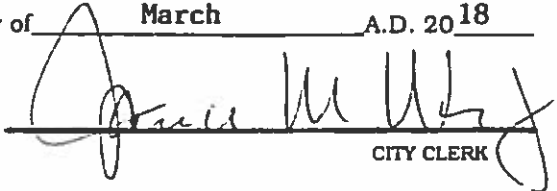
March 12, 2018

as appears from the Journal of said City Council in the office of the City Clerk of Detroit, aforesaid; that I have compared the same with the original, and the same is a correct transcript therefrom, and of the whole of such original.

In Witness Whereof, I have hereunto set my hand and affixed the corporate seal of said City, at

Detroit, this 13th

day of March A.D. 2018


CITY CLERK

CLOSING RESOLUTION

BY COUNCIL MEMBER Ayers :

WHEREAS, The Four Year Financial Plan provides appropriations to support operations of the City for the period July 1, 2019, through June 30, 2022, including salaries, wages, pension requirements, other employee benefits, debt service and other expenses, plus meets the requirements outlined in Home Rule City Act (Act 279 of 1909) 117.4t sec (b) (i-viii) and sec (c) (i-ix);

1. RESOLVED, That employee benefits and retirement provisions for non-union employees shall be in accordance with the City Council Resolution of October 2, 1974, J.C.C., p. 2142; November 16, 1977, J.C.C., p. 2538; August 6, 1980, J.C.C. p. 2057; August 5, 1981, J.C.C., p. 1957; January 6, 1984, J.C.C., p. 45; April 15, 1987, J.C.C., p. 813; November 15, 1989, J.C.C., p. 2627; August 4, 1999, J.C.C.; p. 2375; November 30, 2001, J.C.C. p. 3810; July 30, 2003, J.C.C. p. 2470; September 13, 2006, J.C.C., p. 2341; and February 11, 2010, J.C.C.; p. 292, and otherwise as authorized by City Council through the 2018 – 2019 fiscal year; and be it further

2. RESOLVED, That the Finance Director and the Labor Relations Director continue the administration of salary and prevailing rates according to the rules as listed in the 2018 – 2019 Official Compensation Schedule, and otherwise according to the City Council Resolution of July 13, 1954, J.C.C., p. 1713; and be it further

3. RESOLVED, That employee benefits contained in this Closing Resolution are permissive rather than mandatory for unionized employees; and be it further
4. RESOLVED, That all contracts covering unionized employees may, upon approval of the Director of Labor Relations, be extended beyond their expiration dates; and be it further
5. RESOLVED, That where no effective date is given in a resolution involving personnel procedures approved by the City Council of the City of Detroit, the effective date shall be the second Wednesday subsequent to passage of the resolution at the regular session, in accordance with the resolution of December 12, 1944, J.C.C., p. 2983; and be it further
6. RESOLVED, That the Finance Director is hereby authorized to honor payrolls for restoration of lost time by City employees as a result of a reduced or reversed suspension or discharge, provided such action is recommended by the Labor Relations Director, and otherwise in accordance with the resolution of March 11, 1969, J.C.C., p. 565; and be it further
7. RESOLVED, That employees be paid for out-of-class work according to negotiated agreements and in the absence of agreements upon recommendation of the department with approval of the Budget Director and the Civil Service Commission and otherwise in accordance with the resolution of September 17, 1968, J.C.C. p. 2269; and be it further

8. RESOLVED, That for inactive titles under the old Police and Fire pension system, changes shall apply proportionately with changes in the active titles according to the City Charter and the J.C.C. resolution of September 9, 1953, p. 2235; and be it further

9. RESOLVED, That rates of pay applied to positions in the 2018 – 2019 Budget be subject to maintenance charges as approved by the City Council for all employees furnished living accommodations; and be it further

10. RESOLVED, That the Finance Director is hereby authorized to provide reimbursement to employees to the extent that they are subject to additional expense for insurance at commercial rates exclusively by virtue of driving vehicles on City business and otherwise according to the City Council Resolution of November 12, 1968, J.C.C. p. 2728; and be it further

11. RESOLVED, That the Finance Director is hereby authorized to provide reimbursement of certain expenses to persons seeking or accepting employment with the City in accordance with the Resolution adopted by the City Council on February 7, 1996; and be it further

12. RESOLVED, That the Finance Director is hereby authorized to continue honoring payrolls for payment of unused sick leave to retirees, and others who separate from service in the required manner; all according to the City Council resolution of November 8, 1961; J.C.C. p. 2292, and July 20, 1971, p. 1686; August 5, 1981, p. 1957; and July 30, 2003, p. 2470; and be it further

13. RESOLVED, That the Finance Director is hereby authorized to honor payrolls for allied class titles substituted for existing titles according to City Council resolutions of April 28, 1942, and January 9, 1945; and be it further

14. RESOLVED, That overtime credit shall be granted to employees working under the Extra Service title of Election Service Worker for all hours worked under the Extra Service title beyond eight (8) hours in one day; and be it further

15. RESOLVED, That reimbursement of private car mileage for non-union employees is authorized in accordance with the City Council resolution of October 2, 1974, J.C.C. p. 2142 and January 6, 1984, J.C.C. p. 45; August 4, 1999, J.C.C., p. 2375; and July 30, 2003, J.C.C. p. 2740; and September 13, 2006, J.C.C., p. 2341; September 18, 2012, J.C.C. p. 1711 and, be it further

16. RESOLVED, That the Labor Relations Director is hereby authorized and directed to amend the Official Compensation Schedule to incorporate changes covering title eliminations, specialties, and substitutions, and code number changes through Human Resources Department action when such changes do not necessitate additional appropriations or base rate changes; and be it further

17. RESOLVED, That uniformed Police and Fire personnel be provided with uniforms and/or allowances and such accessories as provided by the applicable collective bargaining

agreements, approved by the departments and the Budget Director within appropriations provided therefore; and be it further

18. RESOLVED, That regular City employees with at least 90 days of service working in continuing assignments recommended for consideration by department heads may be reimbursed not to exceed the sum of either \$170 for a clothing allowance or \$350 for a uniform allowance in any fiscal year in accordance with the J.C.C. of June 21, 1966, p. 1908, the J.C.C. of October 2, 1974, p. 2142, and the J.C.C. of July 30, 2003, p. 2470 ; and bi-annually September 18, 2012 J.C.C. p. 1423, for expenses arising out of the purchase of necessary protective clothing and accessories as provided by the applicable collective bargaining agreements or City Employment Terms, as recommended by the departments and approved by the Labor Relations Director, provided finally that the above provisions and limitations shall not be applied to duplicate allowances or change existing policy or authorized practices with respect to other assignments or employees; and be it further

19. RESOLVED, That the Finance Director is hereby authorized to provide supplemental pay for the fiscal year as requested by departments for authorized encampments for City employees in the armed forces in accordance with the City Council resolutions of February 13, 1963 J.C.C., p. 344, November 1, 1966, J.C.C., p. 3010; and February 13, 1980, J.C.C. p. 407; with the provision that the City shall not offset military pay and allowances for days the employee is not regularly assigned to work; and be it further

20. RESOLVED, That in the event of a hardship occasioned by an unexpected or untimely separation from service, the Finance Director upon recommendation of the Budget Director and the Labor Relations Director, is hereby authorized to honor lump sum payments from available funds for vacation leave, compensatory time credit, and excused time credit, to which an employee is otherwise legally entitled; and be it further

21. RESOLVED, That the Finance Director is hereby authorized to honor payrolls for the induction of employees in classifications designated with Step Code "D", Step Code "K" and Step Code "R" at advanced step levels within the pay range according to a formula to be established by the Human Resources Director and approved by the Labor Relations Director; and be it further

22. RESOLVED, That upon request of the department and the recommendation of the Labor Relations Director and Budget Director, that the Finance Director be authorized to permit the payment of salaried employees on an hourly basis and hourly employees paid on a salaried basis and to withdraw such permission as requested by the department; and be it further

23. RESOLVED, That the Finance Director is hereby authorized to honor payrolls for employees affected by the change over from standard time to daylight savings time in accordance with the resolutions of April 24, 1973, p. 1073, provided that no overtime shall be paid to any employee affected until they shall actually have worked forty (40) hours per week; and be it further

24. RESOLVED, That the Finance Director is hereby authorized to pay employees their regular paycheck on the previous Thursday when a holiday is generally observed on Friday and on the preceding Wednesday when both Thursday and Friday of the same work week are holidays and otherwise in accordance with standard payroll procedures; and be it further

25. RESOLVED, That the Finance Director, upon recommendation of the Labor Relations Director is hereby authorized to continue reimbursement of employees for articles damaged in the course of employment according to the City Council resolutions of December 19, 1961, J.C.C., p. 2657, and November 21, 1972, J.C.C. p. 2829 and p. 2855 as implemented by rules established by the Finance Director; and be it further

26. RESOLVED, That contractors hired under titles with pay ranges may receive pay increments within the range in accordance with their contracts with approval of the Finance Director, provided funds are available; and be it further

27. RESOLVED, That the various departments are hereby authorized to hire and pay Special Service employees at any rate within the range based upon formula established by the Human Resources Director, and otherwise according to the resolution of August 20, 1963, J.C.C., p. 2190, with the provision that step increments for these employees may be granted by the department head with the approval of the Human Resources Director and Budget Director in accordance with rules established for general City employees; and be it further

