



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

RESOLUTION 2016-6

**APPROVING THE CITY OF DETROIT’S FOUR-YEAR FINANCIAL
PLAN FOR FISCAL YEAR 2017 THROUGH FISCAL YEAR 2020**

WHEREAS, Public Act 181 of 2014, the Michigan Financial Review Commission Act (the “Act”), allows for the creation of the Detroit Financial Review Commission (the “Commission”) within the Michigan Department of Treasury; and

WHEREAS, Section 6(1) of the Act empowers the Commission to provide oversight for the City of Detroit (the “City”) beginning on the Effective Date of the Plan of Adjustment; and

WHEREAS, Section 6(4) of the Act provides that during the period of oversight, the Commission shall review and approve the City’s four-year financial plan required by Section 4t of the Home Rule City Act; and

WHEREAS, Section 6(3) of the Act further requires the Commission to ensure that the City complies with the requirements of Section 4t of the Home Rule City Act; and

WHEREAS, Section 4t of the Home Rule City Act requires, among other things, that the City’s four-year financial plan include contributions necessary to assure that pension systems for employees and retirees of the city are adequately funded; and

WHEREAS, the City submitted its four-year financial plan for fiscal year 2017 through fiscal year 2020 (the “four-year financial plan”) to the Commission on March 23, 2016 and publicly presented the four-year financial plan at the Commission meeting on March 28, 2016 for the Commission’s review and consideration; and

WHEREAS, the Commission has reviewed the City's four-year financial plan submission and held a special meeting on April 13, 2016 with the City to discuss and ask questions about the four-year financial plan; and

WHEREAS, Section 6(4) of the Act requires the Commission to approve or disapprove the City's four-year financial plan submission within 30 days of receipt.

NOW THEREFORE, be it resolved by the Detroit Financial Review Commission as follows:

1. That the City's four-year financial plan, as submitted to the Commission on March 23, 2016, is hereby approved.
2. That the City, having discovered that the unfunded actuarial accrued liability of its two legacy pension plans may be materially greater than that contemplated by projections made during the City's chapter 9 bankruptcy case, has started the process of hiring an expert to make recommendations to the City on the level of pension contributions and the timing of such contributions, or to take other actions, that will provide assurances that the City will meet all of its pension obligations (the "Expert Report"). Because the Expert Report is not expected to be completed until after the start of fiscal year 2017, the Commission cannot conclude whether it believes that the contributions provided in the four-year financial plan meets or does not meet the requirements of section 4t of the Home Rule City Act, and specifically subsection (1)(c)(ii), which requires a four-year financial plan to provide for pension "contributions necessary to assure that pension systems for employees and retirees of the city are adequately funded." As a result, this Commission reserves the right to make a determination whether the

four-year financial plan it is approving and whether any future four-year financial plan meets the requirement of section 4t(1)(c)(ii) of the Home Rule City Act.

3. That the minutes of the Detroit Financial Review Commission meeting at which this Resolution is adopted take notice of the adoption of this Resolution.
4. This Resolution shall have immediate effect.

IN WITNESS WHEREOF, the members of the Commission, or their designees, have signed and adopted this Resolution.

DETROIT FINANCIAL REVIEW COMMISSION

By _____
Darrell Burks, Detroit Financial Review Commission
Member

By _____
Michael Duggan, Detroit Financial Review
Commission Member

By _____
Stacy Fox, Detroit Financial Review Commission
Member

By _____
Lorron James, Detroit Financial Review Commission
Member

By _____
Brenda Jones, Detroit Financial Review Commission
Member

By _____
Nick A. Khouri, State Treasurer and Detroit Financial
Review Commission Member

By _____
William Martin, Detroit Financial Review
Commission Member

By _____
John S. Roberts, Detroit Financial Review
Commission Member

By _____
Tony Saunders, Detroit Financial Review Commission
Member

Date: _____
Detroit, Michigan

CITY OF DETROIT

Office of the Chief Financial Officer

Financial Report for the 8 Months ended February 29, 2016

April 18, 2016



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Executive summary

- The City is working through ERP post go-live issues and planning for the implementation of the new Human Resources Information System and the transfer of the payroll function from the Human Resources Department to the Office of the CFO. The City is also finalizing its business requirements for Phase II of the ERP implementation. Phase II includes: (1) Position Budgeting; (2) Advanced Procurement; (3) the full implementation of Projects Portfolio Management; and (4) DWSD-R business requirements.
- The Office of the CFO has had strong interest in its new positions as part of its restructuring. As of April 12th, 300 offers have been accepted and over 290 individuals have started. Vacant positions for middle management, professional, and paraprofessional positions were reposted on April 4th. As of April 11th, the Office of the CFO has received over 1,000 applications that meet the minimum qualifications for the reposted positions.
- The Account Payable schedule is not included due to ERP go-live and the blackout of payments as a result of the transition from DRMS to Oracle Cloud.
- February YTD actuals continue to indicate that FY 2016 results are expected to be favorable to budget and that the liquidity situation is stable.
 - The primary tax revenues are based on the February 2016 Consensus Revenue Estimating Conference results.
 - Payroll and benefits related expenditures are projected to be below budget as a result of lower headcount, partially offset by a higher number of contract staff and wage increases to public safety employees.
 - Reinvestment related expenditures are moving forward consistent with the timing of project implementation as well as the amount of exit financing proceeds available.



