

CITY OF DETROIT

Office of the Chief Financial Officer

Financial Report for the Ten Months ended April 30, 2017

June 26, 2017



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Executive summary

- The City has released its FY 2016 Comprehensive Annual Financial Report, which shows the City ended its second consecutive year with a balanced budget and a surplus of \$62.9M.
- The City has also released its FY 2016 Single Audit report covering federal grant spending, which shows zero questioned costs for the first time in over a decade.
- The OCFO has submitted its proposal to establish the Retiree Protection Trust Fund for the City Council's consideration.
- Current projections indicate FY 2017 is estimated to end with a budget surplus of approximately \$53M.
 - Revenue projections remain in line with the February Consensus Revenue Estimating Conference results. (page 3)
 - Payroll and employee benefit expenditures are trending below budget as a result of position vacancies. (page 3)
 - The General City active employee count increased in April but remains below budget. (page 4)
 - A portion of the projected surplus may be utilized for recommended fleet replacements during FY 2017.
- April YTD General City property tax collection rate exceeds the prior year. (page 7)
- Accounts Payable as of April 2017 decreased by \$8M from \$31.1M to \$23.1M compared to March. (page 8)
- With respect to exit financing, approved projects increased by \$3M for the Integrated Public Safety System. (page 9)
- In April, Federal and State grants show a net decrease of \$15.4M due to the completion and closure of 5 grants across DDOT and Recreation and additional awards for HSEM and Police. From private funds, the Mayor's Grow Detroit's Young Talent (GDYT) youth employment program received commitments of \$2.6M via multiple grants and donations to Detroit Employment Solutions Corporation and City Connect Detroit. Detroit Promise also received a commitment of \$3.5M over 3 years from the W.K. Kellogg Foundation via the Michigan Education Excellence Foundation. (page 10)



FY 2017 year-to-date general ledger actuals and annualized projection

GENERAL FUND

\$ in millions

REVENUE:

Municipal Income Tax	\$ 229.4	\$ 209.4	\$ -	\$ 209.4	\$ (20.0)	(8.7%)	\$ 266.6	\$ 275.0	\$ 8.4	3.2%
Property Taxes	108.1	99.8	3.3	103.1	(5.1)	(4.7%)	117.0	124.0	7.0	6.0%
Wagering Taxes	146.7	149.5	-	149.5	2.8	1.9%	175.2	176.0	0.8	0.5%
Utility Users' Tax	30.8	27.0	-	27.0	(3.9)	(12.5%)	37.0	35.0	(2.0)	(5.4%)
State Revenue Sharing	163.8	132.2	-	132.2	(31.5)	(19.3%)	196.5	195.2	(1.3)	(0.7%)
Sales and Charges for Services	102.8	41.5	-	41.5	(61.3)	(59.6%)	123.4	119.4	(4.0)	(3.2%)
Licenses, Permits, and Inspection Charges	9.3	9.9	-	9.9	0.6	6.0%	11.2	11.2	0.0	0.4%
Contributions and Transfers	127.5	0.0	67.9	67.9	(59.7)	(46.8%)	143.0	141.2	(1.8)	(1.3%)
Fines, Forfeits and Penalties	18.5	18.3	-	18.3	(0.2)	(1.3%)	22.2	24.5	2.2	10.1%
Revenues from Use of Assets	1.1	1.8	-	1.8	0.7	59.1%	1.3	1.3	(0.0)	(2.3%)
Other Taxes, Assessments, and Interest	7.6	12.8	-	12.8	5.3	69.8%	9.1	7.7	(1.3)	(14.7%)
Sales of Assets and Compensation for Losses	12.0	0.1	-	0.1	(11.9)	(98.8%)	14.4	7.0	(7.5)	(51.6%)
Miscellaneous	8.6	8.1	33.3	41.4	32.8	382.4%	12.6	9.4	(3.2)	(25.3%)
Adjust for Prior Year Encumbrances (6)	40.8	-	40.8	40.8	-	-	40.8	40.8	-	-

TOTAL (L)

\$ 1,007.1 \$ 710.3 \$ 145.3 \$ 855.6 \$ (151.5) (15.0%)

EXPENDITURES: (6)

Salaries and Wages	\$ (335.4)	\$ (299.2)	\$ -	\$ (299.2)	\$ 36.2	10.8%	\$ (397.6)	\$ (375.2)	\$ 22.4	5.6%
Employee Benefits	(208.2)	(71.2)	0.0	(71.2)	136.9	65.8%	(237.1)	(221.7)	15.4	6.5%
Professional and Contractual Services	(77.4)	(48.2)	(15.4)	(63.7)	13.8	17.8%	(88.4)	(82.5)	5.9	6.6%
Operating Supplies	(33.9)	(22.3)	(23.4)	(45.7)	(11.8)	(34.6%)	(38.7)	(45.0)	(6.4)	(16.5%)
Operating Services	(131.1)	(45.9)	(7.3)	(53.2)	77.8	59.4%	(155.9)	(150.6)	5.3	3.4%
Capital Equipment	(3.3)	(1.1)	(1.9)	(3.0)	0.3	9.3%	(3.4)	(4.2)	(0.7)	(21.8%)
Capital Outlays	(29.9)	(6.6)	(14.7)	(21.2)	8.7	29.0%	(36.0)	(35.2)	0.8	2.4%
Debt Service	(62.8)	(45.0)	(18.0)	(63.0)	(0.1)	(0.2%)	(75.4)	(66.6)	8.9	11.8%
Other Expenses	(113.9)	(58.4)	(0.3)	(58.7)	55.2	48.4%	(137.9)	(133.2)	4.7	3.4%

TOTAL (M)

\$ (996.0) \$ (598.0) \$ (81.0) \$ (679.0) \$ 317.0 31.8%

VARIANCE (N = L + M)

\$ 11.1 \$ 112.4 \$ 64.3 \$ 176.6 \$ 165.5 1488.8%

ANNUALIZED PROJECTION ANALYSIS

BUDGET	VARIANCE (BUDGET VS. ACTUAL)			
	BUDGET	PROJECTION		
	ANNUAL	ANNUAL		
ADJUSTED (1)	ADJUSTED	ESTIMATED (4)	ESTIMATED	
B	H	I	(J) J = I-H	% K = (J/H)
\$ 266.6	\$ 275.0	\$ 8.4	3.2%	
117.0	124.0	7.0	6.0%	
175.2	176.0	0.8	0.5%	
37.0	35.0	(2.0)	(5.4%)	
196.5	195.2	(1.3)	(0.7%)	
123.4	119.4	(4.0)	(3.2%)	
11.2	11.2	0.0	0.4%	
143.0	141.2	(1.8)	(1.3%)	
22.2	24.5	2.2	10.1%	
1.3	1.3	(0.0)	(2.3%)	
9.1	7.7	(1.3)	(14.7%)	
14.4	7.0	(7.5)	(51.6%)	
12.6	9.4	(3.2)	(25.3%)	
40.8	40.8	-	-	
\$ 1,170.4	\$ 1,167.8	\$ (2.6)	(0.2%)	
\$ (397.6)	\$ (375.2)	\$ 22.4	5.6%	
(237.1)	(221.7)	15.4	6.5%	
(88.4)	(82.5)	5.9	6.6%	
(38.7)	(45.0)	(6.4)	(16.5%)	
(155.9)	(150.6)	5.3	3.4%	
(3.4)	(4.2)	(0.7)	(21.8%)	
(36.0)	(35.2)	0.8	2.4%	
(75.4)	(66.6)	8.9	11.8%	
(137.9)	(133.2)	4.7	3.4%	
\$ (1,170.4)	\$ (1,114.3)	\$ 56.2	4.8%	
\$ 0.0	\$ 53.5	\$ 53.5	N/A	

Notes

- (1) Adjusted monthly budget assumes pro rata as well as seasonal distribution of annual adjusted budget.
- (2) Year-to-date actuals reflect ten months ending April 30, 2017.
- (3) Reflects encumbrances and pending accruals, including prior year carry-forwards and current year activities.
- (4) Revenues are based on the February 2017 Consensus Revenue Estimating Conference results.
- (5) YTD revenue in this category will appear to exceed the projection until distributions to other jurisdictions are completed later in the year.
- (6) This revenue line reflects funding to support prior year encumbrances and carry-forwards, for which equivalent amounts are captured within expenditures.