28. RESOLVED, That Special Service employees upon approval of the Labor Relations Director and the Finance Director, be granted fringe benefits in accordance with the Charter, Ordinances, and the City Council resolution of August 23, 1966, J.C.C. p. 2433, provided that City Council reserves the right to adjust wages and fringes for Special Service employees during 2018 - 2019, and provided further that employees temporarily transferred to Special Service positions from the Regular Service shall continue to receive their regular service fringes; and be it further
29. RESOLVED, That upon interdepartmental transfer of employees, departments may make lump sum payments with supporting documentation within appropriations for unliquidated vacation time in excess of twenty days (20), provided that the time cannot be properly liquidated, prior to the following month of August but not later than September 30th. Approval may be granted by the Budget Director and Labor Relations Director; and be it further
30. RESOLVED, That unless specifically covered by labor contract, when an employee is called to work an unscheduled shift or overtime, he shall receive the overtime for the hours worked or a minimum of four (4) hours on a straight time basis, whichever is greater, and otherwise according to the resolution of the City Council of May 29, 1962, J.C.C., p. 1186; and be it further

31. RESOLVED, That City departments are hereby authorized to provide for mailing of paychecks to employees not assigned to work on paydays; provided employees affected direct a written request to their department head or representative by noon two days prior to payday; and be it further

32. RESOLVED, That the Finance Director is hereby authorized to pay \$10,000 to the beneficiaries or estate of employees who are killed or who die as a result of injuries sustained in the actual performance of their duties or who are permanently disabled in the line of duty and otherwise in accordance with the City Council Resolutions of August 3, 1977, J.C.C. page 1638; and be it further

33. RESOLVED, That the Finance Director is hereby authorized and directed to continue funding for an Eye Care Program for non-union employees in accordance with the City Council Resolution of November 27, 1970, p. 2981; and be it further

34. RESOLVED, That apprentices will receive their designated pay increments every six (6) months upon recommendation of the department and approval of the Human Resources Department Training Division provided that they have been satisfactorily participating in related instruction and on-the-job training, in accordance with the standards established for that trade, during the six (6) month period immediately preceding the date of the increment, said increments will be paid effective on the date of the completion of the training period; and be it further

35. RESOLVED, That vacation time no matter how earned, shall not be allowed to accumulate in amounts exceeding twenty (20) days on any October 1st date, exclusive of any vacation time earned between July 1 and the following September 30, and otherwise in accordance with the City Council Resolution of May 27, 1969, J.C.C. P. 1258 as amended; and be it further
36. RESOLVED, That an administrative fee of one percent (1%) of property taxes shall continue to be imposed, to be used to offset the costs incurred in assessing and collecting the property tax and in the review and appeal process; and be it further
37. RESOLVED, that as required by the provisions of Public Act 399 of 1984, a one-half of one percent (1/2%) per month interest charge on delinquent real and personal property taxes shall continue to be imposed from the time such property tax became due and payable until such tax is paid in full, all in accordance with Section 18-9- 89 through 18-9-100 of the Detroit City Code; and be it further
38. RESOLVED, That as required by the provisions of Public Act 399 of 1984, a one percent (1%) per month penalty on delinquent real and personal property taxes shall continue to be imposed from the time that the property tax became due and payable, until such tax is paid in full, and the penalty shall not exceed a total of twenty-five percent (25%) of the unpaid tax, all in accordance with Section 18-9-89 through 18-9-100 of the 1984 Detroit City Code; and be it further

39. RESOLVED, That as permitted by the provisions of Public Act 399 of 1984, interest and penalty from February 15 to the last day of February on a summer property tax which has been deferred is hereby waived for the homestead property of a senior citizen, paraplegic, quadriplegic, eligible serviceman, eligible veteran, eligible widow, totally and permanently disabled person, or blind person as those persons are defined in Chapter 9 of Public Act 281 of 1967, as amended, if the person makes a claim before February 15 for a credit for such homestead property as provided by Chapter 9 of Public Act 281 of 1967, as amended, presents a copy of the form filed for that credit with the City Treasurer, and if the person has not received the credit before February 15; and be it further
40. RESOLVED, That the Finance Director, or his/her designee(s) is hereby authorized to continue making the necessary accrual adjustments for Compensated Employee Absences and Damage Claim Payments as a part of the 2014-2015 Fiscal Year closing process in compliance with the provisions of the National Council on Governmental Accounting Statement Number Four, "Accounting and Financial Reporting Principles for Claims and Judgments and Compensated Absences" and Governmental Accounting Standards Board Statement No. 16 "Accounting for Compensated Absences"; and be it further
41. RESOLVED, That the Finance Director, or his/her designee(s), be and is hereby authorized and directed to purchase, sell or exchange securities representing investments of cash balances as permitted by law, and in accordance with written policies established by the Finance Director and placed on file with the Office of the City Clerk, and that the Treasurer

be and is hereby authorized and directed to disburse or deposit funds accordingly and to accept receipts for holding securities in lieu of definitive certificates; and be it further

42. RESOLVED, That the Finance Director is hereby authorized to appropriate investment earnings on bond proceeds to fund the cost of bond issuance expenses; and be it further

43. RESOLVED, That the Finance Director is hereby authorized to disburse funds, allocate bond proceeds and make any and all necessary declarations for the purpose of complying with applicable law and specifically with the reimbursement rules and regulations of the U.S. Department of Treasury pursuant to the Internal Revenue Code of 1986, as amended, with respect to projects identified herein, which projects are to be permanently financed from proceeds of debt to be incurred by the City; and be it further

44. RESOLVED, That the following Department, in the specified maximum amounts be authorized, for the 2018-2019 Fiscal Year only, to contract for Personal Services Contractors, in accordance with the procedure previously approved by Council (J.C.C., 2-8-89):

General Services	\$84,584
------------------	----------

The total compensation for any one contractor cannot exceed \$3,500 during the fiscal year without execution of a formal contract, individual rates shall not exceed established rates for the classification of Personal Services Contractor - Grade III, and standard City requirements for tax and budget clearances and residency will be honored. All previous standing authorizations for such contracting are hereby rescinded; and be it further

45. RESOLVED, That as actual collections are received through June 30, 2018 from Account No. 13-7512 - Fire Insurance Escrow - P.A. 495, they are hereby authorized to be appropriated in the proper general fund or block grant account; and be it further
46. RESOLVED, That the Finance Director is hereby authorized and directed to disburse the necessary funds as adopted and appropriated in the 2018-2019 Budget to the Charles H. Wright Museum of African American History, Zoological Institute, Detroit Institute of Arts, Detroit Port Authority, Historical Museum and the Eastern Market Corporation, be it further
47. RESOLVED, That the Budget Director is authorized and directed to establish processes, records, transfers and/or accounts necessary to implement and facilitate any reorganization of department functions or activities within the city budget; and be it finally
48. RESOLVED, That the Chief Financial Officer, Office of Budget and the Legislative Policy Division are authorized, subsequent to City Council's approval, to adjust the forecasted budgets as needed in order to balance by fund for FY 2019 – 2020, FY 2020 – 2021 and FY 2021 – 2022 so long as those adjustments are consistent with the FY 2018 – FY 2019 Budget and completed prior to the submission of the Four Year Financial Plan to the Financial Review Commission for approval, and therefore be it
49. RESOLVED, That the Finance Director is hereby authorized and directed to honor payrolls in accordance with this resolution.

2

**ADOPTED AS FOLLOWS
COUNCIL MEMBERS**

	YEAS	NAYS
Janee AYERS	✓	
Scott BENSON	✓	
Raquel CASTANEDA-LOPEZ	✓	
*George CUSHINGBERRY, JR.	✓	
Gabe LELAND	✓	
Mary SHEFFIELD	✓	
Andre SPIVEY	✓	
James TATE	✓	
Brenda PRESIDENT JONES	✓	
*PRESIDENT PRO TEM		
	9	0
WAIVER OF RECONSIDERATION (No. <u>2</u>)		
Per motions before adjournment.		

Closing Resolution – Amendment (Administration)

TRUE COPY CERTIFICATE

Form C of D-16-CE

STATE OF MICHIGAN, }
City of Detroit } ss.

CITY CLERK'S OFFICE, DETROIT

I, Janice M. Winfrey, City Clerk of the City of Detroit, in said State, do hereby certify that the annexed paper is a TRUE COPY OF Resolution

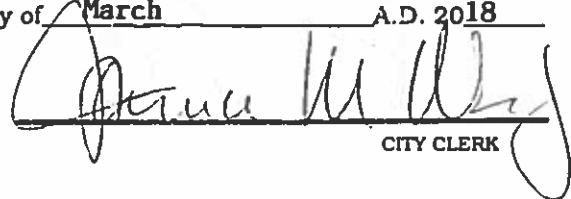
adopted (passed) by the City Council at session of March 20, 20 18

and approved by Mayor March 22, 20 18

as appears from the Journal of said City Council in the office of the City Clerk of Detroit, aforesaid; that I have compared the same with the original, and the same is a correct transcript therefrom, and of the whole of such original.

In Witness Whereof, I have hereunto set my hand and affixed the corporate seal of said City, at Detroit, this 22nd

day of March A.D. 2018


CITY CLERK



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVE., SUITE 1100
DETROIT, MICHIGAN 48226
PHONE: (313) 224-6260
FAX: (313) 224-2827

CITY CLERK 2018 MAR 16 PM 3:43

March 16, 2018

Detroit City Council
Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 1340
Detroit, Michigan 48226

RE: AMENDMENT TO THE CLOSING RESOLUTION FOR THE FY 2019-2022 FOUR-YEAR FINANCIAL PLAN

Honorable City Council:

The Mayor requests an amendment to the closing resolution for the FY 2019-2022 Four-Year Financial Plan as it pertains to funeral benefits for employees who die in the line of duty. The amendment will establish a fund to provide up to \$12,000 in funeral services that will be paid directly to funeral service provider. This will be an additional benefit for all employees of the City of Detroit. The benefit will be accessed for any employee who dies as a direct and proximate result of an injury sustained in the line of duty.

I am requesting approval from your Honorable Body to adopt the attached resolution. A waiver of reconsideration is requested.