Revised FY 2016 projection continues to result in a General Fund surplus

\$ in millions

General Fund	Notes	FY 2016 Projection			FY 2016 EM's	
		Jan 2016	Adjustments	Feb 2016	Budget	Difference
General Fund Property taxes		\$ 117.0	\$ -	\$ 117.0	\$ 100.8	\$ 16.2
Net Income taxes		264.0	-	264.0	268.4	(4.4)
Utility taxes	(1)	37.0	-	37.0	15.9	21.1
Gaming taxes		173.5	-	173.5	169.0	4.5
Distributable State aid		194.9	-	194.9	197.4	(2.5)
Other	(2)	262.1	-	262.1	284.9	(22.8)
Other operating revenues	(3)	-	-	-	35.1	(35.1)
Total Revenues	(4)	1,048.5	-	1,048.5	1,071.5	(23.0)
Payroll, taxes, & deductions	(5)	(314.0)	-	(314.0)	(329.8)	15.8
Benefits	(5)	(107.9)	-	(107.9)	(119.6)	11.8
Pension contributions	(6)	(26.1)	-	(26.1)	(28.6)	2.5
Subsidy payments		(81.2)	-	(81.2)	(81.6)	0.4
Materials, contracts & other operating expenditures	(7)	(406.4)	-	(406.4)	(428.4)	22.0
Total Expenditures		(935.5)	-	(935.5)	(988.0)	52.5
Operating Surplus		113.0	-	113.0	83.5	29.5
Debt service	(8)	(78.9)	-	(78.9)	(83.5)	4.6
Surplus / (Deficit)		\$ 34.1	\$ -	\$ 34.1	\$ 0.0	\$ 34.1

Notes:

- (1) EM's Budget includes \$12.5m transfer to the Public Lighting Authority (PLA). FY 2016 Projection reflects transfer under expenditures.
- (2) FY 2016 Projection reflects lower reinvestment initiative revenues based on YTD results and anticipated project implementation.
- (3) EM's Budget includes Public Lighting Dept. (PLD) revenues from internal charges and reimbursements from DTE (\$26m) and grant receipts for blight (\$9m), which will not flow through the General Fund.
- (4) FY 2016 Projection reflects February 2016 Consensus Revenue Estimating Conference results.
- (5) Lower projected expenditures due to vacant positions, partially offset by projected public safety wage increases.
- (6) Lower projected contributions due to lower YTD and projected payroll.
- (7) EM's Budget includes PLD operating expenditures (\$26m) and payments related to blight (\$9m), which will not be incurred by the General Fund. FY 2016 Projection includes \$12.5m transfer to PLA.
- (8) Lower interest payment on Exit financing due to principal repayment.



The City's YTD net cash flows continue to be ahead of budget

\$ in millions

General Fund	Actual	Prior Year		Budget (1)	
	8 months	8 months	Difference	8 months	Variance
General Fund Property taxes	\$ 109.0	\$ 102.4	\$ 6.6	\$ 98.5	\$ 10.4
Net Income taxes	165.9	168.1	(2.2) (2)	176.7	(10.8)
Utility taxes	11.8	13.2	(1.4)	11.1	0.6
Gaming taxes	117.8	114.6	3.2	114.8	3.0
Distributable State aid	130.0	129.7	0.3	132.1	(2.1)
Other	133.0	219.0	(86.0) (3)	126.7	6.3 (4)
Total Receipts	667.4	746.9	(79.5)	660.0	7.3
Payroll, taxes, & deductions	(238.2)	(232.3)	(5.9)	(260.7)	22.4
Benefits	(35.3)	(53.9)	18.5 (5)	(45.6)	10.3
Pension contributions	-	-	-	-	-
Subsidy payments	(12.2)	(20.2)	8.1	(18.8)	6.6
Materials, contracts & other operating expenditures	(186.6)	(339.1)	152.4 (3)	(170.7)	(15.9) (4)
Total Disbursements	(472.4)	(645.4)	173.1	(495.8)	23.4
Operating Surplus (before Reinvestment)	195.0	101.4	93.6	164.2	30.8
Financing Adjustments	(79.8)	(139.9)	60.1	(49.8)	(30.0) (6)
Non-Financing Adjustments	(55.3)	82.4	(137.7)	(89.3)	34.0 (7)
Total Adjustments to arrive at Net Cash Flow	(135.1)	(57.5)	(77.6)	(139.1)	4.0
Net Cash Flow (8)	\$ 59.9	\$ 43.9	\$ 16.0	\$ 25.2	\$ 34.7

Memo:

Beginning cash balance (net of dist. owed) (9)	\$ 207.8	\$ 156.8
Net Cash Flow (8)	59.9	43.9
Lockbox reserves	-	(0.4)
Ending cash balance (net of dist. owed) (9)	\$ 267.7	\$ 200.3

Notes:

- (1) Budget has been spread based on historical cash activity.
- (2) \$10.1m of income tax refunds were issued in FY'16 related to prior periods compared to \$3.6m issued in FY'15 related to prior periods YTD.
- (3) Negative trend in other receipts is offset by positive trend in materials, contracts & other operating expenditures and is primarily attributable to the segregation of DPW, BSEED, and Grants proceeds.
- (4) Variance primarily due to cash actuals including non-Fund 1000 activity.
- (5) Difference primarily due to retiree healthcare payments made in the prior year, which will not occur post-bankruptcy.
- (6) Actuals include \$30m principal repayment on Exit Financing made in August 2015.
- (7) Actuals include the segregation of \$56m related to the Major and Local Street funds. Budget includes \$89.3m of reinvestment payments in excess of Exit proceeds.
- (8) Net Cash Flow was determined based on General Fund cash activity adjusted for known deposits in transit, prior period adjustments and classification differences.
- (9) The main operating account contains cash balances of the Risk Management Fund, Construction Fund, Street Funds, Solid Waste Fund, General Grants, and Motor Vehicle Fund.