Monthly active employee count compared to budget

	Actual March 2017	Actual April 2017	April 2017 vs. March 2017	Budget FY 2017 ⁽¹⁾	Budget vs. April 2017	
Public Safety						
Police	2,902	2,911	9	3,127	216	7%
Fire	1,188	1,185	(3)	1,332	147	11%
Total Public Safety	4,090	4,096	6	4,459	363	8%
Non-Public Safety						
Office of the Chief Financial Officer	418	418	0	453	35	
Dept. of Public Works	304	359	55	376	17	
Health & Wellness	37	35	(2)	51	16	
Human Resources	97	98	1	70	(28) ⁽³⁾	
Housing	67	69	2	59	(10) ⁽³⁾	
Dept. of Innovation and Technology	103	96	(7)	134	38	
Law	103	102	(1)	108	6	
Mayor (Includes Homeland Security)	72	72	0	72	0	
Planning	26	26	0	22	(4) ⁽³⁾	
Public Lighting Department	4	4	0	6	2	
Recreation	212	211	(1)	285 ⁽²⁾	74	
General Services	315 ⁽⁴⁾	409	94	574 ⁽²⁾	165	
Legislative ⁽⁵⁾	168	169	1	252 ⁽²⁾	83	
36th District Court	315	315	0	326	11	
Other ⁽⁶⁾	83	87	4	80	(7) ⁽⁷⁾	
Total Non-Public Safety	2,324	2,470	146	2,868	398	14%
Total General City	6,414	6,566	152	7,327	761	10%
Enterprise						
Airport	4	3	(1)	4	1	
BSEED	198	199	1	204	5	
Transportation	892	887	(5)	900	13	
Parking	87	89	2	89	0	
Water and Sewerage	445	470	25	488	18	
Library	290	289	(1)	325	36	
Total Enterprise	1,916	1,937	21	2,010	73	4%
Total City	8,330	8,503	173	9,337	834	9%

Notes:

- (1) Budget excludes personal services contractors (PSCs). Actuals are based on active employees only (both permanent and temporary) and include full-time, part-time, seasonal employees and PSCs if funded by vacant budgeted positions.
- (2) The Budget counts for these departments are modified in the report to include budgeted positions for employees that are not full-time.
- (3) Variances are due to ongoing departmental reorganizations occurring during FY 2017.
- (4) March 2017 Actual amount for General Services has been corrected compared to the previous month's report.
- (5) Includes: Auditor General, Inspector General, Zoning, City Council, Ombudsperson, City Clerk, and Elections.
- (6) Includes: Civil Rights Inclusion & Opportunity, Administrative Hearings and Non-departmental.
- (7) Variance is due to Media Services positions, which were budgeted as PSCs and subsequently converted to administrative special services positions.



FY 2017 year-to-date net cash flows

For 10 Months Ended April 30, 2017

\$ in millions

Cash Flows - General Pool Cash

	Actual 10 Months		Prior Year	
			10 Months	Change
Property Taxes	\$ 103.1	(1)	\$ 114.2	\$ (11.1)
Municipal Income Taxes	237.1		219.7	17.4
Utility Users Taxes	31.0	(2)	17.8	13.2
Wagering Taxes	148.1		146.2	1.8
State Revenue Sharing	197.0		162.4	34.6
Other / Misc.	158.8		155.1	3.7
Total Receipts	875.1		815.5	59.6
Salaries and Wages	(330.1)		(303.9)	(26.2)
Employee Benefits	(61.6)		(48.7)	(12.8)
Materials, Contracts & Other	(341.3)		(226.7)	(114.6)
Total Disbursements	(733.0)		(579.3)	(153.6)
Operating Surplus (before Reinvestment)	142.1		236.1	(94.0)
Debt Service	(68.4)		(119.7)	(3) 51.3
Non-Financing Adjustments	(26.6)	(4)	-	(26.6)
Total Adjustments to arrive at Net Cash Flow	(95.0)		(119.7)	24.7
Net Cash Flow (5)	\$ 47.1		\$ 116.5	\$ (69.4)
Beginning cash balance (net of distribution) (6)	\$ 372.1		\$ 211.0	\$ 161.1
Net Cash Flow (5)	47.1		116.5	(69.4)
Lockbox reserves	-		-	-
Ending cash balance (net of distribution owed) (6)	\$ 419.2		\$ 327.4	\$ 91.8

Notes:

- (1) Property Tax Detail located on page 7.
- (2) Reporting of Utility Users Tax includes Public Lighting Authority funds to be transferred at the end of the fiscal year. This additional amount equates to approximately \$1m per month.
- (3) Includes \$30m principal repayment on Exit financing made in August 2015.
- (4) Includes \$30m set aside for Retiree Protection Fund net of \$3.4m inflow of excess self-insurance requirements.
- (5) Net Cash Flow is based on cash activity adjusted for known deposits in transit, prior period adjustments and classification differences.
- (6) The main operating pool contains cash balances of the Risk Management Fund, Street Fund, Solid Waste Fund, General Grants and Motor Vehicle Fund.



FY 2017 year-to-date cash flow to general ledger reconciliation

For 10 Months Ended April 30, 2017

\$ in millions

Cash Flows	Cash Activity				General Fund General Ledger				Difference
	General Pool	Adjustments	General Fund		Posted	To Be Posted	(1)	Total	
Property Taxes	\$ 103.1	-	\$ 103.1		\$ 99.8	\$ 3.3		\$ 103.1	0.0
Municipal Income taxes	237.1	(27.7)	209.4	(2)	209.4	-		209.4	0.0
Utility Users taxes	31.0	(4.0)	27.0	(2)	27.0	-		27.0	0.0
Wagering Taxes	148.1	1.4	149.5	(2)	149.5	-		149.5	0.0
State Revenue Sharing	197.0	(64.8)	132.2	(2)	132.2	-		132.2	0.0
Other / Misc.	158.8	(32.2)	126.6	(2)(3)	92.4	34.2		126.6	0.0
Total Receipts	875.1	(127.3)	747.8		710.3	37.5		747.8	0.0
Salaries and Wages	(330.1)	30.9	(299.2)	(4)	(299.2)	-		(299.2)	0.0
Employee Benefits	(61.6)	(9.6)	(71.2)	(5)	(71.2)	-		(71.2)	0.0
Materials, contracts & other	(341.3)	158.8	(182.5)	(6)	(182.5)	-		(182.5)	0.0
Total Disbursements	(733.0)	180.1	(552.9)		(552.9)	-		(552.9)	0.0
Operating Surplus (before Reinvestment)	142.1	52.8	194.9		157.4	37.5		194.9	0.0
Debt Service	(68.4)	5.3	(63.1)	(7)	(45.0)	(18.1)		(63.1)	0.0
Non-Financing Adjustments	(26.6)	26.6	-	(8)	-	-		-	0.0
Total Adjustments to arrive at Net Cash Flow	(95.0)	31.9	(63.1)		(45.0)	(18.1)		(63.1)	0.0
Net Inflows /(Outflows)	\$ 47.1	\$ 84.7	\$ 131.8		\$ 112.4	\$ 19.4		\$ 131.8	\$ 0.0