Sincerely,

Tanya Stoudemire, J.D.
Deputy CFO/Budget Director

cc: John W. Hill, CFO
Stephanie Washington, Mayor's Office



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVE., SUITE 1100
DETROIT, MICHIGAN 48226
PHONE: (313) 224-6260
FAX: (313) 224-2827

BY COUNCIL MEMBER Ayala _____ :

RESOLVED, that the closing resolution for the FY 2019–2022 Four-Year Financial Plan be amended to provide an additional benefit for all City of Detroit employees; and

BE IT FURTHER RESOLVED, that a fund be established to provide up to a \$12,000 funeral benefit for any City employee that dies as a direct and proximate result of an injury sustained in the line of duty,

BE IT FINALLY RESOLVED, that the benefit shall be coordinated with the Worker's Compensation benefits provided through the City of Detroit and paid directly to the funeral home and cemetery where appropriate.

22

ADOPTED AS FOLLOWS COUNCIL MEMBERS

	YEAS	NAYS
Janee AYERS		
Scott BENSON		
Raquel CASTANEDA-LOPEZ		
Gabe LELAND	<i>left table</i>	
Roy MCCALISTER, JR.		
*Mary SHEFFIELD		
Andre SPIVEY		
James TATE		
Brenda PRESIDENT JONES		
*PRESIDENT PRO TEM		
	<i>9</i>	<i>0</i>
WAIVER OF RECONSIDERATION (No. _____)		
Per motions before adjournment.		

Schedule A

Community Development Block Grant (CDBG)

TRUE COPY CERTIFICATE

Form C of D-16-CE

STATE OF MICHIGAN, }
City of Detroit } ss.

CITY CLERK'S OFFICE, DETROIT

I, Janice M. Winfrey, City Clerk of the City of Detroit, in said

State, do hereby certify that the annexed paper is a TRUE COPY OF Resolution

adopted (passed) by the City Council at session of

March 20, 20 18

and approved by Mayor

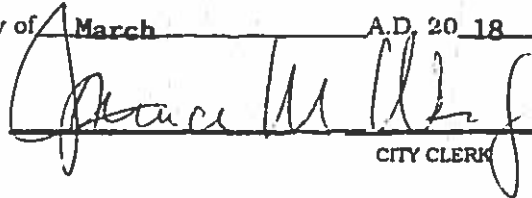
March 22, 20 18

as appears from the Journal of said City Council in the office of the City Clerk of Detroit, aforesaid; that I have compared the same with the original, and the same is a correct transcript therefrom, and of the whole of such original.

In Witness Whereof, I have hereunto set my hand and affixed the corporate seal of said City, at

Detroit, this 22nd

day of March A.D. 20 18


CITY CLERK

Alton James
Chairperson
Lesley Carr Fairrow, Esq.
Vice Chair/Secretary

City of Detroit

CITY PLANNING COMMISSION
208 Coleman A. Young Municipal Center
Detroit, Michigan 48226
Phone: (313) 224-6225 Fax: (313) 224-4336
e-mail: cpc@detroitmi.gov

Brenda Goss Andrews
Lisa Whitmore Davis
David Esparza, AIA, LEED
Lauren Hood, MCD
Gregory Pawlowski
Frederick E. Russell, Jr.
Amy Webb

24

March 16, 2018

HONORABLE CITY COUNCIL

**RE: Amended Schedule A reflecting City Council Changes to the Mayor's 2018-19
Community Development Block Grant (CDBG) Proposed Budget**

Attached is the Amended Schedule A and corresponding resolution for City Council action on the Mayor's recommended 2018-19 CDBG budget. The Schedule A was prepared by the Housing and Revitalization Department, then reviewed and revised by the City Planning Commission staff.

The Schedule A now reflects the City Council changes to the Mayor's recommended CDBG budget including Your action on the Neighborhood Opportunity Fund (NOF) awards as well as the remaining portions of the CDBG budget that Your Honorable Body is supporting via Your review of this budget. The column heading that previously read "Council Rec" now reads "City Council Final." The cells below that heading carry the allocations determined by Your Honorable Body for adoption under the 2018-19 CDBG Program.

As previously reported there is an additional \$25,000.00 under the Emergency Shelter - Grant Rapid Rehousing Program. The additional funds accrue to Wayne County Neighborhood Legal Services (Appropriation 10663), taking them from \$175,000.00 to \$200,000.00 as shown on page 2 of the Schedule A. HRD indicates that there was an oversight as the Mayor's budget reflected these dollars, but the ESG chart previously presented to City Council during the NOF review was short by that amount. Again, this does not alter Your action on the NOF, but now accurately depicts funding available under ESG.

On Friday, March 9, 2018 prior to Your original vote being taken, the Budget Department indicated that \$250,000.00 needed to be moved from PDD Planning Staff (Appropriation 14027) to the Woodward Garden Section 108 (Appropriation 13529) loan repayment in order to keep our CDBG program under the 20% administration cap. When this change was made, Council Member Tate inquired as to why the funds were moved to the Woodward Garden project as opposed to another Section 108 Loan Repayment. At that time no one was present to answer that question. CPC staff subsequently learned that the \$250,000.00 amount had previously been taken from the Woodward Garden Repayment and was simply being returned to the original account.

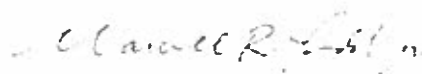
Lastly, CPC staff notes that the above change still leaves a \$42,128 overage to the CDBG administration cap. CPC staff understands that the Consolidated Plan cannot be submitted with

an administration cap overage. As a result, CPC staff recommends an additional change, the reduction of HRD-Office Administration (Appropriation 20234) by \$42,128 and the addition of that amount to Economic Development Small Business Development (Appropriation 13837). We have shared this additional change with the HRD Director, Arthur Jemison, who indicated his concurrence. The Attached Schedule A reflects staff's recommended additional change.

In closing we remind Your Honorable Body that this CDBG budget is based upon projections, as the City has not yet received the actual entitlement amount from HUD. When that number is received later this year, another budget amendment will be required in order to reflect the allocation of the actual amount of those dollars.

Please let us know if you have any questions regarding this amended Schedule A or the City's CDBG program.

Respectfully submitted,



Marcell R. Todd, Jr., Director

Attachments

cc: John W. Hill, CFO
Tanya Stoudemire, Director, Budget
Arthur Jemison, Director, HRD

**RESOLUTION TO ADOPT THE 2018-2019 CITY OF DETROIT BUDGET,
AS AMENDED BY SCHEDULE A**

Honorable City Council:

Your Committee of the Whole has had under consideration the proposed Community Development Block Grant Budget of the City of Detroit for the fiscal year 2018-2019 as submitted by his Honor, the Mayor, and having completed its consideration of same, herein submits the following resolution and recommends its adoption.

Respectfully submitted,

Chairperson

BY COUNCILMEMBER _____

Ayres

RESOLVED, That this Body having completed as of March 9, 2018, its consideration of the proposed Community Development Block Grant Budget (CDBG) Budget of the City of Detroit for the fiscal year 2018-2019 as contemplated by the Charter and ordinances of the City of Detroit, by majority vote of all members elected thereto, adopts said CDBG Budget, as amended by the foregoing Schedule A, and transmits same to the City Clerk for recompilation and submission to his Honor, the Mayor, in accordance with the Charter and ordinances of the City of Detroit.

Adopted as follows:

Yeas _____

Nays _____

SCHEDULE A - ALL CDBG FY 18-19

Appr	Cost Center Num	Sponsor	MAYOR'S BUDGET REQ FY 18-19	CITY COUNCIL FINAL	DIFF
CDBG					
20234	365701	HRD - Office of Administration	1,512,837	1,470,709	0
20238	365706	HRD - Office of Hsg Un - Supportive Hsg	560,223	560,223	0
13170	365707	HRD - Office of Programmatic Un - NOF & CDBG Initiatives	1,429,155	1,429,155	0
05797	360600	Eight Mile Blvd	25,000	25,000	0
13635	365003	City Plan Comm/Historic Designation Advisory Board	25,000	25,000	0
		HRD SUB-TOTAL	3,552,215	3,510,087	0
PLANNING AND DEVELOPMENT					
14027	433110	PDD - Planning - Staffing	2,435,724	2,435,372	0
		PDD SUB-TOTAL	43	2,435,372	0
		ADMIN AND PLANNING SUB-TOTAL	5,987,587	5,945,459	0
DEMOLITION					
13635	365006	HRD - Demolition	2,500,000	2,500,000	0
13635	365708	HRD - Demo Admin	581,206	581,206	0
		DEMOLITION SUB-TOTAL	3,081,206	3,081,206	0
ECONOMIC DEV					
13837	365008	Economic Development Small Business Development	2,308,336	2,350,464	0
		ECON DEV SUB-TOTAL	2,308,336	2,350,464	0
HOME REPAIR					
10409	362742	CDBG Match - LEAD Grant	1,000,000	1,000,000	0
20153	364113	Conventional Home Repair	500,000	500,000	0
		SUB-TOTAL	1,500,000	1,500,000	0
20238	365705	HRD - Multi Family Staffing	2,400,204	2,400,204	0
		SUB-TOTAL	2,400,204	2,400,204	0
		HOME REPAIR SUB-TOTAL	3,900,204	3,900,204	0
PUBLIC FACILITY REHAB					
11496	364040				
05915	360630	Chapel Hill MBC Non-Profit Hsg/Christian Social Outreach		136,000	(136,000)
11787	366020	Detroit Central City Comm Mental Health			
		Detroit Hispanic Development Corp			
10847	362750	Eastern Market Corp			
05661	360573	Elmhurst Home, Inc.			
06698	360767	Focus: HOPE	150,000	132,256	17,744
06514	360743	Franklin-Wright Settlements	250,000	212,500	37,500
		Holy Cross Services, Inc.			
05662	360574	LASED			
13839	363230	Liberty Temple Baptist Church			
11893	366905	Matrix Human Services - Reuther Older Adult & Wellness Center	219,375	186,469	32,906
13645	364102	North Rosedale Civic Association			
04186	360268	Northeast Guidance Center	169,000	143,650	25,350
12432	367168	Samaritan Center			
10626	363065	Southwest Counseling Solutions			
12168	365528	Southwest Housing Solutions	150,000	127,500	22,500
13556	367232	Urban Neighborhood Initiatives			
06186	361481	Warren Conner/Eastside Community Network			
		PFR SUB-TOTAL	938,375	938,375	0

