



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  
Darrell Burks, Detroit Financial Review Commission  
Member

By Michael Duggan  
Michael Duggan, Detroit Financial Review Commission  
Member

By Stacy Fox  
Stacy Fox, Detroit Financial Review Commission  
Member

By Lorron James  
Lorron James, Detroit Financial Review Commission  
Member

By Brenda Jones  
Brenda Jones, Detroit Financial Review Commission  
Member

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

By William Martin  
William Martin, Detroit Financial Review Commission  
Member

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

By Tony Saunders  
Tony Saunders, Detroit Financial Review Commission  
Member

Date: 04/18/2016  
Detroit, Michigan