Notes:

- (1) To be posted amounts represent collections and disbursements that have not yet been reconciled.
- (2) \$27.6m of Municipal Income Tax, \$4m of Utility Users' Tax, \$0.8m of Wagering Taxes offset by \$2.2m May 2017 activity, \$64.8m of State Revenue Sharing, \$7.3m of Other Revenue (Wagering Municipal Service Fees) in FY2017 related to FY2016 activity.
- (3) \$8m of revenues collected in FY2017 related to activity in FY2016. \$9.4m of collections are cash specific transactions, \$7.5m are non-General Fund 1000 receipts.
- (4) Approximately \$12.7m of the difference relates to FY2016 activity and the balance of \$18.2m is attributed to timing of payments and non-General Fund disbursements.
- (5) Approximately \$1.0m of Benefits relates to FY2016 payments and \$8.8m to the timing of payments offset by the \$19.5m Pension accrual to be paid at the end of FY2017.
- (6) Approximately \$45m of disbursements are non-General Fund, \$63.5m related to prior period and \$50.3m are cash specific transactions.
- (7) \$14.2m of Financing Costs related to prior period offset by \$19.5m of exit financing and state revenue sharing debt set aside.
- (8) \$30.0m set aside for Retiree Protection Fund net of \$3.4m inflow of excess self-insurance escrow requirements.



FY 2017 year-to-date property tax collections

For 10 months ended April 30, 2017

\$ in millions

	FY 2017			FY 2016		
	Adjusted Tax roll	Collections YTD (1)	Collection Rate YTD	Adjusted Tax roll	Collections YTD (1)	Collection Rate YTD
General Ad Valorem		\$ 93.0			\$ 96.4	
General Special Acts (9)		3.1			3.4	
General Total	\$ 120.7	\$ 96.1	79.62%	\$ 129.6	\$ 99.8	77.01%
Debt Service Total	\$ 62.0	\$ 50.2	80.91%	\$ 68.3	\$ 54.0	79.09%
Solid Waste Total	\$ 54.8	\$ 31.2	56.93%	\$ 57.4	\$ 31.3	54.55%

		FY 2017	FY 2016
General City Ad Valorem Collections YTD	(2)	\$ 93.0	\$ 96.4
Delinquent Tax Revolving Fund (DTRF) Collections YTD	(3)	10.1	13.8
Total Property Tax Collections (Ad Val + DTRF)		\$ 103.1	\$ 110.2
Activity Subsequent to April 30, 2017 (FY17 amounts are estimated)			
Remaining DTRF Distributions (net of chargebacks)	(4)	\$ 13.2	\$ 22.8
Auction Proceeds	(5)	3.9	5.1
Personal Property Reimbursement	(6)	4.8	- (6)
Michigan Tax Tribunal (MTT) Liability	(7)	(1.0)	(4.0)
Special One-Time Adjustment		-	13.3
Total Year-End Property Tax Collections (Ad Val + DTRF)	(8)	\$ 124.0	\$ 147.4
Admin Fee, Interest, Penalty YTD	(9)	\$ 6.6	\$ 7.4

Notes:

- (1) Amounts do not include collections from Wayne County settlement checks as a result of foreclosure and auction 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.
- (3) Wayne County monthly DTRF settlement checks.
- (4) The remaining DTRF distributions totals were calculated with projections from Wayne County.
- (5) Auction proceeds are estimated with projections from Wayne County.
- (6) FY17 was the first year Personal Property Reimbursement funds were received.
- (7) The MTT Liability is estimated using the most recent information from the Law Department.
- (8) FY17 numbers are estimated using information from Wayne County and the City Law Department.
- (9) Special Act, Admin Fee, Interest and Penalty are recorded in Budget's Other Taxes, Assessments, and Interest category.



Accounts payable summary

- Accounts Payable as of April 2017 decreased by \$8.1M from \$31.1M to \$23M compared to March. During the month of April, the City made payments totaling \$54.8M.

\$ in millions

Accounts Payable (AP) as of 30-APR-2017	
Total AP	\$ 23.0
Less: Invoices on hold (1)	(5.3)
Less: Installments/Retainage Invoices (2)	(0.7)
Net AP not on hold	\$ 17.0

AP Aging

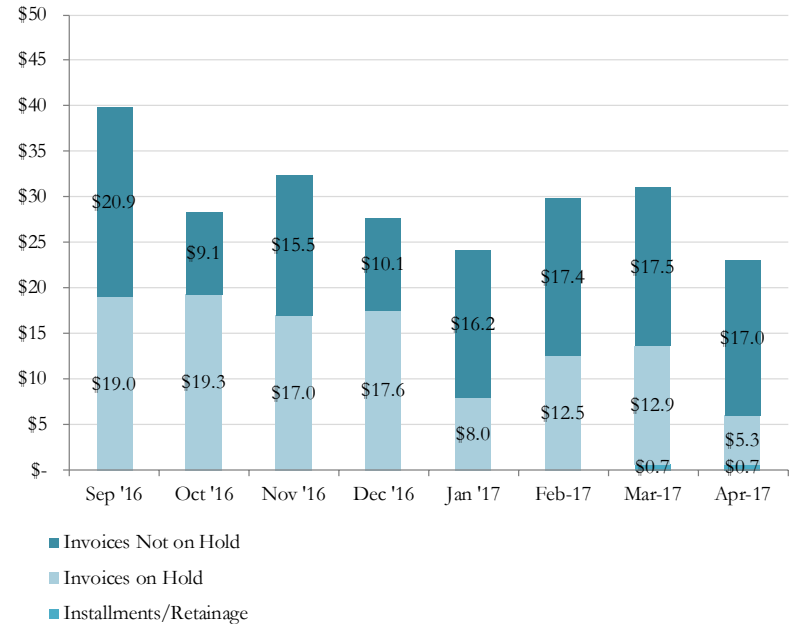
(excluding invoices on hold and retainage)

	Net AP	Current	Days Past Due		
			1-30	31-60	61+
Apr-17. Total	\$ 17.0	\$ 10.1	\$ 0.8	\$ 0.6	\$ 5.5
<i>% of total</i>	100%	57%	5%	3%	35%
Total Count of Invoices	1,341	654	88	236	363
<i>% of total</i>	100%	49%	7%	18%	27%
Mar-17. Total	\$ 17.5	\$ 9.1	\$ 3.4	\$ 4.5	\$ 0.6
<i>% of total</i>	100%	36%	25%	15%	24%
Total Count of Invoices	1,222	793	217	72	140
<i>% of total</i>	100%	38%	27%	16%	20%

Notes:

- Invoices with system holds are pending validation. Some reasons include: pending receipt, does not match purchase order quantity/price and legal holds.
- Invoices on retainage are on hold until the supplier satisfies all contract obligations
- Invoices are processed and aged based on invoice date. If invoices were aged based on the date received, the aging would show improved current category values.

Total Accounts Payable



Exit financing utilized to jump start technology, neighborhoods, and public safety improvements

- In April, approved projects increased by \$3M for the Integrated Public Safety System project.