Differences between cash and general ledger YTD are mostly due to the period in which activity was recorded

\$ in millions

General Fund	Cash Activity			General Ledger			Difference
	Actuals	Adjustments	Adjusted	Posted	To Be Posted	Total	
General Fund Property taxes	\$ 109.0	\$ -	\$ 109.0	\$ 105.3	\$ 3.7	\$ 109.0	\$ 0.0
Net Income taxes	165.9	(14.0)	151.9 (1)	146.6	5.5	152.1	0.3
Utility taxes	11.8	-	11.8	7.7	4.0	11.7	(0.0)
Gaming taxes	117.8	(0.8)	117.0 (1)	101.9	15.9	117.8	0.7
Distributable State aid	130.0	(64.2)	65.8 (1)	65.8	-	65.8	(0.0)
Other	133.0	(50.0)	83.0 (2)	70.0	8.0	78.0	(5.0)
Total Receipts	667.4	(128.9)	538.5	497.4	37.1	534.5	(4.0)
Payroll, taxes, & deductions	(238.2)	24.4	(213.9) (3)	(211.8)	(1.7)	(213.6)	0.3
Benefits	(35.3)	-	(35.3)	(40.3)	-	(40.3)	(4.9) (4)
Pension contributions	-	-	-	-	-	-	-
Subsidy payments	(12.2)	-	(12.2)	(17.7)	(0.8)	(18.4)	(6.3) (5)
Materials, contracts & other operating expenditures	(186.6)	87.0	(99.6) (6)	(135.4)	-	(135.4)	(35.8) (7)
Total Disbursements	(472.4)	111.4	(361.0)	(405.2)	(2.5)	(407.7)	(46.7)
Operating Surplus (before Reinvestment)	195.0	(17.5)	177.5	92.2	34.6	126.8	(50.7)
Financing Adjustments	(79.8)	40.4	(39.4) (8)	(39.3)	-	(39.3)	0.1
Non-Financing Adjustments	(55.3)	55.3	- (9)	-	-	-	-
Subtotal Adjustments	(135.1)	95.7	(39.4)	(39.3)	-	(39.3)	0.1
Net Surplus/(Deficit)	\$ 59.9	\$ 78.2	\$ 138.0	\$ 52.9	\$ 34.6	\$ 87.5	\$ (50.6)

Notes:

- (1) \$14m of Income Tax, \$0.8m of Gaming Tax, and \$64m of DSA revenues were collected in FY 2016 related to activity in FY 2015.
- (2) \$30m of revenues were collected in FY 2016 related to activity in FY 2015. \$6m of collections are cash specific transactions and \$14m are non-Fund 1000.
- (3) Approximately \$13m of the difference is due to the timing and accrual of payroll. Approximately \$11m of disbursements are non-Fund 1000.
- (4) Cash disbursements were lower than posted expenditures due to excess cash balance in the Benefits Fund account at the beginning of the fiscal year.
- (5) General ledger includes a \$12m non-cash subsidy to DDOT in February partially offset by reversal of \$6m of estimated accrued expenses carried over from FY 2015 related to DDOT.
- (6) Approximately \$60m of disbursements were paid in FY 2016 related to invoices from FY 2015 or prior. \$18m of disbursements are cash specific transactions and \$9m are non-Fund 1000.
- (7) General ledger includes recording of \$38m of risk management related expenditures for 12 months in February.
- (8) Cash actuals include \$30m Exit financing principal repayment as well as \$2.8m of Exit financing interest payments and \$7.6m Note C principal and interest payments being captured by the trustee.
- (9) Cash actuals include the segregation of \$56m related to the Major and Local Street funds.



The collection rate for City property taxes YTD is higher than in the prior year

\$ in millions

	FY 2016			FY 2015		
	Adjusted tax roll	Collections YTD (1)	Collection rate	Adjusted tax roll	Collections YTD (1)	Collection rate
General City	\$ 131.8	\$ 105.9	80.4%	\$ 132.6	\$ 99.0	74.7%
Debt Service	69.6	53.9	77.5%	73.8	55.3	74.9%
Solid Waste	59.6	30.9	51.9%	57.0	27.7	48.6%
Total City (2)	\$ 260.9	\$ 190.7	73.1%	\$ 263.3	\$ 181.9	69.1%

Note:

- (1) Amounts do not include collections from Wayne County settlement checks as a result of foreclosure activity.
- (2) Amounts are net of property taxes collected by the City on behalf of DPS, State Education Trust, Wayne County and other non-City taxing authorities.



Exit financing proceeds have been utilized to jump start improving technology, neighborhoods, and public safety

- In the month of February, no additional projects funded by exit financing had been approved, however, approximately \$6m of additional expenses were incurred from the prior month.

\$ in millions

	Number of Projects	Amount Approved	Expense Incurred
Available Exit financing proceeds		\$ 233.2	
Project Allocation:			
Dept. of Innovation and Technology	5	\$ (34.2)	\$ (34.2)
Blight	7	(29.7)	(24.0)
Police	6	(29.0)	(18.5)
Fire	9	(22.0)	(13.7)
General Services	13	(20.3)	(18.4)
OCFO	7	(15.8)	(14.6)
BSEED	1	(4.4)	(2.4)
Law	1	(2.2)	(0.6)
DDOT	1	(1.8)	(1.8)
Recreation	1	(1.2)	(1.2)
Human Resources	2	(0.8)	(0.7)
Other	3	(0.3)	(0.1)
Total	56	\$ (161.6)	\$ (130.2)
Interest/Fees		(2.8)	(2.8)
Amount reserved for projects under review		\$ 68.8	



General City headcount is increasing gradually and remains under budget

	Actual Feb'15	Actual Feb'16 (1)	Budget FY 2016 (2)	Variance	% Variance
Public safety					
Police	2,647	2,802	2,932	130	4%
Fire (3)	1,243	1,195	1,329	134	10%
Total Uniform	3,890	3,997	4,261	264	6%
Non-public safety					
Budget	8	0	0	0	
Finance	188	0	0	0	
Office of the Chief Financial Officer	0	330	477	147	
Dept. of Public Works	331	333	345	12	
Health & Wellness	7	8	8	0	
Human Resources	77	84	51	(33)	
Housing & Revitalization/Planning & Development	90	90	130	40	
Dept. of Innovation and Technology	34	34	47	13	
Law	88	96	100	4	
Mayor	53	58	62	4	
Public Lighting Dept.	7	5	13	8	
Recreation (4)	166	162	115	(47)	
General Services (5)	269	270	448	178	
Legislative (6)	97	160	97	(63)	
36th District Court	353	353	353	0	
Other (7)	48	48	74	26	
Total Civilian	1,816	2,031	2,320	289	12%
Total General City	5,706	6,028	6,581	553	8%
Enterprise					
Airport	4	3	4	1	
BSEED	173	173	205	32	
Transportation	896	1,010	917	(93)	
Parking	86	78	94	16	
Water/Sewerage (8)	1,429	486	425	(61)	
Library	315	288	334	46	
Total Enterprise	2,903	2,038	1,979	(59)	-3%
Total City	8,609	8,066	8,560	494	6%

