

DETROIT FINANCIAL REVIEW COMMISSION

Annual Certification of the City of Detroit's Compliance with the
Michigan Financial Review Commission Act (Act 181 of 2014)
Per MCL 141.1636(2)

For the Period December 10, 2014 – September 22, 2015

Presented on September 28, 2015

Requirement	Sec. No.	Compliance
Compliance with plan of adjustment	6(2)	The City is implementing programs consistent with the plan of adjustment.
Statutory compliance: City cannot exempt itself from publicly funded health insurance contributions act requirements, 2011 PA 152, MCL 15.568	6(3)(a)	See City's attached verification of compliance.
Statutory compliance: Retirement benefits, CFO appointment, and four-year financial plan home rule city act requirements, 1909 PA 279, MCL 117.4i, 117.4p, 117.4s, and 117.4t	6(3)(b)	See City's attached verification of compliance.
Statutory compliance: revised municipal finance act requirements, 2001 PA 34, MCL 141.2101 to 141.2821	6(3)(c)	See City's attached verification of compliance.
Statutory compliance: uniform budget and accounting act requirements, 1968 PA 2, MCL 141.421 to 141.440a	6(3)(d)	See City's attached verification of compliance.
FRC review and approval of four-year financial plan	6(4) and 7(b)	City submitted the FY 2016 – FY 2019 plan to the FRC on March 19, 2015. FRC approved on April 20, 2015.
FRC review and approval of all applicable contracts	6(6)	City has submitted 169 applicable contracts and contract amendments. FRC has approved all submitted contracts through August 2015.
City and CFO provide needed information and documents and attend FRC meetings when needed	6(7), 7(d), and 7(m)	City and CFO have been responsive to requests for information and documents and have attended meetings when requested.
FRC review and approval of collective bargaining agreements (other than those approved by emergency manager)	6(9)	There have been no amendments to existing collective bargaining agreements or new collective bargaining agreements.
City submits quarterly debt service certifications	6(11)	City provided on-time certifications in February and May. City Council was in recess in August, so the City was not able to submit an approved certification on time. The City submitted it promptly in September upon Council's return.

Consensus revenue estimates	7(a)	The City held consensus revenue estimating conferences in February 2015 and September 2015 as required. The City provided its revenue estimates to the FRC for review.
FRC review and approval of budget amendments	7(c)	City submitted three budget-neutral FY 2016 amendments, which the FRC approved on July, 27, 2015.
FRC review and approval of requests to issue debt	7(e)	City submitted two Detroit Water and Sewerage Department requests, which the FRC approved on February 12, 2015 and May 18, 2015.
FRC approval of Chief Financial Officer appointment	7(g)	The FRC approved the appointment of the Chief Financial Officer of the City on January 26, 2015.



CFO ADMINISTRATIVE ORDER
No. 2015-003

TO: Financial Review Commission (“FRC”)

SUBJECT: Certification of the City of Detroit’s Compliance with Public Act 181 of 2014 (“PA 181”), Section 6(3)

ISSUANCE DATE: September 24, 2015

1. AUTHORITY

1.1. PA 181, Section 6(3) states the commission shall ensure that, where applicable, a qualified city complies with the provisions of all of the following and may request verification of compliance. The provisions of PA 181, Section 6(3) include: (a) Section 8 of the publicly funded health insurance contribution act, 2011 PA 152, MCL 15.568.; (b) Sections 4i, 4p, 4s, and 4t of the home rule city act, 1909 PA 279, MCL 117.4i, 117.4p, 117.4s, and 117.4t; (c) The revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821; (d) The uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a.

2. PURPOSE

2.1. The FRC has requested the Chief Financial Officer (“CFO”) verify compliance with the provisions outlined in Section 1.1 of this Administrative Order.

3. OBJECTIVES

3.1. The City of Detroit is in compliance with Section 8 of the publicly funded health insurance contribution act, 2011 PA 152, MCL 15.568.

3.2. The City of Detroit is in compliance with Sections 4i, 4p, and 4s of the home rule city act, 1909 PA 279, MCL 117.4i, 117.4p, and 117.4s.

3.3. The City of Detroit is in compliance with Section 4t of the home rule city act, 1909 PA 279, MCL 117.4t, notwithstanding Section 4t(1)(g). Section 4t(1)(g) requires the city to post on its website copies of both of the following: (1) within 30 days of the contract award, each contract entered into by the city during the fiscal year; (2) all contracts in which the city is a party that are in effect during each fiscal year. The City of Detroit is in the process of implementing this provision and plans to be in full compliance by December 31, 2015.

3.4. The City of Detroit is in compliance with the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

3.5. The City of Detroit is in compliance with the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a.



CITY OF DETROIT
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In accordance with PA 181 and at the request of the FRC, I, John W. Hill, CFO of the City of Detroit, hereby certify that the City of Detroit is in compliance and/or substantial compliance with the provisions outlined in Section 1.1 of this Administrative Order.

CERTIFIED

September 24, 2015
Date

John W. Hill
John W. Hill, CFO



CITY OF DETROIT

FY 2016
Consensus Revenue Estimating
Conference

September 2015

**Commentary on the September 2015
Consensus Revenue Estimating Conference
September 17, 2015
2:10 p.m. – 3:40 p.m.**

Introductions:

John W. Hill, Chief Financial Officer, City of Detroit, introduced the Consensus Revenue Estimating Conference participants as follows:

- Jay Wortley, Chief Economist and Director, Office of Revenue and Tax Analysis, State of Michigan Department of Treasury
- George Fulton, PhD, Director, Research Seminar in Quantitative Economics, University of Michigan; Research Professor, Institute for Research on Labor, Employment, and the Economy, University of Michigan; Director, Center for Labor Market Research, University of Michigan
- John W. Hill, Chief Financial Officer, City of Detroit, Revenue Estimating Conference Chair

John W. Hill introduced Tanya Stoudemire, J.D., Deputy CFO- Budget Director, Office of Budget, City of Detroit. Ms. Stoudemire introduced City of Detroit representatives as follows:

- Tanya Stoudemire, J.D., Deputy CFO, Office of Budget
- Irvin Corley, Jr., Executive Policy Manager, City Council Legislative Policy Division
- Mark Lockridge, Auditor General, Office of the Auditor General

Opening Comments:

Mr. Hill opened the conference with a brief overview of the conference requirements pursuant to the City of Detroit Bankruptcy, and subsequent reporting requirements via the provisions of **(MI PA 279 of 1909 Chapter 117, Section 4t.c(viii;ix(d)(iii)-g(2)).**

Mr. Wortley provided a brief summary of MI economic revenue and tax analytical findings, and a brief overview of the *“Consensus Revenue Agreement Executive Summary, May 15, 2015 – Economic and Revenue Forecasts for Fiscal Years 2015, 2016 and 2017”*.

Mr. Fulton indicated that the new U.S. Economic Outlook (FY 2015 – 2017) forecast would be released tomorrow, September 18, 2015. The MI Economic Outlook (FY 2015 – 2017) would be released in a few weeks.

Both Mr. Wortley and Mr. Fulton agreed that the City of Detroit revenues estimates were conservative and should remain conservative. In fact, a Consumer Price Index (CPI) of 0.1% is forecast for FY 15, but rebounds to 2.5% during FY 17 as the sale of vehicles is anticipated to continue to climb, and will be at an “all time high”.

Income Tax Collections:

Mr. Wortley indicated that estimates appeared conservative for income tax. Ms. Stoudemire indicated that the report reflected a net of collections minus refunds. Although collections are expected to increase, a significant increase in refunds is anticipated and would result in a net reduction in collections.

Mr. Fulton stated that the estimate reported in the summary for income tax doesn't address tax collections related to issue of "reverse commuting" mentioned during the February 2015 conference.

Mr. Fulton, Mr. Wortley, and Ms. Stoudemire discussed how the City of Detroit will be monitoring potential upside in collections due to the State of MI now administering Detroit's income tax on the City's behalf.

Property Tax Overview:

Mr. Gary Evanko, Chief Assessor, City of Detroit, presented an overview of the City's reappraisal project and indicated that the City needs to be prepared for reduced millage rates.

There will be a need to reduce the millage because taxable values will increase faster than the assessed value and inflation. Mr. Evanko also stressed the need to be very conservative with property tax revenue forecasts over the next ten years.

Mr. Hill asked, "How would you get to a rollback?" Mr. Fulton indicated that is not a concern for the next two fiscal years, however, we should anticipate one during FY 19 when the Detroit real estate market should show some improvements. The trigger for millage reductions is the incremental difference between taxable real property and the SEV. There are still many moving targets (i.e., tax reductions and collections).

Other General Fund Revenue Overview:

Mr. Fulton expressed concern regarding the composition of this category. Conference participants agreed the City should modify the composition of this category and Mr. Wortley also recommended the City separate out one-time vs. ongoing revenues. The City concurred with this recommendation and, in producing the final FY 2016 Consensus Revenue Estimating Conference Report, modified this category as appropriate. The City plan to make further changes to this category moving forward.

Conference participants discussed the timely posting of revenues, which was also mentioned at the February 2015 conference. Mr. Hill indicated that the City had improved since February and that all financial policies and procedures are being revised in conjunction with the new ERP solution. In addition, Mr. Hill stated that the restructuring of the Office of the Chief Financial Officer will help improve the postings of transactions because all staff performing financial functions will report directly to the CFO.

Conclusion:

Mr. Hill opened the conference to "Public Comment". Mr. Fulton's associate indicated that the Federal Reserve "kept rates flat."

Action to vote on the revenues was motioned by Mr. Hill. Mr. Fulton approved and Mr. Wortley seconded the motion and acknowledged a very thorough and conservative effort by the City's revenue estimating consensus team.

City of Detroit Consensus Revenue Estimating Conference - Final Report September 2015

The Directors of the City of Detroit Office of Budget, Office of the Auditor General and City Council Legislative Policy Division (formerly Fiscal Analysis) met in August/September 2015 to discuss the City's revenue collections for the current fiscal year and estimate collections for the next four fiscal years. These participants reviewed and recommended revenue estimates for the current Fiscal Year 2016 and projected revenues for FY 2017 through 2020.

Discussions began with a forecast of economic conditions that impact the City of Detroit revenues presented by Dr. Eric Scorsone, of Michigan State University. The following economic report was provided by Dr. Carol O'Claircain (May 17, 2015 Update), City of Detroit Deputy Mayor for Economic Policy, Planning and Strategy.

The Detroit Area Economy – May 17, 2015 update¹

Detroit is the central city of a larger regional economy, where goods, services and people cross jurisdictional boundaries daily. Most data are reported for the economic activity at this six-county metro level –Detroit-Warren-Livonia MSA.² For some purposes the MSA is further divided into two smaller divisions, one of which includes Detroit; this is Detroit-Livonia-Dearborn.

Detroit is tied more closely than many other American cities to the global economy. The region's concentration of transportation-related manufacturing places it among the nation's top metro areas for exports. Metro Detroit's ranking for 2012 in production for export (8th) exceeded its output rank (16th), reflecting specialization in highly-traded advanced industries.³ The high tech component of this manufacturing now constitutes 15 percent of the Detroit region's employment, making it 4th among metro areas, with implications for the science, technology, engineering and math (STEM) labor market.⁴

In the near term, export performance is hampered by the strong dollar and may be further affected by any downward revisions in projections of global economic growth.⁵ The metro region is already closely linked to the economies of Canada and Mexico through the 1994 NAFTA. Currently, the U.S. is involved in two sets of major trade negotiations where the automobile and related industries figure prominently.⁶ While these negotiations are controversial and lengthy, an agreement in either would have a significant impact on economic activity in the Detroit region. Some effects are likely to occur even in advance of an agreement, if entrepreneurs anticipate a successful conclusion.