<i>\$ in millions</i>	Number of Projects	Amount of Approved and Authorized Projects	Total Amount Expensed
Available Exit Financing Proceeds		\$233.2	
Project Allocation:			
Department of Innovation and Technology	6	(43.3)	(38.2)
Blight	7	(25.2)	(25.2)
Police	6	(25.1)	(21.3)
Fire	11	(35.8)	(19.3)
General Services	14	(29.3)	(19.7)
Office of the Chief Financial Officer	11	(18.3)	(16.5)
Building, Safety Engineering & Environmental Department	1	(4.4)	(2.6)
Law	1	(1.1)	(1.1)
Detroit Department of Transportation	1	(1.8)	(1.8)
Recreation	1	(1.2)	(1.2)
Human Resources	2	(0.7)	(0.7)
Other	4	(0.3)	(0.2)
Subject to Reconciliation	–	–	(1.1)
Subtotal Projects	65	(\$186.7)	(\$149.0)
Post-Petition Financing Interest and Other Fees	–	(2.8)	–
Totals	65	(\$189.4)	(\$149.0)
AMOUNT RESERVED FOR PROJECTS UNDER REVIEW		\$43.8	

Notes:

Amount expensed subject to reconciliation.

Approved amount reflects finalization and closure of business cases approved and fully spent through 6/30/16.



The City is leveraging funding from external sources

- In April, Federal and State grants show a net decrease of \$15.4M due to the completion and closure of 5 grants across DDOT and Recreation and additional awards for HSEM and Police. From private funds, the Mayor's Grow Detroit's Young Talent (GDYT) youth employment program received commitments of \$2.6M via multiple grants and donations to Detroit Employment Solutions Corporation and City Connect Detroit. Detroit Promise also received a commitment of \$3.5M over 3 years from the W.K. Kellogg Foundation via the Michigan Education Excellence Foundation.

<i>\$ in millions</i>	<u>Amount Awarded (1)</u>		Number of Grants
	<u>Appropriation Approved (2)</u>	<u>Appropriation Pending (2)</u>	
Department			
Transportation	\$ 368.1	\$ -	19
Housing & Revitalization	207.9	-	17
Public Works	30.6	-	20
Fire Department	28.2	-	9
Police	17.1	-	24
Health & Wellness Promotion	16.4	-	3
Recreation	2.7	-	8
Homeland Security and Emergency Management (HSEM)	2.1	-	6
General Services	0.8	-	1
Coleman A. Young Airport (Airport)	0.3	-	2
Other (3)	1.1	-	4
Active Federal/State grants (4)	\$ 675.3	\$ -	113
Active private grants and donations (5)	65.5	1.4	68
Total active grants and donations	\$ 740.8	\$ 1.4	181

Notes:

- (1) Reflects original amounts awarded and amendments for active grants as of April 30, 2017. Remaining amount available to be spent will be lower for most departments.
- (2) The amounts awarded as of April 30 are separated between grant appropriations already approved and those pending approval as of the date of this report (June 26, 2017).
- (3) Other includes BSEED and Historic Designation Advisory Board.
- (4) Excludes Federal/State grants received directly by third-party agencies for the benefit of the City.
- (5) Includes private funds received directly by third-party agencies for the benefit of the City.



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CITY OF DETROIT

Office of the Chief Financial Officer
Update on Grants Management

June 26, 2017



Historical Background

We've come a long way since our initial meeting.

- Presented to the Financial Review Commission on December 5, 2014
- Shared the grants management history, operation setup, hiring, and implementation, data cleanup efforts, and compliance priorities
- Accomplishment highlights include:
 - Further development of a comprehensive framework for managing the City's Grant Portfolio aligned with the Vision of the Office of the Chief Financial Officer and the Office of Grants Management
 - Hiring for the Chief Development Officer staff
 - Improvement on the Single Audit for the last 3 years
 - Execution of sub-recipient monitoring efforts for all associated grants
 - Clearing of historic open Federal / State Corrective Action Plans
 - Automation of the grant budget amendment approval workflow
 - Improvement of the tracking and reporting capability in the eCivis Grants Management System
 - Expansion and finalization of OGM Standard Operating Procedures



Maximize Revenue



Planning is the key to maximizing every dollar that comes to the City of Detroit. Our current active State / Federal / Private grant portfolio is 181 grants at \$740.8M

- To achieve maximum use of the grants, we:
 - Work with department staff to ensure timeliness of drawdowns, financial, and programmatic reporting obligations
 - Perform better planning with the institution of implementation meetings and monthly checkpoints throughout the grant lifecycle
 - Work with Federal agencies on extension requests, as needed, in a timely manner
 - Align philanthropic dollars with Federal / State grant allocations
 - Search and apply for opportunities that align with the Mayor's priorities
 - Create capacity within the departments by researching grant opportunities and writing grant proposals
- For FY17, the City of Detroit applied for 53 competitive grants (excludes annual formula and entitlement grants) with a total potential award value of \$70.2M

Summary							
<u># of applications pursued</u>	<u>Total Amount</u>	<u>% Awarded</u>	<u>Awarded Amount</u>	<u>% Pending</u>	<u>Pending Amount</u>	<u>% Denied</u>	<u>Denied Amount</u>
53	\$70,238,559.30	36.66%	\$25,748,817.00	60.72%	\$42,648,063.30	2.62%	\$1,842,678.70

NOTE: Total number of applications pursued excludes grants awarded to blended component units who work with the City of Detroit on various initiatives (i.e. Detroit Economic Growth Corporation; Detroit Employment Solutions Corporation).

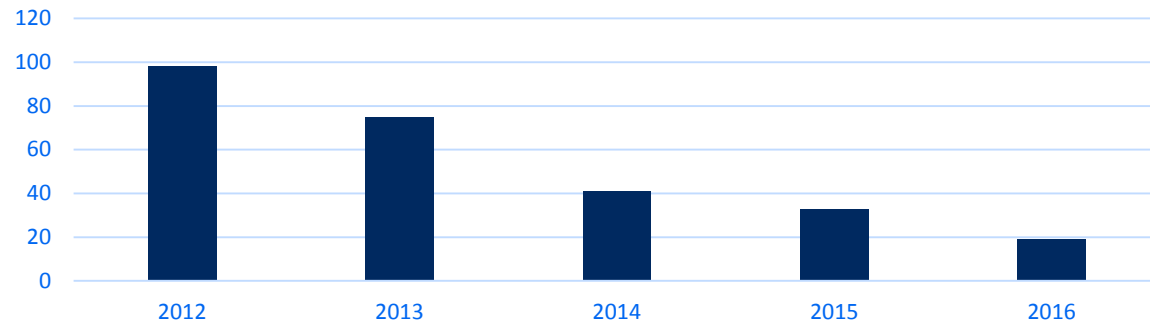




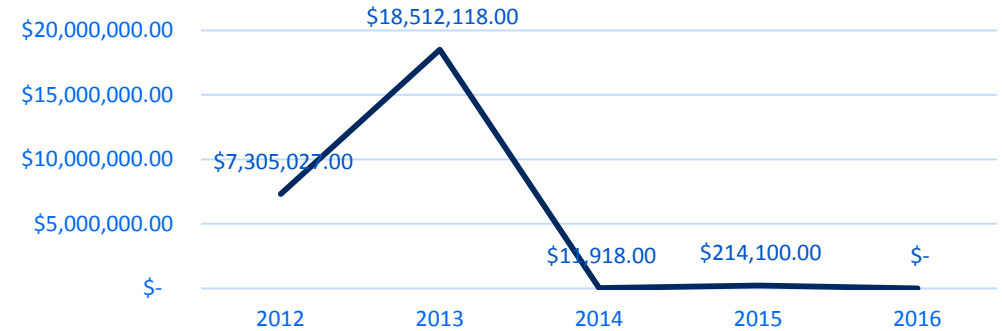
Regular monitoring and compliance activities are critical to the success of grants management.