Notes:

- (1) Actual positions for OCFO reflects reclassifying positions from Finance and Budget to OCFO and new OCFO hires as part of the restructuring. Actual positions for non-OCFO departments have not been reclassified and remain in the departments.
- (2) Includes positions for reinvestment projects that have been approved for funding. Budgeted positions for OCFO reflects FTE at the time of the OCFO budget amendment approved by the FRC.
- (3) Budget reflects 1,189 FTE per Four Year Financial Plan and 150 funded by SAFER grants.
- (4) Budget reflects FTE, however, actuals are reported by headcount including part-time workers.
- (5) Budget reflects 112 FTE approved for reinvestment related projects, which are in the process of being filled.
- (6) Includes: Auditor General, Zoning, City Council, Ombudsperson, City Clerk, and Elections. In January, seasonal staff were hired by the Elections Department to support operations leading up to the general elections.
- (7) Includes: Human Rights, Administrative Hearings, Homeland Security, and Non-departmental.
- (8) FY'16 actuals exclude GLWA employees. Actuals include employees who no longer work at DWSD, but are still on DWSD's payroll.



The City is leveraging funding from external sources

- Total amount awarded increased approximately \$176m from the prior month due to the Office of Grants Management's continued data clean up efforts, which identified \$169m of Transportation, \$6m of Airport, and \$1m of Homeland Security & Emergency Management grants still open that were previously not reflected.

\$ in millions

Department	Amount Awarded (1)	Number of Grants
Transportation	\$ 332.5	23
Housing & Revitalization	241.7	19
Fire Department	56.1	9
Public Works	30.6	20
Health & Wellness Promotion	16.0	2
Police	15.4	25
Coleman A. Young Airport (Airport)	6.2	7
Recreation	4.6	15
Homeland Security and Emergency Management (HSEM)	1.8	7
General Services	1.5	2
Other (2)	1.0	5
Active Federal/State grants (3)	\$ 707.3	134
Active private grants	24.7	25
Active private donations	26.3	39
Total active grants and donations	\$ 758.3	198

Notes:

- (1) Reflects original amount awarded and amendments. Amount available to be spent will be lower for most departments.
- (2) Other includes BSEED and Historic Designation.
- (3) Total does not include Hardest Hit Fund grants, which are reflected in the Land Bank Authority.



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STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

RESOLUTION 2016-7

**APPROVING THE CITY’S APRIL 2016 FISCAL YEAR 2016 BUDGET
AMENDMENT REQUESTS**

WHEREAS, Public Act 181 of 2014, the Michigan Financial Review Commission Act (the “Act”), allows for the creation of the Detroit Financial Review Commission (the “Commission”) within the Michigan Department of Treasury; and

WHEREAS, Section 6(1) of the Act empowers the Commission to provide oversight for the City of Detroit (the “City”) beginning on the Effective Date of the Plan of Adjustment; and

WHEREAS, Section 7(c) of the Act provides that during the period of oversight, the Commission review, modify, and approve the City’s proposed and amended operational budgets and that a proposed budget or budget amendment does not take effect unless approved by the Commission; and

WHEREAS, Section 6(3) of the Act further requires the Commission to ensure that the City complies with the requirements of the Uniform Budgeting and Accounting Act; and

WHEREAS, the Uniform Budgeting and Accounting Act prevents the City from deviating from its original general appropriations act without amending it and requires the City to amend its general appropriations act as soon as it becomes apparent that a deviation from the original general appropriations act is necessary and the amount of the deviation can be determined; and

WHEREAS, at the Commission meeting on April 18, 2016, the City presented fiscal year 2016 budget amendment requests, attached as **Exhibit A** to this Resolution, for the Commission's review and approval.

NOW THEREFORE, be it resolved by the Detroit Financial Review Commission as follows:

1. That the City's April 2016 fiscal year 2016 budget amendment requests, attached as **Exhibit A** to this Resolution but excluding any budget amendments a majority of Commission members present has agreed to exclude as noted in the minutes, are hereby approved.
2. That the minutes of the Detroit Financial Review Commission meeting at which this Resolution is adopted take notice of the adoption of this Resolution.
3. This Resolution shall have immediate effect.

IN WITNESS WHEREOF, the members of the Commission, or their designees, have signed and adopted this Resolution.

DETROIT FINANCIAL REVIEW COMMISSION

By _____
Darrell Burks, Detroit Financial Review Commission
Member

By _____
Michael Duggan, Detroit Financial Review
Commission Member

By _____
Stacy Fox, Detroit Financial Review Commission
Member

By _____
Lorron James, Detroit Financial Review Commission
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By _____
Brenda Jones, Detroit Financial Review Commission
Member

By _____
Nick A. Khouri, State Treasurer and Detroit Financial
Review Commission Member

By _____
William Martin, Detroit Financial Review
Commission Member

By _____
John S. Roberts, Detroit Financial Review
Commission Member

By _____
Tony Saunders, Detroit Financial Review Commission
Member

Date: _____
Detroit, Michigan

CITY OF DETROIT BUDGET AMENDMENTS

THE FOLLOWING BUDGET AMENDMENTS ARE BEING SENT TO THE FRC FOR REVIEW AND APPROVAL PURSUANT TO
THE MICHIGAN FINANCIAL REVIEW COMMISSION ACT
FOR April 18, 2016 MEETING