SCHEDULE A - ALL CDBG FY 18-19

Appr	Cost Center Num	Sponsor	MAYOR'S BUDGET REQ FY 18-19	CITY COUNCIL FINAL	DIFF
12168	364050	HOMELESS PUBLIC SERVICE			
		<i>EMERGENCY SHELTER</i>			
11784	366005	Alternatives for Girls	100,000	100,000	0
11838	366310	Cass Community Social Services (Oasis Project)	100,000	100,000	0
11785	366010	Coalition on Temporary Shelter (COTS)	100,000	100,000	0
12708	367175	Community Social Services of Wayne County (Catholic Social Svcs)	100,000	100,000	0
11786	366015	Covenant House Michigan	100,000	100,000	0
20338	364125	DRMM Genesis House II Chicago	85,000	85,000	0
11882	366880	Detroit Rescue Mission (DRMM Genesis House III) Fairview	85,000	85,000	0
20336	364124	Detroit Rescue Mission (DRMM Genesis House III) Mack	85,000	85,000	0
20339	364126	DRMM 3rd Street	85,000	85,000	0
12168	365515	Emmanuel House			0
11791	366040	Freedom House	90,421	90,421	0
11798	366075	Mariners Inn	85,000	85,000	0
20337	364128	Matrix Off the Streets			0
11800	366085	Michigan Veterans Foundation			0
11801	366090	Neighborhood Service Organization (NSO)	90,000	90,000	0
11839	366315	Operation Get Down			0
13644	364101	Salvation Army	100,000	100,000	0
12426	367171	St. John Community Center			0
11809	366130	YWCA Interim House	100,000	100,000	0
		EMERGENCY SHELTER SUB-TOTAL	1,305,421	1,305,421	0
		<i>WARMING CENTERS</i>			
11838	366310	Cass Community Social Services	150,000	150,000	0
11882	366880	Detroit Rescue Mission (DRMM Genesis House III) Fairview	140,000	140,000	0
20339	364126	DRMM 3rd Street			0
		WARMING CENTER SUB-TOTAL	290,000	290,000	0
		<i>HOMELESS PREVENTION</i>			
06642	360753	Black Family Development			
10154	362660	Bridging Communities			
06505	360736	Legal Aid and Defender Association			
11799	366080	Michigan Legal Services			
10663	363079	(Wayne County) Neighborhood Legal Services			
11806	366115	United Community Housing Coalition	148,674	148,674	0
06733	360754	The Heat and Warmth Fund (THAW)	100,000	100,000	0
		HOMELESS PREVENTION SUB-TOTAL	248,674	248,674	0
		<i>RAPID REHOUSING</i>			
		Community Home Support	175,000	175,000	0
10663	363079	(Wayne County) Neighborhood Legal Services	200,000	200,000	0
11801	366090	Neighborhood Service Organization (NSO)			
10626	363065	Southwest Counseling Solutions			
		RAPID REHOUSING SUB-TOTAL	375,000	375,000	0
		<i>STREET OUTREACH</i>			
11896	366920	The Noah Project (Central United Methodist Church)	100,000	100,000	0
11838	366310	Cass Community Social Services	75,000	75,000	0
10626	363065	Southwest Counseling Solutions			
		DRMM Street Outreach			
		STREET OUTREACH SUB-TOTAL	175,000	175,000	0
		TOTAL HOMELESS PUBLIC SERVICE	2,394,094	2,394,094	0

SCHEDULE A - ALL CDBG FY 18-19

Appr	Cost Center Num	Sponsor	MAYOR'S BUDGET REQ FY 18-19	CITY COUNCIL FINAL	DIFF
		PUBLIC SERVICE			
13837	365007	Summer Jobs Program (NRSA)	2,750,000	2,750,000	0
		EDUCATION			
07523	360901	Accounting Aid Society	72,500	72,500	0
13838	363228	Charles Wright Museum of African American History			0
11499	365559	Coleman A. Young Foundation			0
04139	360238	DAPCEP	67,700	67,700	0
05983	360634	Dominican Literacy Center	72,000	72,000	0
06698	360767	Focus: Hope			0
11167	363124	Greening of Detroit	85,000	85,000	0
		Immanuel Lutheran			0
06709	360772	International Institute	85,000	85,000	0
12421	367157	Kendall CDC			0
		Matrix Human Svcs - Youth Leadership	72,000	72,000	0
11554	361741	Mercy Education Project	70,000	70,000	0
04192	360270	Project SEED			0
		Restaurant Opportunity Center of Michigan			0
04898	360427	Ser Metro			0
20156	364116	Siena Literacy Center			0
13840	363231	Sowing Empowerment & Econ Dev (SEED, Inc.)	67,700	67,700	0
10124	362635	St. Vincent and Sarah Fisher Ctr	67,700	67,700	0
13562	367237	The Youth Connection	67,700	67,700	0
13556	367232	Urban Neighborhood Initiative	67,700	67,700	0
05178	360469	Wellspring	85,000	85,000	0
13646	364103	YMCA	70,000	70,000	0
		EDUCATION SUB-TOTAL	950,000	950,000	0
		HEALTH			
12420	367156	Joy-Southfield CDC	75,000	75,000	0
12998	367202	Greater Detroit Agency for Blind			0
12719	367186	The Society of St. Vincent de Paul	75,000	75,000	0
13398	367228	The Yunion	75,000	75,000	0
04178	360263	World Medical Relief			0
		HEALTH SUB-TOTAL	225,000	225,000	0
		RECREATION			
10105	362540	Alkebu-lan Village	66,000	66,000	0
11547	366996	Clark Park Coalition	66,000	66,000	0
05428	360522	People's Community Services	66,000	66,000	0
10113	362580	Police Athletic League	66,000	66,000	0
05897	360619	Mosaic Youth Theatre			0
05544	360558	Southwest Detroit Business Association	66,000	66,000	0
		RECREATION SUB-TOTAL	330,000	330,000	0
		PUBLIC SAFETY			
10663	363079	(Wayne County) Neighborhood Legal Services	80,000	80,000	0
10620	360558	Jefferson Business Association	100,000	100,000	0
		PUBLIC SAFETY SUB-TOTAL	180,000	180,000	0
		SENIORS			
04683	360375	Alzheimer's Association	75,000	75,000	0
06403	360705	Delray United Action Council			0
06514	360743	Franklin Wright Settlement			0
10621	363060	L&L Adult Day Care	75,000	75,000	0
05662	360574	LASED	75,000	75,000	0
		Luella Hannan Memorial	75,000	75,000	0
11893	366905	Matrix Human Services - Reuther Older Adult & Wellness Center			0

SCHEDULE A - ALL CDBG FY 18-19

Appr	Cost Center Num	Sponsor	MAYOR'S BUDGET REQ FY 18-19	CITY COUNCIL FINAL	DIFF
05149	360454	St. Patrick Senior Center	80,000	80,000	0
		SENIORS SUB-TOTAL	380,000	380,000	0
		TOTAL PUBLIC SERVICE	4,815,000	4,815,000	0
13529		SECTION 108 LOANS			
13529		<i>Additional Defeasance Payment</i>			
13529	364089	Book Cadillac			
		Book Cadillac - Note 2			
13529	364084	Ferry Street	414,356	414,356	0
13529	364090	Fort Shelby	1,923,850	1,923,850	0
13529	364082	Garfield			
13529	364087	Garfield II - Note 1 - Garfield Estates	711,041	711,041	0
13529	364087	Garfield II - Note 2 - N'namdi Ctr.	196,794	196,794	0
13529	364092	Garfield Geothermal	119,400	119,400	0
13529	364093	Garfield Sugar Hill	356,541	356,541	0
13529	364086	Mexicantown	354,375	354,375	0
13529	364085	New Amsterdam			
13529	364083	Stuberstone			
13529	364088	Vernor Lawndale	140,251	140,251	0
13529	364091	Woodward Garden	1,562,155	1,562,155	0
		Woodward Garden - Note 2	357,694	357,694	0
		Woodward Garden - Note 3	166,036	166,036	0
		SECTION 108 SUB-TOTAL	6,302,493	6,302,493	0
		SUB-TOTAL HRD	27,291,923	27,291,923	0
		SUB-TOTAL OTHER DEPARTMENTS	2,435,372	2,435,372	0
		TOTAL	29,727,295	29,727,295	0

**SCHEDULE A - ALL CDBG
FY 18-19**



Appr	Cost Center Num	Sponsor	MAYOR'S BUDGET REQ FY 18-19	CITY COUNCIL FINAL	DIFF
		CDBG Line of Credit	29,727,296	29,272,96	0
		TOTAL	29,727,296	29,727,296	0
		<i>CDBG SPENDING CAPS</i>			
		Admin/Planning Cap (\$29,727,296)	5,945,459	5,945,459	0
		Total Admin/Plan Expenses	5,987,587	5,945,459	0
		Difference	(42,128)	0	0
		Public Service Cap	4,459,094	4,459,094	0
		Total Public Service Expenses	7,209,094	7,209,094	0
		Difference	(2,750,000)	(2,750,000)	0

(24)

**ADOPTED AS FOLLOWS
COUNCIL MEMBERS**

	YEAS	NAYS
Janee AYERS		
Scott BENSON		
Raquel CASTANEDA-LOPEZ		
Gabe LELAND	<i>left</i>	<i>table</i>
Roy MCCALISTER, JR.		
*Mary SHEFFIELD		
Andre SPIVEY		
James TATE		
Brenda PRESIDENT JONES		
*PRESIDENT PRO TEM		
	<i>8</i>	<i>0</i>
WAIVER OF RECONSIDERATION (No. _____)		
Per motions before adjournment.		