Year	2012	2013	2014	2015	2016
Federal Award Spend	\$ 293,393,583.00	\$ 200,166,706.00	\$ 129,869,289.00	\$ 202,630,590.00	\$ 157,676,621.00
Number of Findings	98	75	41	33	19
Amount of Questioned Costs	\$ 7,305,027.00	\$ 18,512,118.00	\$ 11,918.00	\$ 214,100.00	\$ -
Number of Indeterminable Questioned Costs	8	4	13	8	1

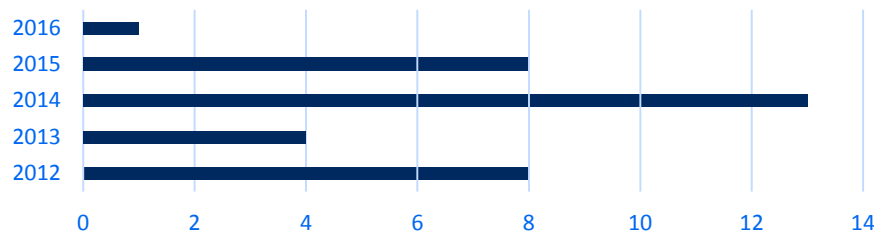
Findings



Questioned Costs



Indeterminable Questioned Costs



Summary:

- Reduced the number of audit findings by 42.4% from 2015 to 2016; consistent and continual reduction since 2012
- Decreased questioned costs to an all time low in over a decade
- Lowered indeterminable questioned costs significantly; 88% from 2015 to 2016
- Spend of Federal awards was down from \$203M to \$158M in 2016



Promote Efficiency

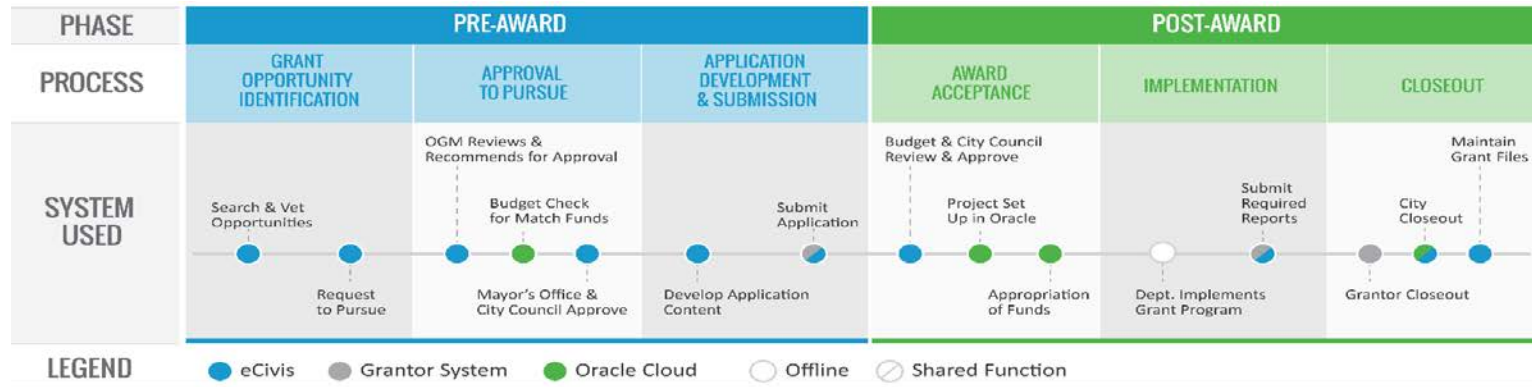


System and process improvements will reduce operational and reputational risk.

- September, 2016, we launched the expansion and automation of eCivis for the budget amendment approval workflow process; the benefits included:
 - Elimination of paper moving from floor to floor
 - Online tracking of process from one department to another
 - Storage of approval history and support documentation
 - Ability to revisit processes; strengthened and streamlined procedures
 - Development of training and reference materials

MAXIMIZE INFORMATION TECHNOLOGY	STREAMLINE PROCESSES & PROCEDURES	INCREASE CAPACITY & EXPERTISE
<ul style="list-style-type: none"> • Expand use of the grant management system – eCivis – to facilitate and automate electronic reviews and approvals for grant applications and awards • Eliminate paper-based processes 	<ul style="list-style-type: none"> • Redesign grant management processes with a focus on simplification, speed, and compliance • Document all policies and procedures in a central Standard Operating Procedure (SOP) Manual 	<ul style="list-style-type: none"> • Build Citywide staff capacity for program, compliance, and financial functions • Align OGM services with the needs of City departments • Develop training resources and reference materials

IT SYSTEM TOUCH POINTS



The graphic illustrates when and for which functions systems are used



Achieving the Vision

VISION: Detroit will be a model for innovative and effective grant programming, consistent processes, best practice financial management, and Citywide compliance. Detroit will be a recipient of choice for grantors and will be able to maximize the City's grant funding to provide valuable services.



MAXIMIZE REVENUE

- Define best practice, Citywide processes to support the City's vision for grants management
- In conjunction with the Chief Development Officer, help departments meet revenue goals by identifying grant opportunities, based on the City's budget and high priority areas
- Serve as a resource to Office of Departmental Financial Services and the Office of Budget during the development of the annual budget request, to ensure it is based on accurate information and forecasting
- Help to maximize incoming grant funds through more strategic matching and reimbursement



CITYWIDE COMPLIANCE

- Approve grant-funded bids and contracts during the procurement process for compliance with grant terms and conditions, and to ensure procured goods and services will ultimately be reimbursable
- Perform financial sub-recipient monitoring for all departments, and programmatic monitoring upon department request
- Provide compliance training and guidance to department and OCFO staff
- Verify completion of all reporting requirements, and ensure grant records are maintained upon closeout for audit purposes



PROMOTE EFFICIENCY

- Coordinate financial management functions in partnership with other OCFO divisions, including monitoring grants for timely spend down and initiating the draw down process
- Manage central administrative processes during each phase of the grants management lifecycle, so departments can focus on implementing their programs (including approval to pursue, award acceptance, grant set up, compliance, and closeout)
- Coordinate technical assistance for any aspect of grant application and management (upon request)





STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

CITY RESOLUTION 2017-13

**APPROVING THE CITY'S AMENDED COLLECTIVE BARGAINING
AGREEMENT WITH THE DETROIT FIRE FIGHTERS ASSOCIATION**

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(9) of the Act requires that during the period of oversight, the City shall submit new and amended collective bargaining agreements, to which it is a party, to the Commission for review and approval after approval by the City's governing body and mayor; and

WHEREAS, Section 6(9) of the Act further requires the Commission to approve or reject collective bargaining agreements submitted to it within 45 days of submission; and

WHEREAS, the Mayor and City Council of Detroit approved an amended collective bargaining agreement between the City of Detroit and the Detroit Fire Fighters Association – Emergency Medical Services Division on June 20, 2017, for a term expiring June 30, 2020; and

WHEREAS, at the Commission meeting on June 26, 2017, the City presented the aforementioned amended collective bargaining agreement to the Commission.

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

1. That the City's amended collective bargaining agreement between the City of Detroit and the Detroit Fire Fighters Association – Emergency Medical Services Division, as presented to the Commission on July 26, 2017, is 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.



CFO MEMORANDUM
No. 2017-101-004

TO: Michael E. Duggan, Mayor; Honorable Detroit City Council
FROM: John W. Hill, Chief Financial Officer *John W. Hill*
SUBJECT: Fiscal Impact of the Proposed Contract between the City of Detroit and Detroit Fire Fighters Association-EMS Division (“DFFA-EMS”)
ISSUANCE DATE: June 13, 2017

1. AUTHORITY

1.1. State of Michigan Public Act 279 of 1909, Section 4s(2)(d), as amended by Public Act 182 of 2014, states the chief financial officer shall submit in writing to the mayor and the governing body of the City his or her opinion on the effect that policy or budgetary decisions made by the mayor or the governing body of the City will have on the City’s annual budget and its 4-year financial plan.