Grant Budget Amendments

No.	Department	Grantor	Brief Description	Budget Amendment Amount	Appropriation No.
1	Police Dept.	Michigan Office of Highway Safety Planning	Police Dept. to accept grant from the Michigan Office of Highway Safety Planning for the City of Detroit Traffic Enforcement Program FY 2016	\$ 275,000.00	20225
2	Police Dept.	Michigan Office of Highway Safety Planning	FY 2016 Highway Safety Project Grant for Underage Enforcement Grant (Youth and Alcohol)	\$ 50,000.00	20203
3	Police Dept.	US Dept. of Justice, Office of Community Oriented Police (COPS) 2015	2015 COPS Hiring Program Grant	\$ 1,840,412.00	20202
4	Police Dept.	US Dept. of Justice, Office of Justice Programs	2015 Technology Innovation for Public Safety (TIPS) Grant to provide funding for a real time crime monitoring system to address larceny of motor vehicles.	\$ 414,983.00	20199
5	Police Dept.	US Dept. of Justice, Office on Violence Against Women	Provide funding to work with local human services partners and law enforcement agencies to develop a coordinated set of responses to domestic violence that ensure safety and offender accountability.	\$ 720,000.00	20201
6	Police Dept.	Community Health and Social Services Center	Overtime and training/travel costs to DPD's fourth precinct officers	\$ 28,279.00	20260
7	Police Dept.	US Department of Justice, Bureau of Justice	FY 2015 Justice Assistance Grant (JAG) to improve local efforts to prevent or reduce crime and violence.	\$ 913,355.00	20259
8	Police Dept.	National Association of VOCA Assistance Administrators	Funding a National Crime Victims' Rights Week Community Awareness Project	\$ 5,000.00	20262
9	Police Dept.	Marathon Petroleum Company (MPC)	Provide funds to pay for work zone traffic enforcement for the M-85 (Fort Street) Bascule Bridge Replacement over the Rouge River	\$ 250,000.00	10082

No.	Department	Grantor	Brief Description	Budget Amendment Amount	Appropriation No.	
10	HRD	Housing and Urban Development	Amendments to the 2015-16 CDBG Budget and Annual Consolidated Action Plan			
			Increase Economic Development	\$	250,000.00	11507
			Increase Section 108 Loan	\$	3,033,133.00	13529
			Decrease Economic Development Small Business	\$	(1,000,000.00)	13837
			Decrease Public Park Improvements	\$	(99,044.00)	13365
			Decrease CDBG Housing Rehab Loan Program	\$	(2,184,089.00)	13609
11	HRD	Housing and Urban Development	Reprogramming--- Cass Community Social Services Warming Center Amendment to the HUD Consolidated Plan			
			Increase Cass Community Social Service Public Service	\$	60,000.00	11838
			Decrease Detroit Windsor Dance Academy Public Service	\$	(60,000.00)	05122
12	HRD	Housing and Urban Development	Increase Southwest Counseling Solutions Homeless Public Service	\$	150,000.00	10626
			Decrease CDBG Housing Rehab 0% Interest Loan Program	\$	(150,000.00)	13609
			Increase Wellspring Public Service	\$	81,369.63	05178
			Decrease Kendall Community Development Corporation Public service	\$	(51,143.72)	12421
			Decrease City Year Public Service	\$	(30,225.91)	11164
			Increase Detroit Rescue Mission Ministries Public Service	\$	200,000.00	11882
			Decrease Lift Women Resource Center Public Service	\$	(100,000.00)	11797
			Decrease Operation Get Down Public Service	\$	(100,000.00)	11839
13	HRD	Wayne County and New Amsterdam 1 and 2 Section 108 Loans	Approval to accept \$1.12M Payment from Wayne County and \$6M from New Amsterdam 1 and 2 Section 108 Loans			
			Increase Section 108 Loans	\$	920,000.00	13529
			Increase Section 108 Loan Workout Plan	\$	200,000.00	13561
			Increase Section 108 Loan New Amsterdam 1 and 2 Projects	\$	6,000,000.00	20263
14	DDOT	Federal Transit Administration	Increase in appropriation for Section 5316 Local Job access and Reverse Commute Program FY 2008/2009/2010/2011/2012	\$	4,135,225.00	13876

No.	Department	Grantor	Brief Description	Budget Amendment Amount	Appropriation No.
15	DDOT	Federal Transit Administration	FTA has awarded an amendment to the City of Detroit Department of Transportation FY 2015 with CMAQ Improvement Program	\$ 2,800,000.00	13897
16	Recreation Dept.	Michigan Department of Natural Resources	Public land improvements at Stein Park, Palmer Park, Farwell Recreation Center and Viola Luizzo Park	\$ 525,000.00	20191

CITY OF DETROIT BUDGET AMENDMENTS

THE FOLLOWING BUDGET AMENDMENTS ARE BEING SENT TO THE FRC FOR REVIEW AND APPROVAL PURSUANT TO
THE MICHIGAN FINANCIAL REVIEW COMMISSION ACT
FOR April 18, 2016 MEETING

Grant Budget Amendments (pending City Council approval)