Schedule B

City Council Changes to the 2018-2019 Budget

TRUE COPY CERTIFICATE

Form C of D-16-CE

STATE OF MICHIGAN, }
City of Detroit } ss.

CITY CLERK'S OFFICE, DETROIT

I, Janice M. Winfrey, City Clerk of the City of Detroit, in said State, do hereby certify that the annexed paper is a TRUE COPY OF Resolution

adopted (passed) by the City Council at session of
March 20, 2018

and approved by Mayor
March 22, 2018

as appears from the Journal of said City Council in the office of the City Clerk of Detroit, aforesaid; that I have compared the same with the original, and the same is a correct transcript therefrom, and of the whole of such original.

In Witness Whereof, I have hereunto set my hand and affixed the corporate seal of said City, at Detroit, this 22nd

day of March A.D. 2018

Janice M. Winfrey
CITY CLERK

23

David Whitaker, Esq.
Director
Irvin Corley, Jr.
Executive Policy Manager
Marcell R. Todd, Jr.
Senior City Planner

LaKisha Barclift, Esq.
M. Rory Bolger, PhD, AICP
Timothy Boscarino, AICP
Elizabeth Cabot, Esq.
Janese Chapman
Tasha Cowen
Richard Drumb

City of Detroit

CITY COUNCIL

LEGISLATIVE POLICY DIVISION

208 Coleman A. Young Municipal Center
Detroit, Michigan 48226

Phone: (313) 224-4946 Fax: (313) 224-4336

George Etheridge
Deborah Goldstein
Christopher Gulock
Derrick Headd
Marcel Hurt
Kimani Jeffrey
Anne Marie Langan
Jamie Murphy
Analine Powers, PhD
Sabrina Shockley
Thomas Stephens, Esq.
David Teeter
Theresa Thomas
Kathryn Lynch Underwood

TO: Detroit City Council 
FROM: David Whitaker, Director
Legislative Policy Division
DATE: March 15, 2018
RE: Proposed Amendments to Schedule B

Attached please find an amended Schedule B that the Administration and LPD are requesting be approved at the Formal Session on March 20, 2018.

The Administration chose to create two new distinct funds out of the General Fund Surplus of \$100 million, so the changes that Council made on Friday by lowering the amount of Capital Projects (Fund 4533) and Blight Remediation (Fund 1003), need to be balanced. As well, in order to cover the changes made to the General Fund appropriations this chart now directs a portion of the General Fund Surplus back to Fund 1000 (the General Fund). These actions all take place in Appropriation 20255 "Prior Year Activity" and the revenues are reported in Non-Departmental.

Additionally, instead of moving funds to the Library for the pop-up library program, the Administration has recommended that the funds be set up in Recreation in a new appropriation called "Recreation Center - Pop Up Libraries Appropriation 20525". They believe that since the \$2,500 transfer to the Library Fund would have to show as a new revenue, the "increase" in revenue would violate the state law that directs the revenue consensus process to set the revenue levels. The Administration has recommended that the \$2,500 come from Appropriation 13990 - Recreation Division. LPD concurs.

Additionally, the text for each Council Members office appropriation was amended to reflect the correct District number.

As you recall, Schedule B was altered at the table on Friday night as approved by Council, to move the funds for Airport Capital from Airport and into Non-Departmental. This change was included in the attached document.

Please contact us if there are any further questions.

2019

**SCHEDULE B (AMENDED)
CITY COUNCIL CHANGES TO THE 2018 - 2019 BUDGET
APPROPRIATION AND REVENUE CHANGES
SUMMARY BY AGENCY, APPROPRIATION AND FUND**

#	Agency	Action and Appropriation No.	Appropriation Name	FTEs	Appropriations	Revenues	Fund#
	Mayor's Recommended Budget to City Council			10,007	2,080,965,999	\$ 2,080,965,999	
35	Non-Departmental Multiple Agencies		20507 Capital Projects		4,000,000	0	4533
			20507 Capital Projects 2019		(1,800,000)	0	4533
35	Non-Departmental		20255 Prior Year Activity			2,200,000	4533
29	Civil Rights, Inclusion & Opportunity		20388 Non Compliance Fee		(340,000)		3217
29	Civil Rights, Inclusion & Opportunity		20519 Skilled Trades Readiness		340,000		3217
72	Library		10454 Library Administrative Management		0	0	3001
	Multiple Agencies		20253 Blight Remediation		(4,758,279)		1003
35	Non-Departmental		20255 Prior Year Activity			(4,758,279)	1003
38	Public Lighting		00128 PLD Street Lighting		100,000		1000
53	Ombudsperson		00182 Ombudsperson Investigation of Complaints	1	92,500		1000
43	Planning and Development Department		14026 Planning City		50,000		1000
36	Housing & Revitalization Department		20389 Senior Home Repair - General Fund		2,000,000		1000
36	Housing & Revitalization Department		00597 Economic Growth Corporation		50,000		1000
52	City Council		00269 Legislative Functions	2	307,015		1000
52	City Council		20523 Council President Administrative Support		37,363		1000
52	City Council		13667 Council Member At-Large 1		(7,845)		1000
52	City Council		13668 Council Member At-Large 2		(65,701)		1000
52	City Council		13669 City Council District 1 Council Member		5,169		1000
52	City Council		13670 City Council District 2 Council Member		5,169		1000
52	City Council		13671 City Council District 3 Council Member		5,169		1000
52	City Council		13672 City Council District 4 Council Member		5,169		1000
52	City Council		13673 City Council District 5 Council Member		5,169		1000
52	City Council		13674 City Council District 6 Council Member		5,169		1000
52	City Council		13675 City Council District 7 Council Member		5,169		1000
50	Auditor General		00261 Auditing Operations	3	402,300		1000
70	City Clerk		00265 City Clerk Operations	1	325,000		1000
47	General Services		20525 Recreation Center - Pop Up Libraries		2,500		1000
47	General Services		13990 Recreation Division		(2,500)		1000
23	Office of the Chief Financial Officer		00060 Office of the Assessor		(41,195)		1000
35	Non-Departmental		00204 Organizations For Cities		(74,341)		1000
35	Non-Departmental		00870 Non-Departmental Centralized Payments		(650,000)		1000
35	Non-Departmental		20255 Prior Year Activity			2,558,279	1000
			Net Amount	10,014	2,080,965,999	2,080,965,999	

City Council Approval of Proposed Budget for Fiscal Year 2018-2019

4

BY COUNCILMEMBER Ayero

RESOLVED, That this Body having completed as of March 9, 2018, its consideration of the proposed Budget of the City of Detroit for the fiscal year 2018-2019 as contemplated by the Charter and ordinances of the City of Detroit, by majority vote of all members elected thereto, adopts said Budget, as amended by the foregoing schedule B, and transmits same to the City Clerk for recompilation and submission to his Honor, the Mayor, in accordance with the Charter and ordinances of the City of Detroit.

Adopted as follows:

Yeas _____

Nays _____

Waiver of Reconsideration Requested

23

**ADOPTED AS FOLLOWS
COUNCIL MEMBERS**

	YEAS	NAYS
Janee AYERS		
Scott BENSON		
Raquel CASTANEDA-LOPEZ		
Gabe LELAND	<i>8</i>	<i>0</i>
Roy MCCALISTER, JR.		
*Mary SHEFFIELD		
Andre SPIVEY		
James TATE		
Brenda PRESIDENT JONES		
*PRESIDENT PRO TEM		
	<i>8</i>	<i>0</i>
WAIVER OF RECONSIDERATION (No. _____)		
Per motions before adjournment.		

**2019-2022 Financial and Budgetary
Priorities, Public Policy, Planning
and Action Resolution
(City Council)**

TRUE COPY CERTIFICATE

Form C of D-16-CB

STATE OF MICHIGAN, }
City of Detroit } ss.

CITY CLERK'S OFFICE, DETROIT

I, Janice M. Winfrey, City Clerk of the City of Detroit, in said State, do hereby certify that the annexed paper is a TRUE COPY OF RESOLUTION

adopted (passed) by the City Council at session of

March 9, 2018

and approved by Mayor

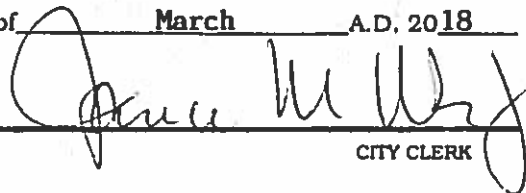
March 12, 2018

as appears from the Journal of said City Council in the office of the City Clerk of Detroit, aforesaid; that I have compared the same with the original, and the same is a correct transcript therefrom, and of the whole of such original.

In Witness Whereof, I have hereunto set my hand and affixed the corporate seal of said City, at

Detroit, this 13th

day of March A.D. 2018


CITY CLERK

USE!