2. PURPOSE

2.1. To provide financial information to Michael E. Duggan, Mayor, and the Honorable Detroit City Council as they consider action on the proposed contract between the City of Detroit and the DFFA-EMS.

3. OBJECTIVE

3.1. This Memorandum serves as the report on the fiscal impact of the proposed contract between the City of Detroit and the DFFA-EMS in relation to the City’s FY 2017 budget and 4-Year Financial Plan for FY 2017 – FY 2020.

4. SCOPE

4.1. This Memorandum is not intended to convey any statements nor opinions on the advisability of entering into the provisions in the proposed contract, including but not limited to Work Rules, except for those components of the proposed contract that have or may have a fiscal impact on the City’s FY 2017 budget and 4-Year Financial Plan for FY 2017 – FY 2020.

5. STATEMENT

5.1. Conclusion: The proposed contract changes would not require the identification of other resources. There is no net negative impact on the City’s FY 2017 budget and 4-Year Financial Plan for FY 2017 – FY 2020.

5.2. Background: The proposed contract’s financial provisions provide for an immediate 4% wage increase for DFFA-EMS personnel. It also includes an attendance incentive program effective January 1, 2018, and it extends the contract for one additional year with a 3% wage increase in FY 2020. The Fire Department would support the incremental costs through FY 2020 by utilizing savings from its decision to eliminate



its roving ambulance units called “romeo units,” which operated as an overtime expense.

5.3. Fiscal Impact: As shown in the table below, the wage increases and attendance incentive program would cost approximately \$2.5 million in total over FY 2017 – FY 2020. The Fire Department plans to utilize \$2.5 million in cost savings over the same time period from its decision to eliminate its “romeo units.” Thus, the proposed contract changes would not require the identification of other resources, and there is no net negative impact on the City’s FY 2017 budget and 4-Year Financial Plan for FY 2017 – FY 2020. The fiscal impact assumes the City will not implement the contract changes until FY 2018.

City of Detroit

DFFA-EMS Wage Increase Summary

<i>\$ in thousands</i>		Fiscal Year				Total FY 2017 - 2020
		2017	2018	2019	2020	
Incremental DFFA-EMS wage summary		FTE				
DFFA-EMS base wages	276	\$ (10,725)	\$ (10,939)	\$ (11,158)	\$ (11,381)	\$ (44,204)
<i>Annual wage increase</i>		2.0%	2.0%	2.0%	2.0%	
DFFA-EMS adjusted wages		\$ (10,725)	\$ (11,368)	\$ (11,596)	\$ (11,944)	\$ (45,633)
<i>Proposed Annual wage increase</i>		2.0%	6.0%	2.0%	3.0%	
Incremental wages		\$ -	\$ (429)	\$ (438)	\$ (562)	\$ (1,429)
Incremental overtime	20% (1)	-	(88)	(89)	(115)	(292)
Incremental other fringes	20% (2)	-	(84)	(86)	(110)	(280)
Total incremental cost - DFFA-EMS adjusted wages		\$ -	\$ (601)	\$ (613)	\$ (787)	\$ (2,000)
Total net cost of attendance incentive program (3)		\$ -	\$ (45)	\$ (158)	\$ (296)	\$ (500)
Savings utilized from eliminating romeo units (4)		-	646	771	1,084	2,500
Total savings utilized		\$ -	\$ 646	\$ 771	\$ 1,084	\$ 2,500
Change needed to 4-Year Financial Plan due to wage increase		\$ -	\$ -	\$ -	\$ -	\$ -

Notes:

- (1) Overtime was calculated utilizing FY 2016 actual data.
- (2) Based on 13.84% for other fringes, which was determined using budgeted fringe benefits, and 5.75% for the hybrid pension plan.
- (3) Attendance incentive program assumes 1% wage increase and .25% quarterly bonus (1% annual) for members that qualify (80% assumed to qualify).
- (4) Assumes Fire Dept. is able to eliminate 100% of the overtime incurred by the romeo units based on guidance from DFD management.



CITY OF DETROIT
HUMAN RESOURCES DEPARTMENT
LABOR RELATIONS DIVISION



COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVENUE - SUITE 332
DETROIT, MICHIGAN 48226
(313) 224-3860 • TTY: 711
(313) 224-0738
WWW.DETROITMI.GOV

June 13, 2017

HONORABLE CITY COUNCIL:

Re: Implementation of Increased Wages and Changes in Condition of Employment for Detroit Fire Fighters Association Emergency Medical Services Division

The Detroit Fire Fighters Association (DFFA) – Emergency Medical Services (EMS) Division and the City of Detroit (City) discussed various articles pertaining to wages and conditions of employment. Based on mutual consideration, the 2013 – 2018 Collective Bargaining Agreement (CBA) has been amended. The parties have agreed to amend the following contractual articles.

1. Article 20. Shift Change
2. Article 30. Wages
3. Article 33. Overtime
4. Article 45. Working Conditions
5. Article 46. Duration, Modification and Termination
6. MOU RE: Health Care Options for EMS Division Employees
7. MOU RE: Attendance Incentive (EMS Division Employees)

The Labor Relations Division respectfully requests that your Honorable Body pass a resolution which approves the specified changes prior to the ratification vote of the DFFA – EMS Division members and the approval of the Financial Review Committee. Failure of a ratification vote by the DFFA – EMS membership will result in these changes not being implemented.

We further respectfully request that your Honorable Body adopt the following resolution with a Waiver of Reconsideration.

Respectfully submitted,

Michael A. Hall
Labor Relations Director



BY COUNCIL MEMBER _____ :

RESOLVED, that Detroit Fire Fighters Association - Emergency Medical Services Division receive increased wages and changes in conditions of employment as recommended in accordance with the attached Memorandum of Understanding, and be it further

RESOLVED, that the Finance Director is hereby authorized to honor payrolls and vouchers in accordance with this resolution and letter.

20. Shift Change

A. The changing of shifts shall take place on the first day of (the first) pay periods in January, May and September. **The Department reserves the right to change this system, with prior written notification to the Union.**

B. (AS IN CBA)

C. (AS IN CBA)

D. **Only employees on full-duty status on their assigned date and time for shift sign-up will be allowed to sign-up for shift change. Non full-duty status employees at the time of shift change will be added to a shift and location based on the staffing needs of the Department and will be assigned to a float position. Requests for individual medic unit locations will not be considered.**

~~Personnel **Employees** who are on a long term illness, being carried as "sick" or injury status, or light duty status, will not be permitted to select a duty assignment. **Those employees will be added to a shift based on the staffing needs of the Department and will be assigned to a "float" position. Requests for individual medic unit locations will not be considered.**~~

E. (AS IN CBA)

30. WAGES

- A. 1. Wages – November 15, 2013 through June 30, **2020** – Base Salary
- 2% wage increase effective July 1, 2014.
 - 2% wage increase effective July 1, 2015.
 - 2% wage increase effective July 1, 2016.
 - 2% wage increase effective July 1, 2017.
 - 2% wage increase effective July 1, 2018.
 - **3% wage increase effective July 1, 2019.**
2. **Special Wage Adjustment.** A 4% wage increase effective on the first full pay period, thirty (30) days following the date of union ratification.
3. Although the wages are effective on the first full pay period, thirty (30) days following the date of union ratification, the City will have ninety (90) days from final approval of the contract to adjust its payroll system to include these wages in DFFA-EMS members paychecks.
- B. Step Increases. Employees will be eligible for step increases during the term of this Agreement as set forth in Exhibit 1. There shall be no retroactive step increases and no employee will be eligible for a step increase until six months after the effective date of this Agreement.
- C. **A new Attendance Incentive Program is being implemented effective January 1, 2018. Eligible employees may receive up to 1% Attendance Incentive annually, as set forth in the attached MOU.**

33. Overtime

Pursuant to Article 3, the City has the right to schedule overtime work and to require Employees to work mandatory overtime.