¹ This discussion draws heavily on the most recent regional reports by Moody's Analytics [October 2014]; PNC Financial Services Group [1st Quarter 2015 *Detroit Market Outlook*]; Comerica [Dec. 17, 2014 Regional Economic Update] and insights from meetings with regional and industry economists around Detroit and at the Federal Reserve. Updated data from Comerica Regional Economic Update – Detroit MSA, February 20, 2015; PNC Financial Services Group – Detroit Market Outlook, 1st Quarter 2015; and Michigan Department of Technology, Management & Budget, "March Unemployment Rates Little Changed in Michigan's Regional Labor Markets," April 23, 2015.

² The six-county Detroit MSA covers Lapeer, Livingston, Macomb, Oakland, St. Clair, and Wayne. *The City of Detroit is entirely within Wayne County*.

³ For Detroit and Seattle this is transportation equipment; for San Jose it is computer and electronics. See *Export Nation 2013: Us Growth Post-Recession*, pp. 6-7. Brookings. Sept. 2013.

<http://www.brookings.edu/~media/research/files/reports/2013/09/17%20export%20nation/exportnation2013survey.pdf>

⁴ See *America's Advanced Industries: What they are, Where they are, and Why they matter*. Brookings. Feb. 2015.

<http://www.brookings.edu/research/reports2/2015/02/03-advanced-industries#/M10420>

⁵ In January 2015 the IMF lowered its projections of global growth in 2015 and 2016 slightly to 3.5% and 3.7% respectively. See <http://www.imf.org/external/pubs/ft/weo/2015/update/01/>

⁶ The proposed Transpacific Partnership encompassing NAFTA and nine Asia-Pacific countries (including Japan but not China) and the Transatlantic Trade and Investment Partnership with the 28 country European Union.

The region's economy is in recovery. The auto industry is running at close to capacity. Despite the auto industry's rebound, employment growth basically stalled during 2014 (0.2 percent annual growth). However, **forecasters see improvements in 2015: Comerica Bank forecasts growth of 1.5 percent;**⁷ **PNC Financial forecasts 1.3 percent for the year.**⁸ **Major forecasters see auto/light truck sales in 2015 at 17 million units.** As Comerica notes, "manufacturing remains a high productivity growth industry, so strong output gains may have smaller impact on job growth in some industries."

The Southeast Michigan Purchasing Managers Index for May "continues to show evidence of strength in the Southeast Michigan economy "with the index showing a very strong three month moving average. Their employment index has jumped sharply with the three month average now standing at a significant high.

However, manufacturing jobs are lower paying than in the past, putting a bite on income growth. The labor market is expected to tighten with an increase in wages. Locally, the UAW's four-year contract expires in September 2015 and a major focus for them is the elimination of the crisis-agreed two-tier wage structure.

For the region, median household income has caught up to the national average; but, the pre-recession median was nearly 4 percent above the nation's, indicating that further gains are needed. **PNC Financial forecasts positive local income growth in 2015, though slower** as a result of the weaker labor market over the past year. "Slower inflation expectations this year will at least help to take the bite out of slower income growth." **Comerica forecasts 4.6 percent personal income growth in the MSA in 2015.**

PNC sees a **continued recovery for metro area housing, especially in the longer term.** Home prices in the region are about 15 percent below their pre-recession peaks, compared to 10 percent below nationally. Price growth is on par with the nation. Affordability and the efforts to combat blight in and around Detroit are cited as evidence of strength. Job creation in high-paying manufacturing and transportation is expected to keep housing demand healthy over the long run.

The rate of local inflation, as measured by the Detroit metro Consumer Price Index (CPI) has been declining for the past three years from 2 percent in 2012 to closer to 1 percent in 2014. The **University of Michigan's May 2015 RSQE forecast**, presented to the State on May 15, 2015, **forecasts Detroit inflation at -0.9 percent in 2015, rebounding in 2016 to 2.1 percent and remaining 2.1 percent in 2017.**⁹

Unemployment has been falling. The State of Michigan ended 2014 with an unemployment rate of 5.6 percent, down from a peak of 13.5 percent in 2009. The MSA (Detroit-Warren-Livonia) ended 2014 with an unemployment rate of 6.7 percent, down from a peak of 16.2 percent in 2009. The March 2015 unemployment rate was 6.0%. Detroit-Livonia-Dearborn ended 2014 with an unemployment rate of 7.4 percent, down from a peak of 18.2 percent in 2009. February 2015 unemployment rate was 7.3% and the preliminary number for March is 6.9%. The City of Detroit ended 2014 with an unemployment rate of 12.2 percent, down from a peak of 27.8 percent in 2009. February 2015 unemployment rate was 12.5%.

Though still incomplete, the five-year recovery has scored significant gains. Analysts believe improvement of government services post-bankruptcy is a key to improving the City's growth potential and attracting residents—which will be a longer term, strategic, effort.

⁷ Comerica Regional Economic Update, "Strong Auto Industry Bolsters Detroit," Feb. 20, 2015.

⁸ PNC Financial Services Group, "Detroit Market Outlook," 1st Quarter 2015.

⁹ George Fulton, *et.al.* *The U.S. and Michigan Outlook for 2015-2017.* Prepared for Presentation at the Consensus Revenue Estimating Conference, Lansing, Michigan. May 2015. http://www.msbo.org/sites/default/files/crecmay15_rsqeoutlook.pdf

June 2015 Unemployment Statistics

The State of Michigan Bureau of Labor Market Information and Strategic Initiatives reports June 2015 unemployment for the Detroit-Warren-Livonia MSA as 6.6 %. The Detroit-Livonia-Dearborn MSA for June 2015 was 7.7% and the City of Detroit June 2015 unemployment rate was 13.1%.

OVERVIEW OF CONFERENCE RESULTS

The September 2015 consensus estimate for General Fund revenues for FY 2016 is \$1,068.5 million, a \$34.4 million or 3.1% decrease from FY 2015 unaudited collections. This variance was primarily due to a decline in Other General Fund revenues.

General Fund (in millions)	FY 2016 Baseline 2-Year EM Budget	One Time Activity	Reinvestment Initiatives	Total FY 2016 EM 2-Year Budget	February 2015 Consensus Estimate	May 2015 Consensus Estimate	September 2015 Consensus Estimate
Major Revenues (Taxes and State Revenue Sharing)	\$ 751.5			\$ 751.5	\$ 774.7	\$ 774.7	\$ 788.5
Reinvestment Initiatives			40.7	40.7	40.7	40.7	26.3
Use of reserve funds		49.0		49.0	49.0	49.0	49.0
Asset Sales (real and equipment)	9.9			9.9	9.9	9.9	9.9
Other revenues (less asset sales, and reserve)	220.4	(35.1)		185.3	209.4	200.4	194.8
Total	\$ 981.8	\$ 13.9	\$ 40.7	\$ 1,036.4	\$ 1,083.7	\$ 1,074.7	\$ 1,068.5

The EM FY 2016 Budget of \$1,071.5 million has been adjusted by (\$35.1) million to reflect (\$9.0) million revenues for Blight remediation which will not post to the General Fund, but pass directly to the Detroit Land Bank and Public Lighting revenues (\$26.1) million not expected to be received or expensed by the General Fund. The September 2015 consensus estimate increased by \$32.1 million from the adjusted FY 2016 EM Budget.

- The September 2015 consensus estimate for FY 2016 reflects anticipated increased collections in Property Taxes, Utility Users' Taxes, State Revenue Sharing and Wagering Taxes over 2015 fiscal year-end results. Income Taxes and Other General Fund revenues reflect a decline from FY 2015 year-end actual collections. The major revenues estimate for the September 2015 consensus increased \$37.0 million (4.9%) over the EM FY2016 Budget. Year-end results for revenues are subject to further adjustments until the city's audit is completed.

- Other General Fund revenues are generated from city departments and miscellaneous sources. The September consensus estimate for FY 2016 Other General Fund revenues are expected to decrease by \$4.9 million over the adjusted EM FY 2016 Budget.

REVENUE ESTIMATE COMPARISON & CONSENSUS AGREEMENT
SEPTEMBER 2015 CONSENSUS REVENUE ESTIMATING CONFERENCE

	FY 2015				FY 2016	FY 2016	FY 2017
	EM 2- Year Budget	Actuals- Unaudited	Variance	February 2015 Revised Consensus Estimate	EM 2- Year Budget	September 2015 Revised Consensus Estimate	September 2015 Revised Consensus Projection
<i>\$ in millions</i>							
Income Tax	\$ 264.8	\$ 266.4	\$ 1.6	\$ 254.0	\$ 268.4	\$ 264.0	\$ 266.6
Property Tax	102.6	113.5	10.9	114.3	100.8	117.0	117.0
Utility Users' Tax *	17.0	39.1	22.1	37.5	15.9	40.0	40.2
Wagering Tax	168.2	171.7	3.5	168.2	169.0	172.3	173.2
State Rev. Sharing *	195.3	194.8	(0.5)	195.3	197.4	195.2	197.1
Other Revenues *	609.0	317.4	(291.6)	622.0	284.9	280.0	235.0
Total Adjusted General Fund Revenues	\$ 1,356.9	\$ 1,102.9	\$ (254.0)	\$ 1,391.3	\$ 1,036.4	\$ 1,068.5	\$ 1,029.1
Adjustment to Other Revenues*					\$ 35.1		
Total General Fund	\$ 1,356.9	\$ 1,102.9	\$ (254.0)	\$ 1,391.3	\$ 1,071.5	\$ 1,068.5	\$ 1,029.1

Long Term Trend	Income Tax	Property Tax	Utility Users	Wagering Tax	State Rev Sharing	Other Revenues	Total General Fund Revenues
FY 2018	269.3	117.0	40.4	174.0	200.8	235.0	1,036.5
	1.0%	0.0%	0.5%	0.5%	1.9%	-77.2%	0.7%
FY 2019	\$ 272.0	\$ 117.0	\$ 40.6	\$ 174.9	\$ 202.6	\$ 228.0	\$ 1,035.1
	1.0%	0.0%	0.5%	0.5%	0.9%	-3.0%	-0.1%
FY 2020	\$ 274.7	\$ 117.0	\$ 40.8	\$ 175.8	\$ 204.4	\$ 228.0	\$ 1,040.7

- Utility Users Tax Budget is shown net of \$12.5 million due to Public Lighting Authority in EM Two Year Budget- FY 2015 and FY 2016. FY 2015 Actuals-unaudited are shown at gross amount.
- State Revenue Sharing FY 2015 Actuals-unaudited includes accruals for payments received after 6-30-2015. The FY 2016 and FY 2017 Consensus estimates were revised downward by the Revenue Conference Principals after receiving new information from state Treasury department.
- FY 2015 Actuals-unaudited for Other Revenues does not include the CAFR adjustment for Prior Year Surplus (\$151.3 million) or the following year-end adjustments: Federal Grant- Hardest Hit funds (\$43.3 million) was paid directly to the Detroit Land Bank and Fire Escrow (\$20.0 million) revenues for Blight remediation- will not post to the General Fund, but pass directly to the Detroit Land Bank; Public Lighting revenues (\$29 million) not expected to be received by the General Fund; and Parking Fines and Municipal Service Fees (\$23 million) not included in actuals totals to date.
- Adjustment to Other Revenues in FY 2016 includes revenues for Blight remediation – (\$9.0 million) which will not post to the General Fund, but pass directly to the Detroit Land Bank and Public Lighting revenues (\$26.1 million) not expected to be received by the General Fund.

REVENUES FOR CONSIDERATION

The City of Detroit has five major revenues that represent over 73% of General Fund revenues per the September 2015 consensus estimate: Income Tax, Property Tax, State Revenue Sharing, Wagering Tax (Casinos) and Utility Users' Tax revenues. The first step for city participants was to estimate major revenues for the current fiscal year 2016, and project revenues for fiscal year 2017 through 2020. Using financial system reports (DRMS), department sub-ledger reports, current operational analysis and local economic data, the participants individually determined their forecasts. All "other revenues" of the General Fund were discussed during the conference. Other General Fund revenues primarily consist of departmental revenues resulting from Sales and Charges for Services. Revenues from all city funds were also considered as required by state law.