No.	Department	Grantor	Brief Description	Budget Amendment Amount	Appropriation No.
17	HRD	Housing and Urban Development	2nd Amendment to the 2015-16 CDBG Budget and Annual Consolidated Action Plan		
			Increase Section 108 Loan	\$ 708,431.22	13529
			Decrease Economic Development Small Business	\$ (244,850.60)	12721
			Decrease Public Park Improvements	\$ (50,000.00)	11507
			Decrease Black Family Development	\$ (4,070.53)	06642
			Decrease Boys & Girls Clubs	\$ (16.05)	06713
			Decrease Bridging Communities	\$ (279.88)	10154
			Decrease Central United Methodist Church	\$ (123.74)	11896
			Decrease Coleman A Young Foundation	\$ (19,704.57)	11499
			Decrease Communities In Schools of Detroit	\$ (55,200.00)	10109
			Decrease Community Health Awareness Group	\$ (15,208.51)	12181
			Decrease Delray United Action Council	\$ (31,905.61)	06403
			Decrease Catholic Pastoral Alliance	\$ (13,848.41)	06649
			Decrease Central City CMH	\$ (2,798.07)	11787
			Decrease Detroit East	\$ (50,000.00)	12417
			Decrease Youth Foundation	\$ (502.50)	12182
			Decrease Elmhurst Home	\$ (28,096.02)	05661
			Decrease Door Initiative	\$ (7,003.79)	13560
			Decrease Inside Out Literary Arts	\$ (3.60)	10878
			Decrease Jefferson East Business Assoc	\$ (3,326.24)	10620
			Decrease Jewish Vocational Services	\$ (52,288.66)	05250
			Decrease Lift Womens Resource Center	\$ (200.95)	11797

No.	Department	Grantor	Brief Description	Budget Amendment Amount	Appropriation No.
			Decrease Living Arts	\$ (624.51)	11892
			Decrease Michigan Legal Services	\$ (3,502.00)	11799
			Decrease NSO 24 Hour Walk in Center	\$ (5.44)	11801
			Decrease Operation Get Down	\$ (4,510.01)	11839
			Decrease Peoples Community Services	\$ (19.93)	05428
			Decrease Proliteracy Detroit	\$ (55,200.00)	05134
			Decrease Sphinx Organization	\$ (2,924.60)	11875
			Decrease St Christine Christian Services	\$ (5,176.09)	12194
			Decrease Teen Hype Youth Development Program	\$ (916.32)	13397
			Decrease The Yuinon	\$ (55,200.00)	13398
			Decrease Volunteers In Prevention Probation Prison	\$ (6.00)	10629
			Decrease Wayne County NLS	\$ (4.42)	10663
			Decrease YWCA	\$ (914.17)	11809
				\$ 0.00	



CITY OF DETROIT
HOUSING AND REVITALIZATION DEPARTMENT

1801
APR 12 2016
COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVENUE, SUITE 908
DETROIT, MICHIGAN 48226
(313) 224-6380 • TTY:711
(313) 224-1629
WWW.DETROITMI.GOV

April 11, 2016

Detroit City Council
1340 Coleman A. Young Municipal Center
Detroit, MI 48226

RE: 2nd Amendment to the 2015-16 CDBG Budget and Consolidated Action Plan

Honorable City Council:

The Housing & Revitalization Department (H&RD) is requesting that changes be made to the City's 2015-16 CDBG Budget and Annual Consolidated Action Plan consistent with meeting the City's CDBG Timeliness Test on May 2, 2016.

The City has previously had significant challenges meeting its timeliness test, which requires that the City have no more than 1.5 times its CDBG allocation on hand at any time. A test of this metric is made sixty (60) days before the end of the program year for all CDBG recipients. This test is one of the primary ways in which the City's performance is measured by HUD.

Over the past three years, the Department has gone from \$13 million dollars over its threshold in 2014 and \$6 million dollars over its threshold in 2015. This year, we believe that through a series of moves and expenditure increases, the Department can meet this test on May 2, 2016.

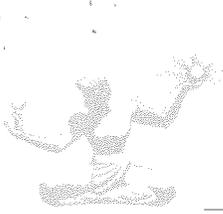
To do so however, a series of budget amendments are required to expend funding. The funds targeted for reprogramming consist of unused funds, balances for programs that no longer exist, or are funds unlikely to be used in a timely manner. The major categories of funding will change as follows:

Line Items to be reprogrammed:

• Public/Homeless Public Service	\$ 413,580.62
• Substantial Rehab Publicly/Private Owned Housing	\$ 244,850.60
• Economic Development	\$ <u>50,000.00</u>
Total	\$ 708,431.22

Line Items for Funding Additions:

Section 108 Loans Defeasance	Total \$ 708,431.22
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BY COUNCIL MEMBER _____

WHEREAS, the Detroit City Council hereby approves amending the HUD Consolidated Plan to reflect the reprogramming of Community Development Block Grant funds in accordance with the foregoing communication; and

WHEREAS, the Mayor of the City of Detroit, Michael E. Duggan, is hereby authorized to amend the HUD Consolidated Plan, including all understandings and assurances contained therein to the U.S. Department of Housing and Urban Development (HUD) in accordance with the foregoing communication; and

RESOLVED, that the Budget Director be and is hereby authorized to increase Appropriation #13529 Section 108 Loan by \$708,431.22; and

RESOLVED, that the Budget Director be and is hereby authorized to decrease Appropriation #12721 Virginia Park Henry Ford Hospital Non-Profit Corporation - Substantial Rehabilitation Publicly/ Privately Owned Housing by \$244,850.60; and

RESOLVED, that the Budget Director be and is hereby authorized to decrease Appropriation #11507 Woodward Avenue Action Association by \$50,000.00; and

RESOLVED, that the Budget Director be and is hereby authorized to decrease Appropriations as follows: see attached list; and

BE IT FINALLY RESOLVED, that the Finance Director be and is hereby authorized to accept and process all documents reflecting these changes.



Detroit City Council

RE: 2nd Amendment to the 2015-16 CDBG Budget and Consolidated Action Plan

April 11, 2016

Page 2

In future years, the resolution has been to use unexpended funds to defease Section 108 notes through allocation of the funds to a different agent. This approach draws the funding out of our accounts to meet the timeliness test while creating new budget authority in the next fiscal year. These funds are shown as available in the City's 2016-17 budget request.

We ask that the Council approve this series of amendments to enable the City to meet timeliness and create future budget authority. We seek your Honorable Body's approval of the attached resolution.