- A. Employees will be offered overtime only for vacancies within their current classification and according to Department seniority, highest seniority first, next highest second, and so on. When there are not enough volunteers, overtime assignments shall be made according to inverse seniority within the classification. Seniority-based overtime offers shall not be required where an unexpected emergency arises or it is impractical to seek volunteers.
- B. (AS IN CBA)
- C. Employees who accept overtime and are no longer able to work must notify the Department at least six (6) hours prior to the start of the overtime ~~shift opportunity~~. **If an Employee must cancel overtime, the Employee must call the Shift Captain no later than (6) hours prior to the start of the overtime shift. , or be subject to removal from overtime for a period as determined by the Superintendent of EMS.** Any employee failing to call in within the specified period shall, on the first offense, be subject to removal from overtime for a period of thirty (30) days and on the second offense shall be subject to removal from overtime for a period not to exceed ninety (90) days. ~~Employees who have cancelled overtime three (3) times in a one hundred twenty (120) day period will be taken off the overtime list and must re-submit a request to be placed back on the list~~
- D. (AS IN CBA)
- E. (AS IN CBA)
- F. (AS IN CBA)
- G. Any Employee that accepts overtime is accepting overtime for a specific shift, and not for a particular location. Any Employee that refuses to accept a change in location either prior to the start of the Shift or during the Shift will be subject, ~~to removal from the overtime list for a period of time as determined by the Superintendent of EMS~~ on the first offense to removal from the overtime list for a period of thirty (30) days and on the second offense shall be subject to removal from the overtime list for a period not to exceed ninety (90) days.
- H. Any Employee that is on overtime and leaves the overtime Shift due to illness (non-duty related), may be requested to present documentation from a Physician declaring that he/she is able to return to full duty. If this is not received prior to the start of the normally scheduled Shift, the Employee will be placed off duty "sick" for his/her normally scheduled Shift until the Department receives a statement from a physician clearing the employee to full duty.

45. WORKING CONDITIONS/MOST FAVORED NATIONS

- A. Relation to Regulations, etc. This Agreement shall supersede any rules, regulations, arbitration decisions, or other matters inconsistent herewith.
- B. Except as set forth in this Agreement, all Exhibits and Memoranda of Understanding from previously collective bargaining agreements are eliminated from this Agreement.
- ~~C. Most Favored Nations. In the event that the Fire Department or any subdivision thereof enters into a consensual collective bargaining agreement with any other labor organization representing employees of the Fire Department that provides general wage increases, longevity payments, shift premiums, overtime compensation, coverage under City Medical Plans, or sick pay that are more favorable than those provided to Employees under this Agreement, the Department will promptly advise the Association of such terms and, upon request, increase the compensation or benefits provided to Employees covered by this Agreement to such higher amount and/or comparable terms and conditions. Nothing in this Article will be construed as a commitment by the City or the Department to create parity between any bargaining units.~~

CITY PROPOSAL
2013-2020 DFFA-EMS
Proposal Date: June 8, 2017

AS IS Modified Delete
City Initials: WJL
Union Initials: WJL
Date TA'D: 6/12/17

46. DURATION, MODIFICATION AND TERMINATION

This Agreement shall be effective and binding on the Union and the City as of _____ (“Effective Date”) and shall continue in full force and effect through June 30, 2020 (the “Term”). This Agreement, including the Term, shall be incorporated into and become a part of both the plan of adjustment and order confirming the plan of adjustment, and the Agreement shall be subject to post-confirmation ongoing jurisdiction of the Bankruptcy Court for the full Term, including without limitation, whatever jurisdiction the Bankruptcy Court’s retains to enforce the Term. This Agreement, including specifically, the Term, shall be duly authorized and approved by and consented to by the State Treasurer and Mayor of the City of Detroit, with these consents reflected by duly authorized signatures.

In the event that the Department and the Association fail to arrive at an agreement on wages, fringe benefits, other monetary matters, and non-economic items by June 30, 2020, this Agreement will remain in effect on a day-to-day basis. Either party may terminate this Agreement by giving the other party a ten (10) day written notice on or after June 30, 2020.

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
CITY OF DETROIT
AND
THE DETROIT FIRE FIGHTERS ASSOCIATION

RE: Health Care Options for EMS Division Employees

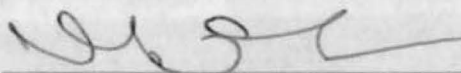
The City and the Association hereby agree that, effective during the health care open enrollment period, for the 2018 calendar year, all health care vendor options that are made available to current DFFA members, will be made available to the DFFA membership assigned to the EMS Division of the Fire Department.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures below:

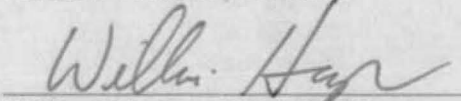
Dated this 12th day of June, 2017.

DETROIT FIRE FIGHTERS ASSOCIATIONS:

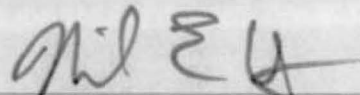
CITY OF DETROIT:



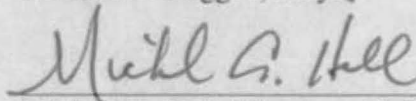
Michael V. Nevin, President



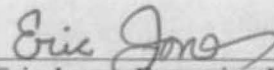
William M. Harp, Vice President



Michael E. Duggan, Mayor



Michael A. Hall, Director of Labor Relations



Eric Jones, Executive Fire Commissioner

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
CITY OF DETROIT
AND
THE DETROIT FIRE FIGHTERS ASSOCIATION

RE: Attendance Incentive (EMS Division Employees)

Objective

The purpose of the Attendance Incentive Program is to reward attendance and encourage employees to plan their time off in advance to help departments plan schedules and provide exceptional customer service.

Program Summary

The Fire Department's expectation is that all employees come to work and plan their absences when possible. The new absence standard is:

- 24 hours or less of unscheduled absences per quarter for full-time employees.

Eligible employees who demonstrate consistent attendance may earn two Attendance Incentive components:

1. Earn up to 1% annual cash incentive payout (paid quarterly) based on quarterly attendance;
2. Earn up to an additional 1% annual base rate increase based on four (4) qualifying quarters in the previous year;

*This program may be revised or revoked at any time by the City of Detroit with prior notice to employees and the Union.

Eligibility

Eligible:

All full-time Emergency Medical Technicians and Paramedics are eligible to participate in the attendance incentive program as follows:

1. Full Time Employees with 24 hours or less of unscheduled absences per quarter. Time away from work under the Family Medical Leave Act (FMLA) will count against an employee's eligibility for the attendance incentive;
2. New employees are eligible after they work a full quarter;

Ineligible:

- Employees who terminate employment before the incentive is paid forfeit their incentive payment;

The Quarterly Attendance Standard

To earn the incentive, employees must meet the quarterly standard for unscheduled absences. Full-time employees are not eligible if they have more than 24 hours of unscheduled absences during the quarter.

Once employees meet the quarterly attendance standard, they can earn an incentive lump sum payment of up to one percent (1%) of their base rate times the number of regular straight time hours paid in the quarter.