Income Tax

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. Income Tax revenue includes withholding, annual and quarterly payments. More than 90% of income tax actual collections are derived from withholdings. The current tax rate is 2.4% for residents, 1.2% for non-residents and 2.0% for corporations.

In December 2012, State legislation established the Public Lighting Authority that provided funding of \$12.5 million in Utility Users' Taxes to the Authority; allocated income tax revenues for Police operations and fixed income tax rates at 2.4% (residents, 1/2 – non-residents) until the repayment of any debt issued by the Authority.

Beginning January 2016, the State of Michigan will start processing the city's income tax returns. Taxpayers will be able to e-file their returns. For this first year, the city will continue to process withholding activity, which will subsequently transfer to the State in the following year. Under this arrangement, the city is expected to pre-fund refunds in year 1.

- Income Tax FY 2015 actual collections grew at a rate of 4.7% over the February/May 2015 revised consensus estimate for FY 2015 of \$254.0 million. Preliminary fiscal year 2015 year-end results of \$266.4 million were \$12.4 million over the FY 2015 consensus estimate.
- The September 2015 revised consensus estimate does not include reinvestment initiatives to increase income tax collections as implementation is still in the early stages. Reinvestment initiatives include external collection efforts, increased staffing and internal process changes.
- The September 2015 revised consensus estimate incorporates 2.9% growth over the February/May 2015 estimate due to prior year actual collections, strength of withholding collections and a decline in refund activity.
- The September 2015 revised consensus estimate considered improved local economic conditions based upon blue chip economic forecasts as presented by Dr. Eric Scorsone, Faculty Member and

Workgroup Leader, Michigan State University Department of Agricultural, Food and Resource Economics and MSU Extension.

Current Property Taxes

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.

- The June 30, 2015 actual collections currently indicates a slight decrease of .7% or \$800,000 over the February/May revised consensus estimate of \$114.3 million. Current fiscal year-end 2015 property tax revenues resulted in collections of \$113.5 million, \$10.9 million over budgeted amounts.
- The FY 2015 and FY 2016 budget assumed a 10% decline in collections that prior year's actual collections did not support. The February/May consensus estimate was increased to reflect actual collections activity. Original estimates were based on continued decline in property taxable values due to required city-wide reassessments and foreclosure activity. Current collection activity is higher than anticipated due to a smaller loss in taxable valuations and changes in internal city processes.
- FY 2016 revised consensus estimate of \$117.0 million reflects an upward revision of 2.4% over the February/May consensus estimate due to increased collection results from the previous two fiscal years. Improvement in the city's collection rate from 50% to over 70% is a factor in the increased collections. Projections remain flat for property tax revenues for FY 2016 through FY 2020.
- The City Assessor's outlook on the Ad Valorem valuations for fiscal years 2016 and 2017 indicate a continued decline in assessed values, but at a slower rate than previously estimated. This chronic state of decline in assessed values is expected to continue beyond 2016. However, the city is experiencing growth in property values in certain areas of the city that may eventually lead to increased taxable valuation for the city. The city-wide reassessment is expected to be completed in December 2017 impacting the FY 2018 Budget.

State Revenue Sharing

Revenue Sharing payments from the State are based upon two elements. 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 Economic Vitality Incentive Program. For FY 2016, the maximum amount available is 78.51044% of the FY 2010 total statutory payment (if a municipality complies with all requirements).

- The FY 2015 payment of \$194.8 million was \$.5 million less than the February revised consensus estimate of \$195.3 million.
- The September 2015 consensus estimate for FY 2016 is based on current State Revenue Sharing payments projected by the Michigan Department of Treasury in May 2015 and revised Sales Tax

revenues projections from the state Treasury Department. Treasury payments are based on the State of Michigan May 2015 Consensus Revenue Estimates and FY 2016 appropriation.

- September 2015 consensus estimates for FY 2016 (\$195.2 million) reflects a decrease of 1.1% over the EM FY 2016 Budget and the February/May consensus estimate (\$197.4 million). FY 2018 Consensus estimate includes a 1.9% growth factor. Long term projections for FY 2019 through FY 2020 include a .9% growth rate.

Wagering Taxes (Casino Revenues)

The City is authorized to levy a tax on the adjusted gross receipts of a gaming license 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.

- Original Wagering Tax estimates recognized downward pressure on revenues resulting from the opening of casinos in Ohio. Although Detroit's casino revenues did not decline to levels previously speculated by some, the city's budget anticipated continued downward pressure on revenues for fiscal year 2015.
- The June 30, 2015 actual collections increased \$3.5 million or 2% over the fiscal year 2015 Budget and the February/May revised consensus estimate of \$168.2 million.
- September 2015 consensus estimate revises the previous consensus estimate upward due to increased actual collections. The FY 2016 consensus estimate is \$172.3 million reflecting an increase of \$3.3 million or 2.0% over the February/May estimate. The consensus estimate trend line for fiscal years 2017 through 2020 remains flat with a projected increase of .5%.

Utility Users' Tax

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%. These revenues are budgeted in the Police Department 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 authorized the payment of income tax revenues for police operations.

- FY 2015 actual collections resulted in a \$1.6 million increase or 4.1% over the February/May revised consensus estimate.

- The September 2015 revised consensus estimate for FY 2016 Utility User's taxes reflects an increase of \$2.5 million or 6.7% from the previous consensus estimate based on current run rates and previous year-end results.
- We estimate similar collections for FY 2016 through FY 2020 with a .5% growth factor for this period.
- Estimates/projections were determined on a gross basis.

All Other General Fund Revenues

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

1. *Sales and Charges for Services* - Revenue generated from maintenance and construction, solid waste, recreation, utilities, reimbursements, Emergency Medical Services billings, and other minor sales and service fees.
2. *Revenue From Use of Assets* - Earnings on investments, various interest earnings, building rentals, marina rentals, concessions, equipment rentals and sales of real property.
3. *Other Taxes, Assessments, and Interest* - Special assessments, Industrial Facilities Taxes, other miscellaneous property taxes and interest paid on delinquent property taxes.
4. *Fines, Forfeits, and Penalties* - Ordinance, court and parking fines, property tax penalties, and various fines, forfeits, and penalties.
5. *Licenses, Permits and Inspection Charges* - Various permits and licenses, safety inspection charges, and business licenses charges.
6. *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; other miscellaneous revenues and receipts, and sales of equipment.

Departmental Revenue Analysis

The consensus for Other General Fund department revenues was developed with a discussion of the individual department revenues including departments with General Fund operations or departments receiving General Fund assistance. Our departmental analysis began with discussions on baseline assumptions for each department as presented in the Four Year Financial Plan and any adjustments to the baseline. Revenue initiatives are included in the consensus numbers presented in this conference if deemed achievable within the period under review.

- Public Lighting revenues were reduced in the February/May 2015 consensus estimate for fiscal years 2015 through 2017 due to the city's decision to exit the power distribution business beginning March 2014 and the subsequent transfer of the customer base to DTE Energy. The September 2015 consensus estimates further eliminated all but the \$12.5 million pass through revenues to the Public Lighting Authority as it was subsequently determined that no funds would flow through the city's General Fund.

Due to the inclusion of revenue initiatives in the Other General Fund Revenue estimates, lengthy discussions occurred regarding the determination of baseline revenues and reinvestment initiatives. Participants convened and discussed alternative calculations by staff of the City Council, Auditor General and Office of Budget. Upon review, the total revenue estimate differed among the three estimators due to a difference in assumptions of reinvestment initiatives and non-recurring budget items.

The varying methodologies were utilized by the participants, which included analysis of historical collection patterns, trend line fitting, moving averages, major revenue category analysis, and individual agency revenue account analyses, and the utilization of run rates. All participants considered and accounted for other known items that impact collections. The most challenging aspect to the current set of projections for Other General Fund Revenues relates to the untimely posting of entries to the financial reporting system. Participants added this issue to the risk assumptions and took a more conservative approach in projecting future revenues.

- The May 2015 consensus estimate for **FY 2015** ranged between \$537.7 million and \$568.0 million with agreement on \$554.5 million. This total includes exit financing and other one-time budget items of \$303.8 million. This amount (\$554.5 million) reflects a decline of \$67.5 million from the February 2015 conference total (\$622 million) primarily due to the elimination of the Hardest Hit federal grant- pass through funding to the Land Bank Authority. Current collections, still pending adjustments and audit, total \$317.4 million.
- The May 2015 consensus estimate for **FY 2016** was \$300.00 million. The September 2015 conference revised the previous projection down to \$280 million. This reduction was due to elimination of Public Lighting Department revenues; and the elimination of reinvestment initiatives in various departments.
- The May 2015 consensus estimate for **FY 2017** was \$275.6 million. The September 2015 conference revised the previous projection down to \$235.0 million. This reduction was also due to the elimination of Public Lighting Dept. revenues; and the elimination of reinvestment initiatives in various departments.
- The May 2015 consensus estimate for **FY 2018** was \$269.5 million. The September 2015 conference revised the previous projection down to \$235.0 million. This reduction was again due to the elimination of Public Lighting Dept. revenues; and the elimination of reinvestment initiatives in various departments.
- Long term trend rates for Other General Fund Revenues are projected at a -3.0% decrease for FY 2019 and 0% growth for FY 2020. Again, the recommendation presented is based on a more conservative view.

Other City Funds (Non-General Fund)

Public Act 279 of 1909 (The Home Rule City Act) requires the city to forecast anticipated revenues of the city for the current fiscal year and the succeeding two fiscal years. The chart shown below lists all of the city’s Special Revenue Funds and Enterprise Funds; funds not shown are the Trustee and Fiduciary Funds.

The revenue projections presented for these funds were based on historical data, trend lines and/or current department estimates. Budget figures presented for the Detroit Water & Sewerage Department is the original EM FY 2016 Budget. The department is currently under reorganization into two separate entities: the regional Great Lakes Water Authority and the Detroit Department of Water and Sewage Disposal. The revised consensus numbers presented for FY 2016 are the DWSD amended FY 2016 budget approved by Financial Review Commission in July 2015.

SEPTEMBER 2015 CONSENSUS REVENUE ESTIMATING CONFERENCE						
OTHER CITY FUNDS (Excludes General Fund)						
(in millions)	FY 2015 Actuals Unaudited	FY 2015 EM 2-Year Budget	FY 2016 EM 2-Year Budget	FY 2016 Revised Consensus Estimate	FY 2017 Revised Consensus Projection	FY 2018 Revised Consensus Projection
Community Development Block Grant Fund	\$ 36.9	\$ 35.9	\$ 33.6	\$ 33.6	\$ 33.6	\$ 33.6
Construction Code Fund (Building & Safety)	20.7	19.1	19.5	20.0	20.7	21.0
Drug Law Enforcement Fund	3.4	1.0	1.1	1.1	1.1	1.1
Library Fund	26.9	30.1	30.5	30.5	30.5	32.1
Quality of Life (loan funds)	—	200.0	—	—	—	—
Major and Local Streets Fund	84.7	65.1	59.1	59.1	59.1	60.1
Solid Waste Management Fund	39.8	40.9	40.6	40.0	40.0	40.0
General Grants Fund	31.1	32.3	31.2	31.2	31.4	31.4
Sinking & Interest (Debt Service) Fund	67.1	66.7	61.8	61.8	68.0	66.7
Urban Renewal Fund	11.5	6.6	6.1	6.1	6.6	6.6
Airport Fund *	2.5	1.6	1.5	1.5	1.5	1.5
Municipal Parking Fund	16.8	17.4	17.5	14.7	14.2	14.3
Transportation Fund **	155.1	138.2	141.8	141.8	139.4	136.5
Sewage Fund	515.4	649.8	718.4	535.4	535.4	535.4
Water Fund	352.4	399.6	570.6	607.4	607.4	607.4

* Totals include subsidies from the General Fund: Airport FY 2015- \$665,064; FY 2016-\$666,053 and FY 2017 and FY 2018 - \$675,433.