Respectfully submitted,

Arthur Jemison
Director
Housing & Revitalization Department

Attachment

cc: Aliyah Sabree, Mayor's Office
Chidi Nyeche

APPROVED
 4/11/16
BUDGET DIRECTOR
FINANCE DIRECTOR

CDBG PUBLIC/HOMELESS PUBLIC SERVICE REPROGRAMMING REPORT
Funding Years 2011 thru 2013

Organization Project Description	DRMS/Cost Ctr #	Funding Year	Approp #	Grant Amount	Expenditure Amount	Reprogram Amount
PEOPLES COMMUNITY SERVICES	360522	2013	05428	\$60,000.00	\$59,980.07	\$19.93
PROLITERACY DETROIT	360442	2012	05134	\$55,200.00	\$0.00	\$55,200.00
SPHINX ORGANIZATION	367173	2013	11875	\$60,000.00	\$57,075.40	\$2,924.60
ST CHRISTINE CHRISTIAN SERVICES	367140	2013	12194	\$60,000.00	\$54,823.91	\$5,176.09
TEEN HYPE YOUTH DEVELOPMENT PROGRAM	367227	2012	13397	\$55,200.00	\$54,283.68	\$916.32
THE YUINON	367228	2012	13398	\$55,200.00	\$0.00	\$55,200.00
VOLUNTEERS IN PREVENTION PROBATION PRISON	363068	2012	10629	\$55,200.00	\$55,194.00	\$6.00
WAYNE COUNTY NLS	363079	2013	10663	\$88,000.00	\$87,995.58	\$4.42
YWCA	366130	2013	11809	\$88,000.00	\$87,085.83	\$914.17
				\$2,420,100.00	\$2,006,478.79	\$413,580.62
* DRMS amt due to reconciliation issue						



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

RESOLUTION 2016-8

APPROVING THE CITY’S APRIL 2016 CONTRACT REQUESTS

WHEREAS, Public Act 181 of 2014, the Michigan Financial Review Commission Act (the “Act”), allows for the creation of the Detroit Financial Review Commission (the “Commission”) within the Michigan Department of Treasury; and

WHEREAS, Section 6(1) of the Act empowers the Commission to provide oversight for the City of Detroit (the “City”) beginning on the Effective Date of the Plan of Adjustment; and

WHEREAS, Section 6(6) of the Act provides that during the period of oversight, the Commission review and approve the City’s applicable contracts, as defined by Section 3(a) of the Act, and that an applicable contract does not take effect unless approved by the Commission; and

WHEREAS, at the Commission meeting on April 18, 2016, the City presented applicable contracts, attached as **Exhibit A** to this Resolution, for the Commission’s review and approval.

NOW THEREFORE, be it resolved by the Detroit Financial Review Commission as follows:

1. That the City’s April 2016 contract requests, attached as **Exhibit A** to this Resolution but excluding any contracts a majority of Commission members present has agreed to exclude as noted in the minutes, are hereby approved.
2. That the minutes of the Detroit Financial Review Commission meeting at which this Resolution is adopted take notice of the adoption of this Resolution.
3. This Resolution shall have immediate effect.

IN WITNESS WHEREOF, the members of the Commission, or their designees, have signed and adopted this Resolution.

DETROIT FINANCIAL REVIEW COMMISSION

By _____
Darrell Burks, Detroit Financial Review Commission
Member

By _____
Michael Duggan, Detroit Financial Review Commission
Member

By _____
Stacy Fox, Detroit Financial Review Commission
Member

By _____
Lorron James, Detroit Financial Review Commission
Member

By _____
Brenda Jones, Detroit Financial Review Commission
Member

By _____
Nick A. Khouri, State Treasurer and Detroit Financial
Review Commission Member

By _____
William Martin, Detroit Financial Review Commission
Member

By _____
John S. Roberts, Detroit Financial Review Commission
Member

By _____
Tony Saunders, Detroit Financial Review Commission
Member

Date: _____
Detroit, Michigan

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 April 18, 2016 Meeting

Prepared By: Boysie Jackson, Chief Procurement Officer - 4/8/2016 **UPDATED 4/13/16**

City Council and Water Board Approvals Through April 12, 2016

	Department	Contract Number	Description	Contract Request Type	Competitively Bid? If not a New contract, was the original contract competitively bid?	Lowest Bid? If not a New contract, was the original contract the lowest bid?	City Council Approval Date	Office of the Chief Financial Officer Approval Date	Comments
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CONTRACTS GREATER THAN \$750K

1	LAW	2917570	Contract Amount: \$1,698,732.00 Contract Period: Upon FRC Approval through 6/30/19 Source: 100% City Funding Purpose: To Provide Management and Staffing for Law Reprographics and Mailroom Services Contractor: Novitex Enterprise Solutions, Inc. Location: 300 First Stamford Place, Second Floor West, Stamford, CT 06902	New	Yes	Yes	4/12/2016	4/18/2016	
2	PUBLIC WORKS	2906351	Contract Amount: \$7,000,000.00 Contract Period: 4/16/16 through 4/15/17 Source: 100% Street Funding Purpose: To Provide Manufacture and Delivery of Asphalt Material Contractor: Cadillac Asphalt LLC Location: 2575 S. Haggerty Road, Suite 100, Canton, MI 48188	Time Extension and Funds Increase	Yes	Yes	4/12/2016	4/18/2016	Exercising Renewal Option. Total Contract Amount: \$14,862,500.00 Renewal Contract. Original contract amount is \$7,862,500.00 and original contract date is May 1, 2015 through April 30, 2016
3	TRANSPORTATION	2920154	Contract Amount: \$3,600,000.00 Contract Period: 3/29/16 through 3/28/18 Source: 20% State, 80% Federal Funding Purpose: To Provide OEM Coach Spare Parts Contractor: New Flyer Industries Location: 711 Kernaghan Avenue, Winnipeg, MB R2C 3T4	New	Yes	Yes	4/5/2016	4/18/2016	
4	TRANSPORTATION	2920155	Contract Amount: \$750,000.00 Contract Period: 3/29/16 through 3/28/18 Source: 20% State, 80% Federal Funding Purpose: To Provide OEM Coach Spare Parts Contractor: Kirk's Automotive, Inc. Location: 9330 Roselawn, Detroit, MI 48204	New	Yes	Yes	4/5/2016	4/18/2016	
5	TRANSPORTATION	2920157	Contract Amount: \$2,400,000.00 Contract Period: Upon FRC Approval through 3/28/18 Source: 20% State, 80% Federal Funding Purpose: To Provide OEM Coach Spare Parts Contractor: Gillig Corporation Location: 25800 Clawiter Road, Hayward, CA 94545	New	Yes	Yes	4/5/2016	4/18/2016	