5

**THE DETROIT CITY COUNCIL
2018-2019 FINANCIAL AND BUDGETARY PRIORITIES,
PUBLIC POLICY, PLANNING AND ACTION RESOLUTION**

BY ALL COUNCIL MEMBERS:

WHEREAS, The Detroit City Council has held hearings and deliberations on the Executive Budget for FY 2018-2019 submitted by the Honorable Mayor Mike Duggan; and

WHEREAS, The City of Detroit's (City) recent emergence from bankruptcy has placed the City on a positive trajectory toward the future. This opportunity has also brought increased scrutiny to the operations and financial position of the City in an environment where reinvestment in the City's infrastructure is ongoing and fiscal restraint is paramount; and, the alignment of expenditures and revenues must be balanced with improvements in service delivery to residents; and

WHEREAS, Pursuant to the timing provisions set forth in Public Act 181 of 2014, MCL 141.1636(4), the Mayor submitted the budget to City Council on February 23, 2018, and the Council conducted hearings with City departments within the condensed timeline to consider if the proposed budget figures were sound and to consider where adjustments would be necessary or beneficial, and to identify and propose funding changes, allowing a total of fifteen (15) calendar days to deliberate and vote; and

WHEREAS, Pursuant to Sec. 8-213 of the 2012 City Charter and Public Act 181 of 2014, the City's Chief Financial Officer, Budget Director, Auditor General, and the City Council's Legislative Policy Division, along with other top officials held a revenue estimating conference which determined reasonable, agreed upon revenue projections for the major General Fund revenues for the upcoming fiscal year, of \$1.071 billion; and

WHEREAS, On this day, March 9, 2018, the Detroit City Council adopts a program budget that is based on sound and conservative budgetary principles for municipalities, well-reasoned financial assumptions and past performance, as well as stated goals and projections for City departments, divisions and agencies, and in consideration of the dictates of the "Plan for the Adjustment of Debts of the City of Detroit" (POA); and

WHEREAS, The Administration astutely determined that City's Plan of Adjustment contained several questionable key assumptions that need to be addressed in order to address the projected shortfall in the City's pension obligations. The City has established a Retiree Protection Trust Fund that will allow the City to build up approximately \$335 million in trust assets to offset the City's annual required contributions that resume in FY 2024. In September 2017, the City transferred the first \$105 million in funding. This trust assets should allow for prudent financial planning sufficient to avoid deficiency in pension payments and to stabilize the City's financial future; and

WHEREAS, In light of these factors the Detroit City Council, in adopting this budget, has incorporated the fiscal and public policy priorities outlined below in an effort to provide effective

government operations and service delivery to the residents, institutions and businesses of this City; and

WHEREAS, The Plan of Adjustment required the Building, Safety Engineering and Environmental Department (BSEED), an enterprise department, to repay the General Fund an amount totaling \$18 Million for contributions made to the Department. Currently, the Department has an excess of \$18 Million in its fund balance; \$8 Million is due according to the Plan of Adjustment's payment schedule. The Administration is willing to undertake an analysis of the usage of BSEED's fund balance to repay the General Fund; and

WHEREAS, The City has overpaid the Public Lighting Authority (PLA), through the Public Lighting Department (PLD), by approximately \$2 Million. The Administration is willing to undertake a financial analysis to determine if it is recoverable; and

WHEREAS, City Council requests funding for the Office of Urban Research and Outreach in the Planning and Development Department (PDD). PDD will work with Grants Management to identify funding for the program; and

WHEREAS, Last year, City Council passed a resolution establishing the Neighborhood Improvement Fund (NIF) to be created in Fiscal Year 2018-19 and remain in existence at least until all obligations related to the \$34.5 million in bonds issued by the Downtown Development Authority (DDA) to support the Pistons move to Detroit are satisfied. City Council strongly urges the Administration to appropriate funds for the Neighborhood Improvement Fund based on an estimation of the income tax revenue to be generated by the Pistons and visiting team players, their employees and Palace Sports and Entertainment employees, during home games in Detroit. City Council also urges the Administration to include income tax projections for the Pistons and visiting players as well as all employees covered by the Neighborhood Improvement Fund in future Revenue Estimating Conferences; and

WHEREAS, It is essential that community input be integrated in the City's development process. This includes the prioritization of community outreach and engagement in non-HHF areas and the neighborhoods with the least density as work begins on the open space plan and improving the Community Benefits process, and hiring additional staff with experience in community organizing; and

WHEREAS, Thoughtful redevelopment of the City requires consideration of the health of the community. Council, therefore, urges the Mayor's Office to include the Health Department in the review/approval process for development deals along with the JET team, HRD and PDD, starting as soon as possible; and

WHEREAS, The City's Master Plan is well overdue for a wholesale update instead of the piecemeal presentation of particular neighborhoods scattered throughout the City. The updated Master Plan should provide a comprehensive development plan for the City that includes neighborhood plans, a future mobility plan and open space plan. PDD and the Office of Grants Management are urged to pursue philanthropic and grant money to update the City's non-motorized transit plan as well; and

WHEREAS, The Public Lighting Authority's long-term lighting plan needs to be presented to Council after having been thoroughly reevaluated by PLA's board, which is populated with subject matter experts, to ensure that there is adequate lighting planned to safeguard the public's health and safety throughout the City, particularly along residential streets, and including exploration of retrofitting the LED lights to expand lighting capacity. Evaluation of the sufficiency of funding to achieve these objectives must be accomplished to meet the unique lighting needs of different neighborhoods, which may be above and beyond the national standards; and

WHEREAS, The conditions of the alleyways in the City of Detroit have become a public nuisance and significantly contribute to the proliferation of blight, illegal dumping, crime, rodents and stray dogs and cats. As a result, Detroiters suffer through a diminished quality of life and an undue amount of stress caused by the overall conditions of our alleys. As a matter of public safety and in service to our residents, it is incumbent upon the City to remediate the negative impact on our Citizens by the alleys. Therefore, City Council strongly urges the Administration to devise and fund a comprehensive plan to address the conditions of alleys in the City of Detroit. The plan should include the removal of debris, trees, weeds and other items contributing to blight. It should also include the maintenance of Detroit Water and Sewerage drains, pest control services and installation of alley lighting especially in areas where the alley is the primary entrance to residents' homes; and

WHEREAS, The Detroit Land Bank Authority is a public authority charged with the demolition of vacant and abandoned properties throughout the City of Detroit and receives funding from various sources, including a subsidy from the City of Detroit, to carry out its charge to return vacant and abandoned properties to productive uses. Due to this arrangement, we urge the Administration, through the City of Detroit Law Department, to enter into a contractual agreement between the City of Detroit and the DLBA that would allow the Detroit City Council to have power of authorization to transfer money from the City to the DLBA on at least a biannual basis. As part of the contractual agreement, Council shall receive an expense report itemizing funds used from the previous six months prior to a new allocation; and

WHEREAS, Federal Hardest Hit Funds (HHF) have allowed the City to make progress in eliminating blight in some areas. Council urges the Department of Public Works (DPW), DWSD, and the General Services Department to prioritize areas of Detroit without federal HHF for street re-paving, catch basin cleaning, sidewalk repairs, tree trimming and repairs, as well as DLBA-owned lot maintenance. In that vein, Council urges the OCFO to create a fund development plan to support demolitions in non-HHF areas of the City; and

WHEREAS, In determining which residential and commercial structures will be demolished or boarded, there needs to be additional consideration given to the buildings' proximity to DLBA community partners, active non-profits and other selected neighborhood organizations; and

WHEREAS, As a part of the Inclusionary Housing Ordinance passed by City Council last year, the Detroit Affordable Housing Development and Preservation Fund (DAHDP) was created and there was an agreement by the Administration and City Council to seed the fund initially with \$2

Million and provide on-going funding through 20% of the proceeds from City of Detroit commercial land sales. This fund will be used to create housing opportunities for residents at or below 50% of the Area Median Income. Therefore, City Council is making the agreed upon \$2 Million appropriation for Fiscal Year 2018-2019 and recommends using Capital funds for the appropriation. Also, City Council is urging the Administration to develop other revenue streams to help sustain the Detroit Affordable Housing Development and Preservation Fund; and

WHEREAS, The 0% interest loan is a great tool to assist citizens in repairing homes in Detroit. The City of Detroit will not be able to fund sufficient grant dollars to meet the needs of repair for our low income homeowners, but the 0% loan is a good alternative for citizens. It also allows low income, minorities and seniors the ability to access capital when they might not otherwise have access to capital. City Council is urging the Administration to use the 0% interest loan to leverage a 25% public and 75% private split; and

WHEREAS, While City Council is aware that the Administration's errata letter will include \$465,000 in funding for the City's Housing Trust Fund, the Council urges the Administration to increase that amount to \$2,000,000 to provide more adequate seed money for the Fund; and

WHEREAS, A more comprehensive plan to improve the housing stock in the City could greatly benefit from an emphasis on preserving existing housing. Council therefore urges the DLBA to appropriate funds to appraise and/or assess a certain percentage of salvageable properties in non-HHF areas by the end of the fiscal year; and

WHEREAS, To monitor efficiency with respect to housing and blight remediation issues, Council urges the DLBA to develop a specific timeline for the transfer of properties from PDD to the DLBA, and vice versa by the end of this calendar year; and

WHEREAS, Preparing residents for home ownership is an important element of success in the purchase of a home. Council therefore urges the DBA to develop one training per City Council District per year to assist residents with developing proposals and learning about financing options for purchasing DBA holdings. Additionally, Council urges HRD to conduct annual credit repair workshops in each City Council District, given that low credit scores are a leading reason for rejected 0% Home Loan program applications; and

WHEREAS, The City's newly enacted rental property maintenance ordinance requires citizen education, inspection and enforcement. Council urges the Building Safety, Engineering and Environmental Department to carefully monitor its implementation and the Department has committed to dedicating a staff member to address concerns arising from the rental ordinance; and

WHEREAS, The City of Detroit can no longer talk about the creation of a world class city, when the current reality is that approximately 36 percent of our residents live at or below the poverty line. Council urges the Administration to adopt a collective impact framework with the

goal of making Detroit a city of opportunity by implementing a "50:40" poverty reduction strategy to cut poverty in half by the year 2040. Our mission: no Detroiter left behind; and