** Totals include subsidies from the General Fund: Transportation (DDOT): FY 2015- \$63.3 million; FY 2016-\$61.5 million and FY 2017- \$61.8 million and FY 2018- \$59.9 million.

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 2016 Budget includes a General Fund subsidy of \$666,053 which is expected to be paid. Consensus projections for FY 2017 and FY 2018 increases the subsidy to \$675,433, recognizing the most likely level of support from the General Fund based on historical trends.

Building & Safety

The Building & 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. General Fund revenues are expected to remain at their current levels (\$2.2 to \$2.3 million) for FY 2016 through FY 2018.

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 box, State operating assistance, State and Federal grants, subsidy from the General Fund and other miscellaneous revenues. The General Fund subsidy for DDOT for FY 2015 was \$58.3 million. The consensus for FY 2016 through FY 2018 estimates the General Fund subsidy to remain in the range of \$59.9 million to \$61.8 million. Without additional restructuring efforts, this level of General Fund support will continue for the foreseeable future. Revenue from State operating assistance declined in FY 2014 due to a shift in the distribution formula. This shift resulted in a \$7 million decline in grant revenues in FY 2014, and may continue into the future. Increased Transportation funding is included in the proposed road funding bills currently under discussion in the state legislature. If this legislation passes, this could provide additional funding for DDOT.

Municipal Parking

The Municipal Parking Department is divided 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 the City of 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. The future of the revenue stream for this division is uncertain as additional bankruptcy settlement items may further dilute revenues. In addition certain parking structures have been transferred or optioned for future purchase under terms of the bankruptcy settlement.

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 the 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.

- First-half collections compared to recent history indicate no growth in collections over the revised consensus estimates. Projections assume continued collection rates for FY 2016 through FY 2020.
- 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 on February 21, 2014. The outsourcing of this activity is expected to be revenue/cost neutral. However, service is anticipated to greatly improve under this arrangement.

SET ASIDES

The FY 2015 Budget included a reserve of \$111.3 million, which satisfied the State's budget reserve requirement of 5% of expenditures. In FY 2016, \$49 million of the Budget Reserve is designated for use in General Fund operations leaving a remaining balance of \$62.3 million in reserves for FY 2016. This represents 5.8% of estimated General Fund appropriations for FY 2016.

RISKS TO FORECAST

These estimates take into account the expected real revenue to the City subject to certain inherent risks outlined below:

- Lower inflation rate 0% or negative inflation rate reduces growth in property taxable valuations. State law limits growth to the lower of 5% or the rate of inflation.
- Trigger of a Headlee roll-back in property tax millage assessed due to possible loss in the personal property tax base, in combination with near zero/negative inflation factor.
- Lower consumer confidence depresses spending and reduces sales tax revenues.
- Rising interest rates resulting in lower consumer spending.
- Further declines in Michigan Sales Tax revenues negatively impacts local government share.
- Risks to estimated Property Tax collections due to the impact of Wayne County chargebacks netted against the delinquent accounts revolving fund payment.
- Continued property valuation declines; increased foreclosure activity in the near future.

- Possible negative impact in reductions to Personal Property Tax collections due to state legislation.
- Decline in property tax collections due to cleansing of the tax rolls.
- Declines in Sales and Charges for Services due to economic factors.
- Implementation risks due to deferred/delayed results from restructuring efforts.
- Reinvestment initiatives resulting in less than expected revenue growth.
- Labor market disruptions due to contract negotiations with major Detroit employers (auto industry/casinos).
- Internal problems with timely posting of revenues to the financial system.
- Proposed casino developments in Lansing and Romulus could dampen Detroit casino's long-term revenue projections.

POTENTIAL UPWARD ADJUSTMENTS TO FORECAST

- Ongoing improvements to collection efforts in FY 2016 may result in additional tax revenues not currently reflected in the consensus estimates.
- State of Michigan processing of the city's income tax, and subsequent withholding collections should result in increased compliance and generate additional revenues for the city.
- Passage of state legislation requiring non-Detroit businesses to withhold income taxes of employees residing in Detroit should result in increased income tax collections.
- Revenue initiatives in the Four Year Financial Plan, but not included in the consensus estimates/projections may result in additional revenues if timely and successfully implemented.
- Sales tax on internet purchases may increase local share distributions to city/villages/townships.

Conference Participants

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John Naglick, Jr., Chief Deputy Chief Financial Officer

John H. Hageman, Chief of Staff to the Chief Financial Officer

Tanya Stoudemire, Deputy CFO, Budget Director

Irvin Corley, Jr., Executive Policy Manager, City Council Legislative Policy Division

Anne Marie Langan, City Council Legislative Policy Division

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August 10, 2015

Detroit Financial Review Commission
3062 W. Grand Blvd.
Detroit, MI 48202

Re: City of Detroit Debt Service Requirements and Certification
Fiscal Year 2015, Quarter 4

Dear Commissioners:

Enclosed with this letter you will find the debt service requirements due on all bonds, leases, and other municipal debt of the City of Detroit in compliance with Section 6 of the Michigan Financial Review Commission Act, Act 181, Public Acts of Michigan, 2014.

We hereby certify as of the date of this letter: (1) that the amounts specified herein are accurate statements of the City's debt service requirements; and (2) that the City of Detroit is financially able to meet the debt service requirements through the end of the current fiscal year.

With regards,

Mayor, City of Detroit

Chief Financial Officer, City of Detroit

Council President, on behalf of the Honorable Detroit City Council

City of Detroit
Debt Obligation Summary

<u>Debt Obligation</u>	<u># of Series</u>	<u>June 30, 2015 Principal Balance</u>	<u>FY16 Debt Service</u>	<u>Amount Paid / At Trustee</u>	<u>Amount Remaining</u>
UTGO (2010-A DSA)	1	\$98,115,000	\$9,826,291	\$6,599,253	\$3,227,038
UTGO (STUB)	11	\$38,645,000	\$6,259,973	\$317,912	\$5,942,061
UTGO (2014-A1 - 2014-K2)	11	\$256,355,000	\$41,526,051	\$1,563,847	\$39,962,204
LTGO (2010 & 2012-C DSA)	5	\$368,555,000	\$29,212,063	\$10,545,625	\$18,666,438
LTGO (Exit Financing)	2	\$275,000,000	\$15,812,500	\$1,047,820	\$14,764,680
LTGO (B-Notes)	2	\$631,964,145	\$24,970,484	–	\$24,970,484
LTGO (C-Notes)	1	\$85,343,547	\$9,977,154	–	\$9,977,154
HUD Notes	16	\$80,802,000	\$6,933,062	\$1,906,689	\$5,026,374
Capital Leases	1	\$1,965,697	\$1,438,827	\$119,902	\$1,318,924
	50	\$1,836,745,389	\$145,956,404	\$22,101,047	\$123,855,357

Note: Amounts Paid/At Trustee are as of July 1, 2015.

City of Detroit - Annual UTGO DEBT Debt Service Requirements

ISSUE NAME:	Distributable State Aid Second Lien Bonds (Unlimited Tax General Obligation), Series 2010(A) (Taxable - Recovery Zone Economic development Bonds - Direct Payment)			Various (See "Stub UTGO Detail")			Distributable State Aid Fourth Lien Restructured Bonds, Series 2014-A1 - 2014-K2			ALL		
ISSUE NAME(2):				STUB UTGO Bonds								
REPAYMENT SOURCE:	Full faith and credit and resources of the City & State Shared Revenue payments			Full faith and credit and resources of the City			Full faith and credit and resources of the City & State Shared Revenue payments					
PURPOSE(S):	Financing capital improvements			Financing capital improvements			Restructuring of prior UTGO bonds					
ORIGINAL PAR:	\$100,000,000			\$43,349,210			\$287,560,790					
DATED DATE:	December 16, 2010			Various (See "Stub UTGO Detail")			December 10, 2014					
DUE:	November 1			April 1			April 1					
INSURANCE:	None			Various (See "Stub UTGO Detail")			Various					
CALL PROVISIONS:	Make Whole Optional Redemption (See OS)			Various (See "Stub UTGO Detail")			Various					
Fiscal Year Ending June 30,	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2016	\$1,985,000	\$7,841,291	\$9,826,291	\$4,297,455	\$1,962,518	\$6,259,973	\$28,507,545	\$13,018,506	\$41,526,051	\$34,790,000	\$22,822,314	\$57,612,314
2017	\$2,105,000	\$7,723,342	\$9,828,342	\$4,514,915	\$1,740,556	\$6,255,471	\$29,950,085	\$11,546,097	\$41,496,182	\$36,570,000	\$21,009,995	\$57,579,995
2018	\$2,240,000	\$7,588,302	\$9,828,302	\$4,596,135	\$1,512,487	\$6,108,622	\$30,488,865	\$10,033,187	\$40,522,052	\$37,325,000	\$19,133,977	\$56,458,977
2019	\$2,395,000	\$7,431,251	\$9,826,251	\$4,509,020	\$1,278,392	\$5,787,412	\$29,910,980	\$8,480,292	\$38,391,272	\$36,815,000	\$17,189,935	\$54,004,935
2020	\$2,575,000	\$7,252,630	\$9,827,630	\$4,645,260	\$1,049,428	\$5,694,688	\$30,814,740	\$6,961,443	\$37,776,183	\$38,035,000	\$15,263,500	\$53,298,500
2021	\$2,765,000	\$7,060,710	\$9,825,710	\$4,783,465	\$813,697	\$5,597,162	\$31,731,535	\$5,397,699	\$37,129,234	\$39,280,000	\$13,272,106	\$52,552,106
2022	\$2,970,000	\$6,854,594	\$9,824,594	\$3,066,055	\$572,729	\$3,638,784	\$20,338,945	\$3,799,217	\$24,138,162	\$26,375,000	\$11,226,540	\$37,601,540
2023	\$3,195,000	\$6,633,024	\$9,828,024	\$2,721,525	\$415,677	\$3,137,202	\$18,053,475	\$2,757,400	\$20,810,875	\$23,970,000	\$9,806,101	\$33,776,101
2024	\$3,455,000	\$6,373,621	\$9,828,621	\$2,238,790	\$277,408	\$2,516,198	\$14,851,210	\$1,840,181	\$16,691,391	\$20,545,000	\$8,491,211	\$29,036,211
2025	\$3,755,000	\$6,071,919	\$9,826,919	\$1,262,185	\$163,619	\$1,425,804	\$8,372,815	\$1,085,381	\$9,458,196	\$13,390,000	\$7,320,919	\$20,710,919
2026	\$4,085,000	\$5,743,854	\$9,828,854	\$637,970	\$100,510	\$738,480	\$4,232,030	\$666,740	\$4,898,770	\$8,955,000	\$6,511,104	\$15,466,104
2027	\$4,440,000	\$5,387,125	\$9,827,125	\$669,410	\$68,611	\$738,021	\$4,440,590	\$455,139	\$4,895,729	\$9,550,000	\$5,910,875	\$15,460,875
2028	\$4,825,000	\$4,999,431	\$9,824,431	\$702,815	\$35,141	\$737,956	\$4,662,185	\$233,109	\$4,895,294	\$10,190,000	\$5,267,681	\$15,457,681
2029	\$5,250,000	\$4,577,843	\$9,827,843							\$5,250,000	\$4,577,843	\$9,827,843
2030	\$5,705,000	\$4,119,431	\$9,824,431							\$5,705,000	\$4,119,431	\$9,824,431
2031	\$6,205,000	\$3,621,057	\$9,826,057							\$6,205,000	\$3,621,057	\$9,826,057
2032	\$6,750,000	\$3,078,955	\$9,828,955							\$6,750,000	\$3,078,955	\$9,828,955
2033	\$7,335,000	\$2,489,568	\$9,824,568							\$7,335,000	\$2,489,568	\$9,824,568
2034	\$7,975,000	\$1,848,921	\$9,823,921							\$7,975,000	\$1,848,921	\$9,823,921
2035	\$8,675,000	\$1,152,202	\$9,827,202							\$8,675,000	\$1,152,202	\$9,827,202
2036	\$9,430,000	\$394,598	\$9,824,598							\$9,430,000	\$394,598	\$9,824,598
OUTSTANDING:	\$98,115,000	\$108,243,670	\$206,358,670	\$38,645,000	\$9,990,772	\$48,635,772	\$256,355,000	\$66,274,392	\$322,629,392	\$393,115,000	\$184,508,835	\$577,623,835
CALLABLE:	\$98,115,000											