	Department	Contract Number	Description	Contract Request Type	Competitively Bid? If not a New contract, was the original contract competitively bid?	Lowest Bid? If not a New contract, was the original contract the lowest bid?	City Council Approval Date	Office of the Chief Financial Officer Approval Date	Comments
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CONTRACTS GREATER THAN \$750K -- continued

6	TRANSPORTATION	2920159	Contract Amount: \$1,600,000.00 Contract Period: Upon FRC Approval through 3/28/18 Source: 20% State, 80% Federal Funding Purpose: To Provide OEM Coach Spare Parts Contractor: Prevost Parts Location: 2250 Point Blvd., Suite 410, Elgin, IL 60123	New	Yes	Yes	4/5/2016	4/18/2016	
7	TRANSPORTATION	2920907	Contract Amount: \$775,416.52 Contract Period: Upon FRC Approval through 3/31/18 Source: 100% City Funding Purpose: To Provide HVAC Preventive Maintenance at DDOT Locations Contractor: Walkers Heating & Cooling Location: 15921 W. Eight Mile Road, Detroit, MI 48235	New	Yes	Yes	4/5/2016	4/18/2016	

CONTRACTS GREATER THAN 2 YEARS

			No Contracts Submitted for this Category						
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	Department	Contract Number	Description	Contract Request Type	Competitively Bid? If not a New contract, was the original contract competitively bid?	Lowest Bid? If not a New contract, was the original contract the 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

			No Contracts Submitted for this Category						
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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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STATE OF MICHIGAN
DEPARTMENT OF TREASURY

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DATE: April 14, 2016

TO: Financial Review Commission members

FROM: Ronald L. Rose, Executive Director
Steven C. Watson, Senior Analyst
Financial Review Commission

SUBJECT: FRC April 2016 City of Detroit Contracts Review

The City is requesting 7 contract approvals at the April 18, 2016 FRC Meeting. The following is a summary of the requests, which were reviewed by and discussed with the FRC Advisory Subcommittee on Contracts and Procurement. The various contract categories and funding sources are summarized in the tables below:

Contract Request Type	Count	Contract List Item #s	Competitively Bid? If not a New contract, was the original contract competitively bid?	Lowest Bid? If not a New contract, was the original contract the lowest bid?
New Contracts	6	1, 3, 4, 5, 6, 7	Yes	Yes
Time Extension and Funds Increase (Renewal Option)	1	2	Yes	Yes

Funding Source	Count	Contract List Item #s	Total Dollar Amount
DDOT Grants Enterprise Fund (State/Federal)	4	3, 4, 5, 6	\$8,350,000
DDOT Operations Enterprise Fund	1	7	\$775,416.52
General Fund	1	1	\$1,698,732
Street Fund	1	2	\$7,000,000

Additional details about each contract are discussed below:

New Contracts

- Reprographics and Mailroom Services through 6/30/2019 (item #1)
 - Contract awarded to lowest bid to provide document production and mailroom processing services for Law Department and Citywide mailroom processing services overseen by the Department of Innovation and Technology (DoIT)
 - This new contract consolidates two previously separate contracts for mailroom services (Law and DoIT/Citywide)
 - Funded from Law and DoIT operating budgets (General Fund)

- OEM Coach Spare Parts for DDOT Buses through 3/28/2018 (items #3-6)
 - Four contracts awarded to lowest bidders for specifically listed parts to meet DDOT needs for the next two years
 - Funded from DDOT Grants enterprise fund, which is supported by 20% State funding and 80% federal funding

- HVAC Preventative Maintenance at DDOT Locations through 3/31/2018 (item #7)
 - Contract awarded to lowest bidder for HVAC preventative maintenance for DDOT for two years
 - Funded from DDOT Operations enterprise fund, which is supported by fare revenue and the City's General Fund subsidy to DDOT

Time Extension and Funds Increases

- Manufacture and Delivery of Asphalt, funding increase and one-year time extension through 4/15/2017 (item #2)
 - Exercising renewal option within original contract for one year to continue providing asphalt for street resurfacing and repaving at current contract prices
 - Funded from Street Fund, which is supported by State and federal road funding
 - City plans to re-bid contract for when this one-year renewal period expires

RLR/SCW



CITY OF DETROIT
MAYOR'S OFFICE

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVE., SUITE 1126
DETROIT, MICHIGAN 48226
PHONE 313•224•3400
FAX 313•224•4128
WWW.DETROITMI.GOV

April 18, 2016

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 April 18, 2016, hold a closed session so that the City can discuss with the FRC the City's strategy in certain potential negotiations with the unions representing firefighters and/or EMS, together with the potential financial impact that would follow such a negotiation. The City deems it very important that FRC be given this information at this time. It is important for the City to make a presentation because the FRC has a duty to approve and disapprove all modifications of collective bargaining agreements. In order for the FRC to understand the positions proposed to be taken by the City in the anticipated negotiations, the potential financial impact, and whether the FRC is in favor of the actions the City anticipates taking, the City desires to discuss the anticipated negotiations with the FRC in closed session.

Sincerely,

Michael E. Duggan
Mayor, City of Detroit