WHEREAS, The Senior Home Repair Grant Program has traditionally provided opportunities for Detroit's senior citizens to obtain significant and often critical home repairs for some of the City's most vulnerable residents. Given the age of the housing stock in Detroit and the physical condition of a significant portion of our neighborhoods, home repair grants help stabilize neighborhoods and are a matter of public health. The Administration has budgeted \$1 Million for the Senior Home Repair Grant Program, \$500,000 of which is a reprogramming of prior year CDBG Funding. City Council strongly urges the Administration to submit the reprogramming of the \$500,000 no later than 30 days after the beginning of Fiscal Year 2018-2019. In addition, City Council is adding \$2 Million to the Senior Home Repair Grant Program for Fiscal Year 2018-2019; and

WHEREAS, Council recognizes the need to adequately fund the Senior Home Repair Grant Program in three successive years is important given the financial state of our seniors. Council also recognizes the need must be balanced against the financial limitations of the City. Therefore, Council agrees to cap the allocation from the general fund to \$500,000. The Body will work with the Administration to secure the additional funding from CDBG/NOF funds, the philanthropic community and other private sources to achieve the desired funding level for the Senior Home Repair Grant Program through FY 2020-2022; and

WHEREAS, The Detroit Police Department launched Project Greenlight Detroit to create greater security in the community. Now that the program has been operating and expanding for some time, Council urges DPD to undertake an evaluation of its successes and areas needing improvement by contracting with a third-party research organization and providing Council a timeline for selecting the evaluator by January 2019; and

WHEREAS, Since the institution of new State requirements, Detroit's Health Department no longer conducts training for those obtaining food handlers cards; instead the training is provided by outside entities. However, as evidenced by recent outbreaks of Hepatitis A in and amongst those in the restaurant/food handling industry, more training is needed and the reinstating of this training by the Health Department may be an important step in addressing this health concern; and

WHEREAS, The closing of the mental health hospitals in the state during the 1990s marked an important time in the history of public health in this State and, more acutely, in our City. In the two decades that have passed, mental health services have continued to decline. Citizens in desperate need of mental health services pose a serious danger to themselves and others and recently have been involved in several high profile homicides of Detroit Police Officers and other innocent citizens. As such, City Council strongly implores the Detroit Health Department to work to develop a comprehensive review of mental health challenges and homelessness in the City of Detroit, and present recommendations to address this issue; and

WHEREAS, To address the improving but nevertheless persistent problem of teen pregnancy and sexually transmitted diseases, Council urges the Health Department to work with the Detroit

Public Schools Community District to develop a comprehensive reproductive and sexual health education plan; and

WHEREAS, Unfortunately, there are rare occasions where a City employee loses his or her life in the performance of the duties of employment with the City of Detroit; the surviving families should not have to worry about the cost associated with burial expenses. The last twelve months have seen four (4) City employees perish as a direct result of their employment with the City. Council strongly supports creation of a fund that would assist surviving families in those devastating times with burial expenses for employees that have died in the line of duty; and

WHEREAS, An efficient and user-friendly mass transit system is an essential element of a successful city. Senior citizens and all transit riders need ready ability to purchase bus cards with ease and without the need to travel great distances to do so. In addition, all transit customers deserve to be treated with respect. Council, therefore, urges the Administration to provide customer service training for all DDOT personnel and to streamline the process for the purchase of bus cards, including greatly increasing the availability of points of purchase; and

WHEREAS, In the continuing effort to broaden the path to meaningful careers for Detroiters, City Council urges the Civil Rights, Inclusion and Opportunity Department as well as the Detroit Employment Solutions Corporation to work hand in hand with Council's Skilled Trades Taskforce to ensure that residents are informed of opportunities in the skilled trades, by attending meetings to make presentations, providing literature, and otherwise making resources available to members of the taskforce and all interested residents. The DESC is similarly encouraged to implement technology upgrades to enhance data collection through efficient case management; and

WHEREAS, Additionally, the City should work with both the Detroit Public School Community District and the Detroit Workforce Development Board to expand the locations for educational opportunities in communities, including increased partnerships for the recruitment of firefighters; and

WHEREAS, The Environmental Enforcement Division is being moved from the Department of Public Works to Buildings Safety Engineering and Environmental Department. It is Council's desire that more emphasis be focused on air quality monitoring; and

WHEREAS, City Council has requested the purchase of Tier III or Tier IV air quality monitors to provide fence-line monitoring near solid material facilities and to provide air monitoring in other areas of the City. BSEED has agreed to provide \$50,000 in funding for this purpose; and

WHEREAS, Conservation of our natural resources is important to our environment. The General Services Department (GSD), as well as other City departments should integrate sustainability into its practices, policies and procurements. We need to also improve our energy efficiency. GSD and the Office of Procurement are encouraged to develop written plans to accomplish more sustainability within six months after approval of this budget. The City must also begin the process of incorporating recycling in the operations of all municipal buildings; and

WHEREAS, In an effort to make more environmentally friendly decisions all departments involved with development (Planning and Development Department, Housing and Revitalization Department, Jobs and Economy Team, BSEED, etc.) should incorporate roadside vegetative buffers and/or green space between residential areas and other uses in all infrastructure improvement and development projects; and

WHEREAS, A thriving airport acts as a key economic driver to stimulate the local economy. The Coleman A. Young International Airport has great potential to improve commercial opportunities throughout the City, as a world class general aviation airport, but particularly in Districts 3 and 4, areas of the City long in need of economic infusion. City Council strongly urges the Duggan Administration to intensify efforts to seek funding to make requisite improvements to the airport; and

WHEREAS, Over the years there have been multiple incidents in our City where stray dangerous dogs have attacked residents and have at times caused the Post Master General to suspend mail service to homes in certain sections of the City. The Mayor's proposed budget for Animal control has been increased to provide much needed personnel, vehicles and equipment to provide expanded service to address this important community concern; and

WHEREAS, Control of dangerous animals in the City has been an ongoing concern deserving of the highest priority. To that end, the Health Department is urged to take the following actions to improve its response to this problem: implement online reporting of dangerous animals through the Improve Detroit App, extend Detroit Animal Care and Control hours of operation from 6am to 9pm during the spring and summer months to accommodate the additional hours of sunlight and ensure the safety and welfare of Detroit Residents, work with the Detroit Police Department to monitor and research the volume of overnight calls received regarding animal care and control during the hours of 7pm to 7am, and finally, investigate the implementation of extended Detroit Animal Care and Control Hours from 7pm to 7am during the fall and winter months and 9pm to 6am during the spring and summer months, in order to allot Detroit Police Department personnel to responses to crime and alleviate the need for responses to animal care and control incidents; and

WHEREAS, To increase efficiency in operations, the Health Department—Animal Control is urged to implement technology upgrades to enhance data collection, address constituent complaints, and provide swift access to information; and

WHEREAS, The presence of raccoons, opossums, and other wildlife throughout the City has become a nuisance for many residents. The Michigan Department of Natural Resources has jurisdiction over these forms of wildlife leaving limited ability for Animal Care and Control to respond to wildlife concerns only when a wild mammal has bitten a person or companion animal. Residents with wildlife issues are otherwise directed to engage nuisance wildlife businesses to address their concerns, often at very significant cost. City Council urges the Administration, specifically Animal Care and Control, to work with the Michigan Department of Natural Resources to develop a comprehensive solution for this issue that absolves residents from the burden of engaging private contractors to abate these nuisances; and

WHEREAS, Over the past several years, the City has amplified its forestry operations to address overgrowth and remove dangerous trees after years of neglect. However, those amplified operations still have not provided an adequate remedy for many residents as City operations are largely limited to removal/trimming of trees within the public right-of-way and near utility lines. There are many residents with large trees on private property with limbs that are encroaching on adjacent properties, and in some cases, causing damage to those nearby properties. Moreover, many residents responsible for those trees lack the financial resources required to properly maintain them creating a nuisance for their neighbors. As a result, traditional enforcement efforts have been largely ineffective. City Council urges the Administration to explore alternative methods to abate the nuisances created by overgrown trees on private property beyond fines and other financial penalties and develop a Citywide forestry plan; and

WHEREAS, Quality of life is greatly enhanced when residents take ownership and pride in their neighborhoods. To that end, Council urges the Planning and Development Department and the Mayor's Office to work with the DLBA to create a "Lot on Your Block" program enabling community members to purchase non-adjacent vacant side-lots owned by the DLBA, by the end of the calendar year; and

WHEREAS, The City has been integrating bike lanes into our roadway system; however, it is evident that there needs to be better signage, as well as improved bike parking options along major corridors. In addition, Council urges PDD, DPW and the Department of Neighborhoods to work together to create educational materials to distribute to the public about the rules surrounding bike lanes, bike courtesy, and bike safety; and

WHEREAS, The current winter season has been particularly hard on Detroit's streets. As new Act 51 road dollars come to the City, we urge DPW to be more creative in identifying regional approaches to fix our roads. Additionally, the street improvement plan should be updated constantly to address current emergency needs, *i.e.*, repair of potholes. The City of Detroit needs to make certain that all available funds to repair City roads are utilized in an effective and efficient manner with the goal of not leaving any money on the table, and the Department of Public Works should redouble its efforts to work with the State and County to improve road repair on the streets, roads and freeways over which the City has jurisdiction; and

WHEREAS, Council urges the Mayor's Office to support the Detroit Public Library's acquisition of a bookmobile, through the creation of a fund development plan or other means to accomplish this important goal; and

WHEREAS, To ensure the ongoing fiscal health of our city's important library assets, Council urges the Mayor's Office to support the amendment of state legislation to place a 5% cap on the capture of tax dollars from the Detroit Public Library when public subsidies are awarded. Additionally, we urge the Mayor to support a cap on the capture of taxes at 5% from development projects that shift funds from the Detroit Public Library; and