NOTES:
TERM BONDS IN RED BOX

City of Detroit - Annual STUB UTGO Detail Debt Service Requirements

ISSUE NAME:
REPAYMENT SOURCE:
PURPOSE(S):
ORIGINAL PAR:
DATED DATE:
DUE:
INSURANCE:
CALL PROVISIONS:
Fiscal Year Ending June 30,
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028

General Obligation Bonds (Unlimited Tax), Series 1999A Full faith and credit and resources of the City. Ad valorem taxes levied annually on all property Financing capital improvements \$44,100,000 April 1, 1999 April 1 FSA April 1, 2009 @ 101; 10 @ 100.5; 11 @ 100		
Principal	Interest	Total
\$392,345	\$84,593	\$476,938
\$411,995	\$64,976	\$476,971
\$432,955	\$44,376	\$477,331
\$454,570	\$22,729	\$477,299
\$1,691,865	\$216,674	\$1,908,539

General Obligation Bonds (Unlimited Tax), Series 2001A Full faith and credit and resources of the City. Ad valorem taxes levied annually on all property Financing capital improvements \$100,000,000 July 15, 2001 April 1 MBIA October 1, 2011 @ 100		
Principal	Interest	Total
\$820,060	\$464,228	\$1,284,288
\$864,600	\$420,150	\$1,284,750
\$1,834,000	\$373,678	\$2,207,678
\$1,834,000	\$275,100	\$2,109,100
\$1,834,000	\$183,400	\$2,017,400
\$1,834,000	\$91,700	\$1,925,700
\$9,020,660	\$1,808,255	\$10,828,915

General Obligation Bonds (Unlimited Tax), Series 2002 Full faith and credit and resources of the City. Ad valorem taxes levied annually on all property Financing capital improvements \$45,000,000 August 8, 2002 April 1 MBIA April 1, 2011 @ 100		
Principal	Interest	Total
	\$44,613	\$44,613
\$424,440	\$44,613	\$469,053
\$446,055	\$22,860	\$468,915
\$870,495	\$290,538	\$1,161,033

General Obligation Bonds (Unlimited Tax), Series 2003-A Full faith and credit and resources of the City. Ad valorem taxes levied annually on all property Financing capital improvements \$44,020,000 October 21, 2003 April 1 Syncora (Formerly XLCA) April 1, 2013 @ 100		
Principal	Interest	Total
\$392,345	\$196,115	\$588,460
\$412,650	\$175,517	\$588,167
\$434,265	\$153,853	\$588,118
\$457,190	\$131,054	\$588,244
\$481,425	\$107,052	\$588,477
\$505,660	\$82,268	\$587,928
\$532,515	\$55,721	\$588,236
\$560,025	\$28,173	\$588,198
\$3,776,075	\$929,753	\$4,705,828

OUTSTANDING:
CALLABLE:

NOTES:
TERM BONDS IN RED BOX

City of Detroit - Annual STUB UTGO Detail Debt Service Requirements

ISSUE NAME:
REPAYMENT SOURCE:
PURPOSE(S):
ORIGINAL PAR:
DATED DATE:
DUE:
INSURANCE:
CALL
PROVISIONS:
Fiscal Year Ending June 30,
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028

General Obligation Bonds (Unlimited Tax), Series 2004A (1)		
Full faith and credit and resources of the City.		
Ad valorem taxes levied annually on all property		
Financing capital improvements		
\$39,270,000		
September 9, 2004		
April 1		
AMBAC		
April 1, 2014 @ 100		
Principal	Interest	Total
	\$266,643	\$266,643
	\$266,643	\$266,643
	\$266,643	\$266,643
\$589,500	\$266,643	\$856,143
\$821,370	\$235,695	\$1,057,065
\$864,600	\$192,815	\$1,057,415
\$907,830	\$149,585	\$1,057,415
\$955,645	\$101,924	\$1,057,569
\$1,005,425	\$52,121	\$1,057,546
\$5,144,370	\$1,798,713	\$6,943,083

General Obligation Bonds (Unlimited Tax), Series 2004B (1)		
Full faith and credit and resources of the City.		
Ad valorem taxes levied annually on all property		
Refunding		
\$53,085,000		
September 9, 2004		
April 1		
AMBAC		
April 1, 2014 @ 100		
Principal	Interest	Total
\$1,192,755	\$141,796	\$1,334,551
\$1,255,635	\$79,176	\$1,334,811
\$262,000	\$13,755	\$275,755
\$2,710,390	\$234,727	\$2,945,117

General Obligation Refunding Bonds (Unlimited Tax), Series 2004B (2)		
Full faith and credit and resources of the City.		
Ad valorem taxes levied annually on all property		
Taxable, Refunding		
\$17,270,000		
September 9, 2004		
April 1		
AMBAC		
Noncallable		
Principal	Interest	Total
\$21,615	\$2,883	\$24,498
\$22,270	\$1,750	\$24,020
\$11,135	\$583	\$11,718
\$55,020	\$5,217	\$60,237

OUTSTANDING:
CALLABLE:

NOTES:
TERM BONDS IN RED

City of Detroit - Annual STUB UTGO Detail Debt Service Requirements

ISSUE NAME:
REPAYMENT SOURCE:
PURPOSE(S):
ORIGINAL PAR:
DATED DATE:
DUE:
INSURANCE:
CALL PROVISIONS:
Fiscal Year Ending June 30,
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028

General Obligation Bonds (Unlimited Tax), Series 2005-B		
Full faith and credit and resources of the City.		
Ad valorem taxes levied annually on all property		
Financing capital improvements		
\$51,760,000		
December 13, 2005		
April 1		
FSA		
April 1, 2016 @ 100		
Principal	Interest	Total
\$315,055	\$261,818	\$576,873
\$330,120	\$246,065	\$576,185
\$345,185	\$231,870	\$577,055
\$362,215	\$214,611	\$576,826
\$655,000	\$196,500	\$851,500
\$655,000	\$163,750	\$818,750
\$655,000	\$131,000	\$786,000
\$655,000	\$98,250	\$753,250
\$655,000	\$65,500	\$720,500
\$655,000	\$32,750	\$687,750
\$5,282,575	\$1,642,114	\$6,924,689

General Obligation Refunding Bonds (Unlimited Tax), Series 2005-C		
Full faith and credit and resources of the City.		
Ad valorem taxes levied annually on all property		
Advance refunding		
\$30,805,000		
December 13, 2005		
April 1		
FSA		
April 1, 2016 @ 100		
Principal	Interest	Total
\$317,675	\$86,098	\$403,773
\$333,395	\$70,214	\$403,609
\$344,530	\$55,878	\$400,408
\$358,285	\$38,652	\$396,937
\$377,935	\$19,842	\$397,777
\$1,731,820	\$270,683	\$2,002,503

GO Bonds (Unlimited Tax), Series 2008-A		
Full faith and credit and resources of the City.		
Ad valorem taxes levied annually on all property		
Financing capital improvements		
\$58,630,000		
June 9, 2008		
April 1		
Assured Guaranty		
April 1, 2018 @ 100		
Principal	Interest	Total
\$394,965	\$342,925	\$737,890
\$415,270	\$323,177	\$738,447
\$435,575	\$302,414	\$737,989
\$453,260	\$284,991	\$738,251
\$475,530	\$262,328	\$737,858
\$499,765	\$238,551	\$738,316
\$524,655	\$213,563	\$738,218
\$550,855	\$187,330	\$738,185
\$578,365	\$159,787	\$738,152
\$607,185	\$130,869	\$738,054
\$637,970	\$100,510	\$738,480
\$669,410	\$68,611	\$738,021
\$702,815	\$35,141	\$737,956
\$6,945,620	\$2,650,196	\$9,595,816

OUTSTANDING:
CALLABLE:

NOTES:
TERM BONDS IN RED

City of Detroit - Annual STUB UTGO Detail Debt Service Requirements

ISSUE NAME:
REPAYMENT SOURCE:
PURPOSE(S):
ORIGINAL PAR:
DATED DATE:
DUE:
INSURANCE:
CALL
PROVISIONS:
Fiscal Year Ending June 30,
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028

**General Obligation Refunding Bonds
(Unlimited Tax), Series 2008-B(1)**

Full faith and credit and resources of the City.

Ad valorem taxes levied annually on all property

Current refunding
\$66,475,000
June 9, 2008
April 1
Assured Guaranty
Noncallable

ALL

	Principal	Interest	Total
2016	\$450,640	\$70,806	\$521,446
2017	\$468,980	\$48,274	\$517,254
2018	\$496,490	\$24,825	\$521,315
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
OUTSTANDING:	\$1,416,110	\$143,904	\$1,560,014

	Principal	Interest	Total
	\$4,297,455	\$1,962,518	\$6,259,973
	\$4,514,915	\$1,740,556	\$6,255,471
	\$4,596,135	\$1,512,487	\$6,108,622
	\$4,509,020	\$1,278,392	\$5,787,412
	\$4,645,260	\$1,049,428	\$5,694,688
	\$4,783,465	\$813,697	\$5,597,162
	\$3,066,055	\$572,729	\$3,638,784
	\$2,721,525	\$415,677	\$3,137,202
	\$2,238,790	\$277,408	\$2,516,198
	\$1,262,185	\$163,619	\$1,425,804
	\$637,970	\$100,510	\$738,480
	\$669,410	\$68,611	\$738,021
	\$702,815	\$35,141	\$737,956
OUTSTANDING:	\$38,645,000	\$9,990,772	\$48,635,772

OUTSTANDING:

CALLABLE:

NOTES:
TERM BONDS IN RED

City of Detroit - Annual LTGO DSA DEBT Debt Service Requirements

ISSUE NAME:	Distributable State Aid Bonds (Limited Tax General Obligation), Series 2010			Self-Insurance Distributable State Aid Third Lien Bonds (Limited Tax General Obligation), Series 2012(A2) ⁽¹⁾			Self-Insurance Distributable State Aid Third Lien Refunding Bonds (Limited Tax General Obligation), Series 2012(B2)			Distributable State Aid Third Lien Capital Improvement Refunding Bonds (Limited Tax General Obligation), Series 2012(B)		
ISSUE NAME(2):												
REPAYMENT	Full faith and credit and resources of the City, additionally Detroit's share of State Shared Revenue payments.			Full faith and credit and resources of the City, additionally Detroit's share of State Shared Revenue payments.			Full faith and credit and resources of the City, additionally Detroit's share of State Shared Revenue payments.			Full faith and credit and resources of the City, additionally Detroit's share of State Shared Revenue payments.		
SOURCE:	Ad valorem taxes levied annually on all property			Ad valorem taxes levied annually on all property			Ad valorem taxes levied annually on all property			Ad valorem taxes levied annually on all property		
PURPOSE(S):	Fund Portion of Accumulated Deficit			Refinance Certain Obligations & Fund Risk Management Fund			Refinance Certain Obligations & Fund Risk Management Fund			Refinance Certain Obligations & Fund Risk Management Fund		
ORIGINAL PAR:	\$249,790,000			\$42,865,000			\$30,730,000			\$6,405,000		
DATED DATE:	March 18, 2010			March 29, 2012 Conversion Date: August 23, 2012			March 29, 2012 Conversion Date: August 23, 2012			March 29, 2012 Conversion Date: August 23, 2012		
DUE:	November 1			November 1			November 1			November 1		
INSURANCE:	Noninsured			Noninsured			Noninsured			Noninsured		
CALL PROVISIONS:	November 1, 2020 @ 100			November 1, 2019 @ 100 (2030 & 2031 on November 1, 2022 @ 100)			November 1, 2019 @ 100 (2030 & 2031 on November 1, 2022 @ 100)			November 1, 2019 @ 100 (2030 & 2031 on November 1, 2022 @ 100)		
Fiscal Year Ending June 30,	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2016	\$6,775,000	\$12,074,513	\$18,849,513	\$1,345,000	\$1,763,613	\$3,108,613	\$1,065,000	\$1,394,600	\$2,459,600	\$220,000	\$290,638	\$510,638
2017	\$7,120,000	\$11,727,138	\$18,847,138	\$1,415,000	\$1,694,613	\$3,109,613	\$1,120,000	\$1,339,975	\$2,459,975	\$235,000	\$279,263	\$514,263
2018	\$7,485,000	\$11,362,013	\$18,847,013	\$1,490,000	\$1,621,988	\$3,111,988	\$1,175,000	\$1,282,600	\$2,457,600	\$245,000	\$267,263	\$512,263
2019	\$7,870,000	\$10,978,138	\$18,848,138	\$1,555,000	\$1,553,638	\$3,108,638	\$1,230,000	\$1,228,625	\$2,458,625	\$255,000	\$256,038	\$511,038
2020	\$8,275,000	\$10,574,513	\$18,849,513	\$1,620,000	\$1,490,138	\$3,110,138	\$1,280,000	\$1,178,425	\$2,458,425	\$265,000	\$245,638	\$510,638
2021	\$8,700,000	\$10,150,138	\$18,850,138	\$1,695,000	\$1,415,363	\$3,110,363	\$1,340,000	\$1,119,325	\$2,459,325	\$280,000	\$233,338	\$513,338
2022	\$9,115,000	\$9,734,425	\$18,849,425	\$1,780,000	\$1,328,488	\$3,108,488	\$1,410,000	\$1,050,575	\$2,460,575	\$295,000	\$218,963	\$513,963
2023	\$9,525,000	\$9,321,900	\$18,846,900	\$1,870,000	\$1,237,238	\$3,107,238	\$1,480,000	\$978,325	\$2,458,325	\$310,000	\$203,838	\$513,838
2024	\$9,965,000	\$8,883,375	\$18,848,375	\$1,970,000	\$1,141,238	\$3,111,238	\$1,555,000	\$902,450	\$2,457,450	\$325,000	\$187,963	\$512,963
2025	\$10,465,000	\$8,384,456	\$18,849,456	\$2,070,000	\$1,040,238	\$3,110,238	\$1,635,000	\$822,700	\$2,457,700	\$340,000	\$171,338	\$511,338
2026	\$11,015,000	\$7,834,375	\$18,849,375	\$2,175,000	\$934,113	\$3,109,113	\$1,720,000	\$738,825	\$2,458,825	\$360,000	\$153,838	\$513,838
2027	\$11,580,000	\$7,269,500	\$18,849,500	\$2,285,000	\$822,613	\$3,107,613	\$1,810,000	\$650,575	\$2,460,575	\$375,000	\$135,463	\$510,463
2028	\$12,170,000	\$6,675,750	\$18,845,750	\$2,405,000	\$705,363	\$3,110,363	\$1,900,000	\$557,825	\$2,457,825	\$395,000	\$116,213	\$511,213
2029	\$12,795,000	\$6,051,625	\$18,846,625	\$2,530,000	\$581,988	\$3,111,988	\$2,000,000	\$460,325	\$2,460,325	\$415,000	\$95,963	\$510,963
2030	\$13,450,000	\$5,395,500	\$18,845,500	\$2,655,000	\$452,363	\$3,107,363	\$2,100,000	\$357,825	\$2,457,825	\$440,000	\$74,588	\$514,588
2031	\$14,140,000	\$4,705,750	\$18,845,750	\$2,780,000	\$330,388	\$3,110,388	\$2,200,000	\$261,325	\$2,461,325	\$460,000	\$54,388	\$514,388
2032	\$14,885,000	\$3,961,519	\$18,846,519	\$2,895,000	\$213,269	\$3,108,269	\$2,290,000	\$168,663	\$2,458,663	\$475,000	\$35,094	\$510,094
2033	\$15,690,000	\$3,158,925	\$18,848,925	\$3,035,000	\$75,875	\$3,110,875	\$2,400,000	\$60,000	\$2,460,000	\$500,000	\$12,500	\$512,500
2034	\$16,535,000	\$2,313,019	\$18,848,019									
2035	\$17,425,000	\$1,421,569	\$18,846,569									
2036	\$18,365,000	\$482,081	\$18,847,081									
OUTSTANDING:	\$243,345,000	\$152,460,219	\$395,805,219	\$37,570,000	\$18,402,519	\$55,972,519	\$29,710,000	\$14,552,963	\$44,262,963	\$6,190,000	\$3,032,319	\$9,222,319
CALLABLE:	\$197,120,000			\$30,145,000			\$23,840,000			\$4,970,000		

NOTES:
TERM BONDS IN RED BOX

(1) City defeased \$4M in par in 7/2012

City of Detroit - Annual LTGO DSA DEBT Debt Service Requirements

ISSUE NAME:	Self-Insurance Distributable State Aid Third Lien Bonds (Limited Tax General Obligation), Series 2012 (A2-B)
ISSUE NAME(2):	
REPAYMENT	Full faith and credit and resources of the City, additionally Detroit's share of State Shared Revenue payments.
SOURCE:	Ad valorem taxes levied annually on all property
PURPOSE(S):	Fund Risk Management Fund
ORIGINAL PAR:	\$53,520,000
DATED DATE:	August 23, 2012
DUE:	November 1
INSURANCE:	Noninsured
CALL PROVISIONS:	November 1, 2019 @ 100 (2030 & 2031 on November 1, 2022 @ 100)

ALL		
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Fiscal Year Ending June 30,	Principal	Interest	Total
2016	\$1,855,000	\$2,428,700	\$4,283,700
2017	\$1,950,000	\$2,333,575	\$4,283,575
2018	\$2,050,000	\$2,233,575	\$4,283,575
2019	\$2,145,000	\$2,139,425	\$4,284,425
2020	\$2,230,000	\$2,051,925	\$4,281,925
2021	\$2,335,000	\$1,948,950	\$4,283,950
2022	\$2,450,000	\$1,829,325	\$4,279,325
2023	\$2,580,000	\$1,703,575	\$4,283,575
2024	\$2,710,000	\$1,571,325	\$4,281,325
2025	\$2,850,000	\$1,432,325	\$4,282,325
2026	\$2,995,000	\$1,286,200	\$4,281,200
2027	\$3,150,000	\$1,132,575	\$4,282,575
2028	\$3,310,000	\$971,075	\$4,281,075
2029	\$3,480,000	\$801,325	\$4,281,325
2030	\$3,660,000	\$622,825	\$4,282,825
2031	\$3,825,000	\$454,825	\$4,279,825
2032	\$3,990,000	\$293,538	\$4,283,538
2033	\$4,175,000	\$104,375	\$4,279,375
2034			
2035			
2036			
OUTSTANDING:	\$51,740,000	\$25,339,438	\$77,079,438
CALLABLE:	\$41,510,000		

Principal	Interest	Total
\$11,260,000	\$17,952,063	\$29,212,063
\$11,840,000	\$17,374,563	\$29,214,563
\$12,445,000	\$16,767,438	\$29,212,438
\$13,055,000	\$16,155,863	\$29,210,863
\$13,670,000	\$15,540,638	\$29,210,638
\$14,350,000	\$14,867,113	\$29,217,113
\$15,050,000	\$14,161,775	\$29,211,775
\$15,765,000	\$13,444,875	\$29,209,875
\$16,525,000	\$12,686,350	\$29,211,350
\$17,360,000	\$11,851,056	\$29,211,056
\$18,265,000	\$10,947,350	\$29,212,350
\$19,200,000	\$10,010,725	\$29,210,725
\$20,180,000	\$9,026,225	\$29,206,225
\$21,220,000	\$7,991,225	\$29,211,225
\$22,305,000	\$6,903,100	\$29,208,100
\$23,405,000	\$5,806,675	\$29,211,675
\$24,535,000	\$4,672,081	\$29,207,081
\$25,800,000	\$3,411,675	\$29,211,675
\$16,535,000	\$2,313,019	\$18,848,019
\$17,425,000	\$1,421,569	\$18,846,569
\$18,365,000	\$482,081	\$18,847,081
\$368,555,000	\$213,787,456	\$582,342,456

NOTES:
TERM BONDS IN RED BOX

(1) City defeased \$4M in par in 7/2012

City of Detroit - Annual LTGO Exit Financing Debt Service Requirements

ISSUE NAME:	Financial Recovery Income Tax Revenue and Refunding Bonds, Series 2014-A		
ISSUE NAME(2):	Exit Financing		
REPAYMENT	Income Taxes & Full faith and credit and resources of the City		
SOURCE:	Income Taxes		
PURPOSE(S):	Financial Recovery		
ORIGINAL PAR:	\$134,725,000		
DATED DATE:	December 10, 2014		
DUE:	October 1		
INSURANCE:	Noninsured		
CALL PROVISIONS:	None		
Fiscal Year Ending June 30,	Principal	Interest⁽¹⁾	Total
2016	-	\$7,746,688	\$7,746,688
2017	-	\$7,746,688	\$7,746,688
2018	-	\$7,746,688	\$7,746,688
2019	-	\$7,746,688	\$7,746,688
2020	-	\$7,746,688	\$7,746,688
2021	\$2,000,000	\$7,689,188	\$9,689,188
2022	\$2,000,000	\$7,574,188	\$9,574,188
2023	\$2,000,000	\$7,459,188	\$9,459,188
2024	\$15,375,000	\$6,959,656	\$22,334,656
2025	\$16,285,000	\$6,049,431	\$22,334,431
2026	\$17,245,000	\$5,085,444	\$22,330,444
2027	\$18,265,000	\$4,064,531	\$22,329,531
2028	\$19,350,000	\$2,983,100	\$22,333,100
2029	\$20,495,000	\$1,837,556	\$22,332,556
2030	\$21,710,000	\$624,163	\$22,334,163
OUTSTANDING:	\$134,725,000	\$89,059,881	\$223,784,881
CALLABLE:			

Financial Recovery Income Tax Revenue and Refunding Bonds, Series 2014-B		
Exit Financing		
Income Taxes & Full faith and credit and resources of the City		
Income Taxes		
Financial Recovery		
\$140,275,000		
December 10, 2014		
October 1		
Noninsured		
None		
Principal	Interest⁽¹⁾	Total
-	\$8,065,813	\$8,065,813
-	\$8,065,813	\$8,065,813
\$21,105,000	\$7,459,044	\$28,564,044
\$22,320,000	\$6,210,575	\$28,530,575
\$23,605,000	\$4,890,231	\$28,495,231
\$22,950,000	\$3,551,775	\$26,501,775
\$24,390,000	\$2,190,750	\$26,580,750
\$25,905,000	\$744,769	\$26,649,769
\$140,275,000	\$41,178,769	\$181,453,769

ALL		
Principal	Interest	Total
-	\$15,812,500	\$15,812,500
-	\$15,812,500	\$15,812,500
\$21,105,000	\$15,205,731	\$36,310,731
\$22,320,000	\$13,957,263	\$36,277,263
\$23,605,000	\$12,636,919	\$36,241,919
\$24,950,000	\$11,240,963	\$36,190,963
\$26,390,000	\$9,764,938	\$36,154,938
\$27,905,000	\$8,203,956	\$36,108,956
\$15,375,000	\$6,959,656	\$22,334,656
\$16,285,000	\$6,049,431	\$22,334,431
\$17,245,000	\$5,085,444	\$22,330,444
\$18,265,000	\$4,064,531	\$22,329,531
\$19,350,000	\$2,983,100	\$22,333,100
\$20,495,000	\$1,837,556	\$22,332,556
\$21,710,000	\$624,163	\$22,334,163
\$275,000,000	\$130,238,650	\$405,238,650

NOTES:

(1) FY15 based on actual interest payments and June 2015 estimate. 5.75% annually thereafter.
Public reoffering anticipated by August 7, 2015

City of Detroit - Annual LTGO B-Notes Debt Service Requirements

ISSUE NAME:	Financial Recovery Bonds, Series 2014-B(1) (Federally Taxable)			Financial Recovery Bonds, Series 2014-B(2) (Federally Taxable)			ALL		
ISSUE NAME(2):	B-Notes			B-Notes					
REPAYMENT SOURCE:	Full faith and credit and resources of the City			Full faith and credit and resources of the City					
PURPOSE(S):	Financial Recovery			Financial Recovery					
ORIGINAL PAR:	\$616,560,047			\$15,404,098					
DATED DATE:	December 10, 2014			December 10, 2014					
DUE:	April 1			April 1					
INSURANCE:	Noninsured			Noninsured					
CALL PROVISIONS:	None			None					
Fiscal Year Ending June 30,	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2016	-	\$24,662,402	\$24,662,402	-	\$308,082	\$308,082	-	\$24,970,484	\$24,970,484
2017	-	\$24,662,402	\$24,662,402	-	\$616,164	\$616,164	-	\$25,278,566	\$25,278,566
2018	-	\$24,662,402	\$24,662,402	-	\$616,164	\$616,164	-	\$25,278,566	\$25,278,566
2019	-	\$24,662,402	\$24,662,402	-	\$616,164	\$616,164	-	\$25,278,566	\$25,278,566
2020	-	\$24,662,402	\$24,662,402	-	\$616,164	\$616,164	-	\$25,278,566	\$25,278,566
2021	-	\$24,662,402	\$24,662,402	-	\$616,164	\$616,164	-	\$25,278,566	\$25,278,566
2022	-	\$24,662,402	\$24,662,402	-	\$616,164	\$616,164	-	\$25,278,566	\$25,278,566
2023	-	\$24,662,402	\$24,662,402	-	\$616,164	\$616,164	-	\$25,278,566	\$25,278,566
2024	-	\$24,662,402	\$24,662,402	-	\$616,164	\$616,164	-	\$25,278,566	\$25,278,566
2025	\$30,828,003	\$24,662,402	\$55,490,405	\$770,205	\$616,164	\$1,386,369	\$31,598,208	\$25,278,566	\$56,876,774
2026	\$30,828,003	\$23,429,282	\$54,257,285	\$770,205	\$585,356	\$1,355,561	\$31,598,208	\$24,014,637	\$55,612,845
2027	\$30,828,003	\$22,196,162	\$53,024,165	\$770,205	\$554,548	\$1,324,753	\$31,598,208	\$22,750,709	\$54,348,917
2028	\$30,828,003	\$20,963,042	\$51,791,045	\$770,205	\$523,739	\$1,293,944	\$31,598,208	\$21,486,781	\$53,084,989
2029	\$30,828,003	\$19,729,921	\$50,557,924	\$770,205	\$492,931	\$1,263,136	\$31,598,208	\$20,222,853	\$51,821,061
2030	\$30,828,003	\$18,496,801	\$49,324,804	\$770,205	\$462,123	\$1,232,328	\$31,598,208	\$18,958,924	\$50,557,132
2031	\$30,828,003	\$17,263,681	\$48,091,684	\$770,205	\$431,315	\$1,201,520	\$31,598,208	\$17,694,996	\$49,293,204
2032	\$30,828,003	\$16,030,561	\$46,858,564	\$770,205	\$400,507	\$1,170,712	\$31,598,208	\$16,431,068	\$48,029,276
2033	\$30,828,003	\$14,797,441	\$45,625,444	\$770,205	\$369,698	\$1,139,903	\$31,598,208	\$15,167,139	\$46,765,347
2034	\$30,828,003	\$13,564,321	\$44,392,324	\$770,205	\$338,890	\$1,109,095	\$31,598,208	\$13,903,211	\$45,501,419
2035	\$30,828,003	\$18,496,801	\$49,324,804	\$770,205	\$462,123	\$1,232,328	\$31,598,208	\$18,958,924	\$50,557,132
2036	\$30,828,003	\$16,647,121	\$47,475,124	\$770,205	\$415,911	\$1,186,116	\$31,598,208	\$17,063,031	\$48,661,239
2037	\$30,828,003	\$14,797,441	\$45,625,444	\$770,205	\$369,698	\$1,139,903	\$31,598,208	\$15,167,139	\$46,765,347
2038	\$30,828,003	\$12,947,760	\$43,775,763	\$770,205	\$323,486	\$1,093,691	\$31,598,208	\$13,271,246	\$44,869,454
2039	\$30,828,003	\$11,098,080	\$41,926,083	\$770,205	\$277,274	\$1,047,479	\$31,598,208	\$11,375,354	\$42,973,562
2040	\$30,828,003	\$9,248,400	\$40,076,403	\$770,205	\$231,061	\$1,001,266	\$31,598,208	\$9,479,462	\$41,077,670
2041	\$30,828,003	\$7,398,720	\$38,226,723	\$770,205	\$184,849	\$955,054	\$31,598,208	\$7,583,569	\$39,181,777
2042	\$30,828,003	\$5,549,040	\$36,377,043	\$770,205	\$138,637	\$908,842	\$31,598,208	\$5,687,677	\$37,285,885
2043	\$30,828,003	\$3,699,360	\$34,527,363	\$770,205	\$92,424	\$862,629	\$31,598,208	\$3,791,784	\$35,389,992
2044	\$30,827,990	\$1,849,679	\$32,677,669	\$770,203	\$46,212	\$816,415	\$31,598,193	\$1,895,892	\$33,494,085
OUTSTANDING:	\$616,560,047	\$514,827,632	\$1,131,387,679	\$15,404,098	\$12,554,339	\$27,958,437	\$631,964,145	\$527,381,971	\$1,159,346,116
CALLABLE:									

NOTES:

City of Detroit - Annual LTGO C-Notes Debt Service Requirements

ISSUE NAME:
ISSUE NAME(2):
REPAYMENT

SOURCE:
PURPOSE(S):
ORIGINAL PAR:
DATED DATE:
DUE:
INSURANCE:
CALL PROVISIONS:

Financial Recovery Bonds, Series 2014-C
C-Notes
Parking Revenues & Full faith and credit of the City

Parking Revenues
Financial Recovery
\$88,430,021
December 10, 2014
June 30
Noninsured
None

**Fiscal Year Ending
June 30,**

2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027

	Principal	Interest	Total
	\$5,709,977	\$4,267,177	\$9,977,154
	\$5,995,476	\$3,981,679	\$9,977,155
	\$6,295,250	\$3,681,905	\$9,977,155
	\$6,610,012	\$3,367,142	\$9,977,154
	\$6,940,513	\$3,036,642	\$9,977,155
	\$7,287,539	\$2,689,616	\$9,977,155
	\$7,651,916	\$2,325,239	\$9,977,155
	\$8,034,511	\$1,942,643	\$9,977,154
	\$8,436,237	\$1,540,918	\$9,977,155
	\$8,858,049	\$1,119,106	\$9,977,155
	\$9,300,951	\$676,203	\$9,977,154
	\$4,223,116	\$93,847	\$4,316,963
	\$85,343,547	\$28,722,116	\$114,065,663

OUTSTANDING:

NOTES:

Final payment due December 10, 2026

City of Detroit - Annual HUD Notes Debt Service Requirements

ISSUE NAME:
REPAYMENT SOURCE:
PURPOSE(S):
ORIGINAL PAR:
DATED DATE:
DUE:
INSURANCE:
CALL PROVISIONS:

New Amsterdam Project
HUD 108 Note
Section 108 Loan Guaranty
Block Grant Funds
New Money
\$9,700,00
August 1, 2002
August 1
Noninsured
None

Garfield Project
HUD 108 Note
Section 108 Loan Guaranty
Block Grant Funds
New Money
\$3,060,000
June 12, 2008
August 1
Noninsured
None

Stuberstone Project
HUD 108 Note
Section 108 Loan Guaranty
Block Grant Funds
New Money
\$400,000
June 12, 2008
August 1
Noninsured
None

Ferry St. Project
HUD 108 Note
Section 108 Loan Guaranty
Block Grant Funds
New Money
\$2,900,000
June 12, 2008
August 1
Noninsured
None

Mexicantown Welcome Center
HUD 108 Note
Section 108 Loan Guaranty
Block Grant Funds
New Money
\$7,789,000
September 14, 2006
August 1
Noninsured
None

	Principal	Interest	Total
2016	\$425,000	\$77,354	\$502,354
2017	-	\$114,290	\$114,290
2018	\$485,000	\$112,034	\$597,034
2019	\$1,000,000	\$103,129	\$1,103,129
2020	\$1,090,000	\$86,233	\$1,176,233
2021	\$1,150,000	\$64,602	\$1,214,602
2022	\$732,000	\$44,616	\$776,616
2023	\$1,470,000	\$18,008	\$1,488,008
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030	-	-	-
2031	-	-	-
2032	-	-	-
2033	-	-	-
2034	-	-	-
2035	-	-	-
2036	-	-	-
2037	-	-	-
2038	-	-	-
2039	-	-	-
2040	-	-	-
2041	-	-	-
2042	-	-	-
2043	-	-	-
2044	-	-	-
OUTSTANDING:	\$6,352,000	\$620,265	\$6,972,265

	Principal	Interest	Total
2016	\$300,000	\$6,495	\$306,495
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021	-	-	-
2022	-	-	-
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030	-	-	-
2031	-	-	-
2032	-	-	-
2033	-	-	-
2034	-	-	-
2035	-	-	-
2036	-	-	-
2037	-	-	-
2038	-	-	-
2039	-	-	-
2040	-	-	-
2041	-	-	-
2042	-	-	-
2043	-	-	-
2044	-	-	-
OUTSTANDING:	\$300,000	\$6,495	\$306,495

	Principal	Interest	Total
2016	\$30,000	\$1,994	\$31,994
2017	\$30,000	\$672	\$30,672
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021	-	-	-
2022	-	-	-
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030	-	-	-
2031	-	-	-
2032	-	-	-
2033	-	-	-
2034	-	-	-
2035	-	-	-
2036	-	-	-
2037	-	-	-
2038	-	-	-
2039	-	-	-
2040	-	-	-
2041	-	-	-
2042	-	-	-
2043	-	-	-
2044	-	-	-
OUTSTANDING:	\$60,000	\$2,666	\$62,666

	Principal	Interest	Total
2016	\$270,000	\$55,765	\$325,765
2017	\$320,000	\$42,751	\$362,751
2018	\$370,000	\$27,147	\$397,147
2019	\$405,000	\$9,356	\$414,356
2020	-	-	-
2021	-	-	-
2022	-	-	-
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030	-	-	-
2031	-	-	-
2032	-	-	-
2033	-	-	-
2034	-	-	-
2035	-	-	-
2036	-	-	-
2037	-	-	-
2038	-	-	-
2039	-	-	-
2040	-	-	-
2041	-	-	-
2042	-	-	-
2043	-	-	-
2044	-	-	-
OUTSTANDING:	\$1,365,000	\$135,019	\$1,500,019

	Principal	Interest	Total
2016	\$260,000	\$153,976	\$413,976
2017	\$260,000	\$140,716	\$400,716
2018	\$260,000	\$127,183	\$387,183
2019	\$260,000	\$113,299	\$373,299
2020	\$270,000	\$98,948	\$368,948
2021	\$280,000	\$83,876	\$363,876
2022	\$280,000	\$68,364	\$348,364
2023	\$350,000	\$50,731	\$400,731
2024	\$360,000	\$30,708	\$390,708
2025	\$360,000	\$10,260	\$370,260
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030	-	-	-
2031	-	-	-
2032	-	-	-
2033	-	-	-
2034	-	-	-
2035	-	-	-
2036	-	-	-
2037	-	-	-
2038	-	-	-
2039	-	-	-
2040	-	-	-
2041	-	-	-
2042	-	-	-
2043	-	-	-
2044	-	-	-
OUTSTANDING:	\$2,940,000	\$878,061	\$3,818,061