WHEREAS, Major renovations have been planned for the Kemeny Recreation Center for the better part of a decade. Included in these plans is the reestablishment of a library mini-branch

within the center. City Council would also like to see similar library services provided in each of the other six council districts; and

WHEREAS, As part of the 36th District Court's efforts to enhance its surroundings, the court installed several attractive murals. Unfortunately, vandalism in the form of graffiti has prompted the court to prohibit the public from bringing writing utensils into the building. Although pens and/or pencils are made available in the courtrooms, the prohibition is nonetheless demeaning and disrespectful to members of the public who have come to the courthouse to deal with often stressful situations. The court administration needs to seek alternative means to address this issue by exploring the possibility of treating the murals with a protective coating, installing glass or a similar clear covering over the murals, or another alternative, so that this policy – which is viewed as disrespectful by the very citizens and taxpayers who do business with the court – can be discontinued. This prohibition on personal writing utensils needs to be rescinded and continued efforts made to promote a judicial environment that treats all members of the public with the dignity they deserve; and

WHEREAS, That the 36th District Court's Street Outreach Court shall be enhanced by the purchase of polycom video conference equipment and hiring of a part-time transporter, which shall be funded from the current year's fund balance; and

WHEREAS, An energized and engaged electorate is central to the health and welfare of the City, yet voter turnout continues to remain at unacceptably low levels. Council urges the Administration to identify funds for voter education and personal outreach efforts to work toward reengagement of the population; and

WHEREAS, Increased citizen participation in civic affairs is a primary goal of representative democratic government generally; active participation in the budget process and expanding the participatory budgeting process to neighborhoods throughout the City would function to empower residents. Council therefore urges the Administration to adopt processes to utilize participatory budgeting; and

WHEREAS, To further increase efficiency in government communications, Council urges the Mayor's Office to officially encourage all City of Detroit departments and boards to use GovDelivery as a primary source of communication to provide information and updates to residents; and

WHEREAS, Council urges the Mayor's Office to increase DDOT's budget to support \$290 per person in capital funding over the next five years; and

WHEREAS, Council has requested improvement of the existing Route 11-Clairmount bus route. The Administration has conducted a DDOT route study that includes this route and will likely enhance the route; and

WHEREAS, To evaluate progress made toward achieving the high-level goals identified in the Supplemental Fiscal Year 2019 Operating Budget Guidance -- for example, increases in quality

of life and perception of safety -- Council urges the Mayor's Office to hire a monitoring and evaluation specialist for that purpose; and

WHEREAS, As the City recovers from the financial difficulties that resulted in a significant contraction in its workforce, the restoration of City Council's staff necessitates the restoration of previously relinquished office space. City Council directs the Legislative Policy Division to devise a plan to secure more office space for the increase in staff and to address the office overcrowding of City Council's administrative staff on the 13th floor; and

WHEREAS, City Council has staff that provides invaluable services undertaking some human resources and procurement services for the Body. As such, it is critical that City Council's administrative staff be provided training on all the software utilized to provide these functions as training becomes available; and

WHEREAS, City Council asks Human Resources to conduct a classification study of all City Council staff with ranges to be adjusted to more accurately address the skill sets of staff. Included in this process shall be the addition of an Administrative Assistant IV classification; and

WHEREAS, Council urges the Human Resources Department to develop a plan of action to improve the functionality of Workbrain, beyond merely monitoring errors; and

WHEREAS, City Council is providing necessary fiscal checks and balances to maintain a balanced budget and address the City's accumulated and structural deficits through this deliberative process. City Council strongly believes that through the implementation of its 2018-19 budget, coupled with the Plan of Adjustment, the City's current, but resolving, financial dilemma will be appropriately addressed providing a brighter course toward future financial stability. **NOW THEREFORE BE IT**

RESOLVED, That City Council has added \$4 Million to the Coleman A. Young International Airport for capital improvements; **BE IT FURTHER**

RESOLVED, That the City Council has added \$50,000 to the budget to conduct a retail corridor study in zipcode 48217; **BE IT FURTHER**

RESOLVED, The Senior Home Repair Grant Program has traditionally provided opportunities for the City's senior citizens to obtain small but essential home repairs. City Council is adding \$2,000,000 to restore the program; **BE IT FURTHER**

RESOLVED, For a period of time, the maintenance and upkeep of viaducts throughout the city has been deferred leaving pedestrians without proper lighting in the early morning and evening hours; therefore, City Council is adding \$100,000 to the budget to allow for lighting to be added in viaducts; **BE IT FURTHER**

RESOLVED, The establishment of historic districts in the City is a long and laborious process which is undertaken by the staff of the Historic Designation Advisory Board. Currently, there is only one full-time employee and one half-time employee to conduct all of the research necessary

for not only the historic designations but also to tackle the increasing number of secondary street renamings being requested. Therefore, City Council is adding \$80,000 to the budget to add an additional staff member; **BE IT FURTHER**

RESOLVED, That City Council has added funds to provide the family of any City employee who has died as the direct and proximate result of a personal injury sustained in the line of duty, a funeral benefit not to exceed \$12,000, to be coordinated with Worker's Compensation benefits provided through the City of Detroit, to be paid directly to the funeral home, and cemetery, where appropriate; **BE IT FURTHER**

RESOLVED, That City Council has added \$5,500 for training and travel for the City Planning Commission; **BE IT FURTHER**

RESOLVED, That City Council has added \$17,320 for additional work stations for LPD staff; **BE IT FURTHER**

RESOLVED, That City Council has added \$80,000 for an additional staffer for the City Planning Commission; **BE IT FURTHER**

RESOLVED, That City Council has added \$80,000 for contractual professional services for the City Planning Commission to assist in development of policy and regulation for lighting in the City, which will complement the efforts to update the signage and zoning ordinances; **BE IT FURTHER**

RESOLVED, That City Council has added \$252,300 for additional auditors, parking, benefits, equipment, and staff development; **BE IT FURTHER**

RESOLVED, That City Council has added \$150,000 for professional services for the Office of Auditor General, including forensic auditing, independent counsel, and/or other subject matter experts; **BE IT FURTHER**

RESOLVED, That City Council has added \$75,000 for an additional committee clerk position in the Office of the City Clerk; **BE IT FURTHER**

RESOLVED, That City Council has added \$250,000 to allow the Office of the City Clerk to purchase a legislative management system; **BE IT FURTHER**

RESOLVED, That City Council has added \$2,500 to the Detroit Public Library's budget to provide a satellite library in the Kemeny Recreation Center; **BE IT FURTHER**

RESOLVED, That the City has created the Skilled Trades Readiness Fund within a separate cost center in the Civil Rights and Inclusion Department's (CRIO) budget in order to address enrollment barriers for residents interested in the skilled trades. The Fund shall include the following:

- \$240,000 to enroll 60 residents interested in the skilled trades into a basic skills contextualized program for those at or below the 6th grade reading level. This amount is

in addition to the funding already in the budget that will allow DESC to provide training to 120 individuals;

- \$50,000 for child care expenses to allow parents to participate in training in the skilled trades. The allocated funding equates to 235 weeks of child care to be allocated and prioritized by DESC; and
- \$50,000 to cover transportation costs to allow parents to participate in training in the skilled trades. The allocated funding equates to two thousand \$25 dollar gas stipends, 18,518 bus passes, or twenty individuals receiving \$2,500 in car repairs to be allocated and prioritized by DESC; **BE IT FURTHER**

RESOLVED, That an additional \$200,000 is being moved within the Street Fund for Traffic Operations Services within the Department of Public Works to provide increased staffing and extended hours in order to cover the afternoon traffic peak period on weekdays, to increase staffing and extend hours in order cover special high traffic events and to provide data analytics to improve traffic operations; **BE IT FURTHER**

RESOLVED, That the Ombudsman's Office budget is being increased by \$92,500 to cover the cost of additional staff members and a \$25,000 increase in the Ombudsman's salary; **BE IT FURTHER**

RESOLVED, That \$44,195 is being added to the budget for the Board of Review to increase the per diem of board members from \$180 to \$200 and to give the Board's Chair a salary. This Board's work translates into decreased tax foreclosures and helps stem of the tide of the number of properties being added to the list of vacant and blighted properties within our community; and **BE IT FURTHER**

RESOLVED, That the City Council has add \$50,000 to the budget to development and distribute a Guide Book for historical properties to better inform owners of historic residents about the rules and responsibilities related to ownership; **BE IT FURTHER**

RESOLVED, That the City Council urges the Mayor to submit budget amendments to Council as legally required by the Detroit City Charter and state law, that reflect any required budgetary changes including, but not limited to: 1) expected revenues that are lower than anticipated, 2) cost increases significantly beyond budgeted amounts, 3) revenues that are higher than expected, or 4) cost decreases significantly below those reflected in the adopted 2018-2019 Budget; **BE IT FINALLY**

RESOLVED, That the City Clerk is directed to provide a copy of this resolution to the Financial Review Commission, the Governor and the Treasurer of the State of Michigan, Mayor Mike Duggan of the City of Detroit, the Chief Financial Officer, the Finance Director, the Budget Director, Wayne County Executive Warren Evans and all agencies, departments and divisions of the City of Detroit.

March 9, 2018

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ADOPTED AS FOLLOWS COUNCIL MEMBERS

	YEAS	NAYS
Janee AYERS	✓	
Scott BENSON	✓	
Raquel CASTANEDA-LOPEZ	✓	
*George CUSHINGBERRY, JR.	✓	
Gabe LELAND	✓	
Mary SHEFFIELD	✓	
Andre SPIVEY	✓	
James TATE	✓	
Brenda PRESIDENT JONES	✓	
*PRESIDENT PRO TEM		
	9	0
WAIVER OF RECONSIDERATION (No. <u>4</u>)		
Per motions before adjournment.		