NOTES:

City of Detroit - Annual Lease Debt Service Requirements

DESCRIPTION:
REPAYMENT SOURCE:
PURPOSE(S):
ORIGINAL PAR:
DATED DATE:
DUE:
INSURANCE:
CALL PROVISIONS:
Fiscal Year Ending June 30,
2016
2017
OUTSTANDING:

IBM Lease		
Full faith and credit and resources of the City		
Computer system improvements		
\$4,918,642		
November 20, 2012		
1st of each month		
Noninsured		
None		
Principal	Interest	Total
\$1,270,872	\$167,955	\$1,438,827
\$694,825	\$24,588	\$719,413
\$1,965,697	\$192,543	\$2,158,240

NOTES:

CITY OF DETROIT CONTRACT SUBMISSION TO FINANCIAL REVIEW COMMISSION
THE FOLLOWING CONTRACTS ARE BEING SENT TO THE FRC FOR REVIEW AND APPROVAL PURSUANT TO
SECTION 6, SUBSECTION 6 OF THE MICHIGAN FINANCIAL REVIEW COMMISSION ACT
For September 28, 2015 Meeting

Updated Listing: Prepared By: Boysie Jackson, Chief Procurement Officer - 9/22/2015

City Council and Water Board Approvals Through September 22, 2015

	Department	Contract Number	Description	Competitively Bid	Lowest Bid	City Council Approval Date	Office of the Chief Financial Officer Approval Date	Comments
CONTRACTS GREATER THAN \$750K								
1	DoIT/Public Safety	2914367	Contract Amount: \$7,499,999.99 (New) Contract Period: 9/30/15 through 9/29/17 Source: 100% City Purpose: To Provide Upgrade to Handheld Portable Radios and Console Units, along with Expansion of the Real Time Crime Center Contractor: Motorola Solutions Inc. Location: 1301 E. Algonquin Road, Schaumburg, IL 60196	Using State's MiDEAL contract	Using State's MiDEAL contract	9/22/2015	9/28/2015	Part II of planned radio and console replacements. Part I procurement (also for \$7.5M) was approved by FRC on February 23, 2015. Purchasing under the State's contract with Motorola for Radio and Wireless Related Communications Equipment (#071B2200101) through the MiDEAL extended purchasing program.
2	GENERAL SERVICES	2867153	Contract Amount: \$1,746,836.00 (Increase of Funds and Extension of Time) Contract Period: 7/1/15 through 9/30/15 Source: 100% City Purpose: To Provide Vehicle Replacement Parts and Services Contractor: Genuine Parts Co (NAPA) Location: 2999 Circle 75 Parkway, Atlanta, GA 30339	Contract Extension	Contract Extension	09/15/15	9/28/2015	This Amendment #6 is for increase of funds and extension of time. Original amount is \$14,988,848.00 and original contract date is September 1, 2012 through June 30, 2015. Contract Re-bid and is being awarded October 1, 2015 to Vitec LLC.
3	GENERAL SERVICES	2908627	Contract Amount: \$11,528,000.00 (New) Contract Period: 10/1/15 through 6/30/18 Source: 100% City Purpose: To Provide Management and Supply of Vehicle Parts for City of Detroit's Emergency Vehicles Contractor: Vitec, LLC Location: 2627 Clark Avenue, Detroit, MI 48210	YES	YES	09/15/15	9/28/2015	
4	POLICE	2908062	Contract Amount: \$960,000.00 (New) Contract Period: Upon FRC Approval through 6/30/16 Source: 100% City Purpose: To Make Renovations and Improvements to Property Located at 2875 West Grand Boulevard, Detroit, Michigan Contractor: Detroit Building Authority Location: 1301 Third Street, Suite 328, Detroit, MI 48226	Inter-Governmental Agreement	Inter-Governmental Agreement	09/03/15	9/28/2015	
5	POLICE	2909631	Contract Amount: \$955,815.00 (New) Contract Period: 9/1/15 through 6/30/18 Source: 100% City Purpose: To Provide a Three (3) Year Maintenance Contract for Services for the City of Detroit Lyndon Emergency Communications Center Contractor: Motor City Electric Technologies, Inc. Location: 9440 Grinnell, Detroit, MI 48213	YES	YES	08/20/15	9/28/2015	
6	PUBLIC LIGHTING	2884498	Contract Amount: \$2,000,000.000 (Increase of Funds and Extension of Time) Contract Period: 10/7/15 through 10/6/16 Source: 100% City Purpose: To Provide Maintenance of PLD Electrical Service from DTE Energy to Public Lighting Authority and Emergency Response for Downed Poles, Wires and Traffic Signal Outages Contractor: TMC Alliance LLC Location: 5671 Trumbull Avenue, Detroit, MI 48208	Exercising Contract Renewal Option	Exercising Contract Renewal Option	08/20/15	9/28/2015	This Amendment #3 is for increase of funds and extension of time. Original amount is \$10,448,923.33. Original contract period: October 7, 2013 through October 6, 2015

	Department	Contract Number	Description	Competitively Bid	Lowest Bid	City Council Approval Date	Office of the Chief Financial Officer Approval Date	Comments
7	RISK MANAGEMENT	290249	Contract Amount: \$6,845,858.00 Contract Period: Upon FRC Approval through 6/30/18 Source: 100% City Purpose: To Provide Citywide Property and Casualty Insurance Contractor: Alliant Insurance Services, Inc. Location: 1050 Wilshire Drive, Suite 210, Troy, MI 48084	YES	YES	08/06/15	9/28/2015	

CONTRACTS GREATER THAN 2 YEARS

			No Contracts Submitted for this Category					
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WITH 1 ENTITY, WITHIN 1 YEAR, GREATER THAN \$750K

			No Contracts Submitted for this Category					
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	Department	Contract Number	Description	Competitively Bid	Lowest Bid	City Council Approval Date	Office of the Chief Financial Officer Approval Date	Comments
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DEPARTMENT OF WATER AND SEWERAGE CONTRACTS

CONTRACTS GREATER THAN \$750,000.00

8	Water and Sewerage	PO Pending (WS-700)	<p>Contract Amount Not to Exceed: \$5,314,492.00 [\$2,600,000 - Fiscal Year 2016, \$2,714,492.00 - Fiscal Year 2017] (incl. \$1,000,000 Allowance for Repair to Transmission Mains that are Common-to-All Customer Cost Allocations) Contract Period: 10/12/15 - 4/4/17 Source: 100% Operating Budget (Operations and Maintenance) Purpose: Repair of Various-sized Water Mains During Critical Periods to Supplement DWSD's Efforts to Repair Water Mains Utilizing Internal Workforce Contractor: Evergreen Civil LLC (Mike Bates, President) Location: 143 Cadycentre, Northville, MI 48167</p>	Yes	Second Lowest Bidder on comparable WS-696 (FRC Approval issued on 6/22/15 for \$4.7 mil award to lowest bidder, Imperial Construction)	N/A; below \$5 mil/yr approval requirement for contracts relative to Construction	N/A BOWC Approval 8/26/15	Four (4) bid submissions; Two (2) Contracts (Total Combined Value of \$8,498,385) previously issued in 2014 of which Lakeshore Global & Imperial Construction were previously awarded WS-689 & WS-692 Contracts respectively to provide for repair of various sized water mains during peak periods of significant increase in water main breaks & leaks to supplement DWSD's efforts to repair water mains within a 4-day performance target utilizing their internal resources; WS-696 replaced existing WS-692 contract with consideration of second lowest bidder to provide additional capacity due to excessive water main breaks resulting from extreme cold weather during recent winters.
9	Water and Sewerage	2856616	<p>Contract Amount Not to Exceed: \$2,996,035.00 [\$1,498,017.50 Annually] Initial Contract Period: 12/1/11 - 12/14/17 Source: 100% Operating Budget (Operations & Maintenance) Purpose: Provide all Endpoint and Network Components incl. 200W Endpoints, Collection Units, Mounting Brackets, Remote Antennas and Endpoint Programmers to Support Water SaveSource™ Fixed Network System with Purchases Not to Exceed \$1,498,017.50 Annually for Life of Equipment incl. Twelve (12) Month Warranty Contractor: Itron, Inc. (Phillip Mezey, President & CEO) Location: 2111 North Molter, Liberty Lake, WA 99019</p>	Not Required: Existing contract extension to Sole Source	Not Required: Existing contract extension to Sole Source	N/A; below \$2 mil/yr approval requirement for contracts relative to Goods & Services	N/A BOWC Approval 8/26/15	Initial award in 2011 to Itron as sole source provider of all proprietary endpoint & network components for Water SaveSource™ Fixed Network System requiring collection units (CCU) & meter interface units (MIU) on both new & retained meters to provide automatic meter reading (AMR) capabilities & integration with existing billing system; prior 5-yr award (#CM-2007) to Detroit Meter Partners in 2006 encompassed replacement of all retail water meters installed pre-1996 & all retail meters > 1" installed pre-2000 in the City of Detroit incl. installation of 140K CCUs & 202K MTUs; inventory balance from #CM-2007 in 2011 offset annual purchases to \$375K avg.

CONTRACTS GREATER THAN OR EQUAL TO 2 YEARS

10	Water and Sewerage	PO Pending (CS-1656)	<p>Contract Amount Not to Exceed: \$970,158.00 [\$277,188 Avg Annually] Contract Period: 10/1/15 - 3/1/19 Source: 100% Operating Budget (Capital Improvement) Purpose: Provide Professional Engineering Services Incl. Bid & Negotiation, Construction Administration & Resident Project Representation Services Required to Design Improvements to Recommission Dedicated Venturi Flow Meters & Meter Vaults at Northeast, Southwest & Springwells Water Treatment Plants Contractor: Applied Science, Inc. (Karen Ridgeway, President) Location: 300 River Place Suite 5400, Detroit, MI 48207</p>	Yes	Yes	N/A; below \$2 mil/yr approval requirement for contracts relative to Goods & Services	N/A BOWC Approval 8/26/15	Four (4) Bid submissions resulted from solicitation to 356 suppliers via MI Inter-governmental Trade Network (MITN); Rehabilitation & modification of existing venturi flow meters & metering vaults are necessary to directly measure finished water pumped into transmission systems from water plants in lieu of 20-year practice of utilizing estimates based on pump curve data in order to improve flow metering accuracy by monitoring the volume of water loss and its impact on retail & wholesale customer rates; FRC approval previously issued for CS-1482-01 on 4/27/15 granting contract extension from 7/28/15 to 7/28/18 for dye dilution testing services not to exceed \$2,741,891.00
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CITY OF DETROIT
MAYOR'S OFFICE

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVE., SUITE 1126
DETROIT, MICHIGAN 48226
PHONE 313•224•3400
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September 22, 2015

Ronald L. Rose
Executive Director
Detroit Financial Review Commission
3062 West Grand Blvd.
Detroit, MI 48202

Dear Mr. Rose:

I write as Mayor of the City of Detroit to request that the Financial Review Commission (FRC), at its meeting scheduled for September 28, 2015, hold a closed session so that the City can discuss with the FRC the City's strategy in its current negotiations with the Amalgamated Transit Union, AFL-CIO – Division 26 (ATU), together with the financial impact that will result from a new contract. The City deems it very important that the FRC be given this information at this time as the City and the ATU are close to resolving the terms of a new collective bargaining contract. The reason it is important for the City to make a presentation is that the FRC has a duty to approve or disapprove any collective bargaining agreement. In order for the FRC to understand the positions taken by it in the negotiations and the financial impact, the City desires to discuss aspects of the current negotiations to educate the FRC.

Sincerely,

Michael E Duggan
Mayor, City of Detroit