Quarterly Incentive Payment Tracking, Calculation & Processing

The incentive will be calculated quarterly as follows: 1.0% x Base Rate x Regular Straight Time Hours Paid (quarterly wages)

The calculation excludes unscheduled paid time off, premiums and overtime. Tardies and absences are included in the total absence time per quarter. Eligibility and the incentive amount are tracked in all pay periods paid in the calendar year. The incentive will be paid within 30 days after the end of each quarter in the regular paycheck as a separate lump sum taxable line item based on the pay rate and benefit at the time of payment.

Attendance Annual Pay Rate Adjustment

Employees may be eligible for up to a 1% additional annual pay rate adjustment based on the previous year's attendance record. The pay adjustment is based on the number of quarters in the previous year in which the employee met the attendance standard. The employee's base pay rate may be adjusted as follows in addition to the annual review or contractual increase amount:

*If employee met the attendance ... **Then** the employee is eligible to earn ...
standard for their employment status*

<i>1 Quarter</i>	<i>¼ of 1% Bonus</i>
<i>2 Quarters</i>	<i>¼ of 1% Bonus</i>
<i>3 Quarters</i>	<i>¼ of 1% Bonus</i>
<i>4 Quarters</i>	<i>¼ of 1% Bonus</i>
	<i>1% into the Base</i>

For this Special Attendance Incentive, employees at pay range maximum will receive the salary increase on top of their current maximum pay rate.

Scheduled vs. Unscheduled Absences

The goal of the Attendance Incentive Program is to encourage employees to plan their time off so that managers can schedule work and provide service. If an employee submits a written request within 48 hours and the manager approves it before the employee takes a vacation, holiday, departmental leave, then it is considered a Scheduled Absence and does not count against the attendance incentive.

This program supersedes any attendance incentive program currently in place and shall become effective on **January 1, 2018**.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures below:

Dated this 12th day of June, 2017.

DETROIT FIRE FIGHTERS ASSOCIATIONS:

CITY OF DETROIT:



Michael V. Nevin, President

Michael V. Nevin, President




William M. Harp, Vice President

William M. Harp, Vice President



Michael E. Duggan, Mayor

Michael E. Duggan, Mayor



Michael A. Hall, Director of Labor Relations

Michael A. Hall, Director of Labor Relations



Eric Jones, Executive Fire Commissioner

Eric Jones, Executive Fire Commissioner



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

CITY RESOLUTION 2017-14

APPROVING THE CITY'S JUNE 2017 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 June 26, 2017, the City presented 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 June 2017 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.

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 June 26, 2017 Meeting

FY 2016 - 2017 Grant Budget Amendments

No.	Department	Grantor	Grant / Program	Brief Description	Amount		Appr. #
					Revenue	Expense	
1	Office of the Chief Financial Officer (Office of Grants Management)	Bloomberg Philanthropies	iTeam Program Grant	This grant will support Detroit's innovation team (i-Team) who will help the City drive innovation, change culture and create an ongoing ability to tackle big problems and deliver better results for residents.	454,333.00	454,333.00	13967
					908,667.00	908,667.00	20387
Office of the Chief Financial Officer Total					1,363,000.00	1,363,000.00	
2	Housing and Revitalization	Department of Housing and Urban Development (HUD)	Urban Development Action Grant (UDAG)	This amendment will allow for the appropriation of unobligated funds from this grant. Usage will focus on blight elimination and assistance to the Detroit Housing Commission (DHC) in becoming a high performer through the acquisition of 386 housing units in the Lasalle Gardens and Boston Edison areas.	1,489,275.35	1,489,275.35	20399
Housing and Revitalization Total					1,489,275.35	1,489,275.35	
3	Health	Michigan Department of Health and Human Services (MDHHS)	Climate Health Adaptation Program	This grant will be used to develop and conduct a needs assessment of communities which have been impacted by repeated flooding.	15,000.00	15,000.00	20397
4	Health	Michigan Department of Health and Human Services (MDHHS)	Volunteer Reception Centers (VRCs) Program	This grant will be used to promote the development of Volunteer Reception Centers (VRCs) which will assist with multi-agency coordination to organize, assemble, dispatch and process volunteers.	6,000.00	6,000.00	20398
Health Total					21,000.00	21,000.00	
5	Transportation	U.S. Department of Transportation (Federal Transit Administration)	East Jefferson Avenue Transit-Oriented Development Study Grant	This grant will be used for a study to connect ongoing efforts in the revitalization along the Jefferson corridor from Woodward Ave. to the city's eastern border with Grosse Pointe Park.	375,000.00	375,000.00	20402
Transportation Total					375,000.00	375,000.00	
GRAND TOTAL					3,248,275.35	3,248,275.35	

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 June 26, 2016 MEETING

FY 2016 - 2017 Non-Grant Budget Amendments

No.	Department	Brief Description	Budget Amendment Amount		
			Revenue	Expense	Appr. #
<p>The purpose of the amendment is to appropriate excess Exit Financing proceeds. The Emergency Manager's FY 2015 Budget appropriated \$200M of revenues and expenditures. This consisted of Post-Petition Financing in the amount of \$120M and Exit Financing in the amount of \$80M. Proceeds from Exit Financing totaled \$85,684,723.79</p>					
1	Office of the Chief Financial Officer (OCFO)	Increase the Quality of Life Special Projects Appropriation	5,684,723.79	5,684,723.79	13824
		Net Change	<u>5,684,723.79</u>	<u>5,684,723.79</u>	
<p>The purpose of the amendment is to accept and appropriate FY 2015 - 2016 Wayne County Millage proceeds. The funding will be used for various park improvements in District 1 (Lenox Recreation Center); District 2 (Chandler Park & Chene Park); District 3 (Edmore-Marbud Park); District 5 (Keidan Park); District 6 (Hope Park, Heckel Park, and Riordan Park) and District 7 (Belton-Mark Twain Park)</p>					
2	Recreation	Establish the Wayne County Millage FY 2015 - 2016 Appropriation	261,581.00	261,581.00	20400
		Net Change	<u>261,581.00</u>	<u>261,581.00</u>	
<p>The purpose of the amendment is to appropriate Fiscal Year 2017 - 2018 projected revenues and associated expenditures associated with the Food Safety Services Program's health inspection fees and licenses for food services.</p>					
3	Health	Increase the Food Sanitation Appropriation	1,600,000.00	1,600,000.00	10895
		Net Change	<u>1,600,000.00</u>	<u>1,600,000.00</u>	
<p>The purpose of the amendment is to appropriate Fiscal Year 2017 -2018 projected revenues and associated expenditures associated with the Environmental Health Services Program's health inspection fees.</p>					
4	Health	Increase the Community & Industrial Hygiene Appropriation	475,000.00	475,000.00	10894
		Net Change	<u>475,000.00</u>	<u>475,000.00</u>	

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 June 26, 2016 MEETING

FY 2017 - 2018 Non-Grant Budget Amendments

No.	Department	Brief Description	Budget Amendment Amount		
			Revenue	Expense	Appr. #
<p>The purpose of the amendment is to record certain changes in debt service requirements in both the Sinking Interest and Redemption and General Funds for FY 18. The refunding of certain outstanding debt with the Michigan Finance Authority (MFA) resulted in lower interest payment requirements. Therefore, budgeted interest payments and the related transfer and contribution to the pension system should be reduced.</p>					
1	Office of the Chief Financial Officer (OCFO)	Decrease Debt Service Bond Redemption Appropriation	(6,108,622.00)	(3,908,983.00)	00212
		Decrease Debt Service Pension Appropriation	-	(2,199,639.00)	13970
		Net Change	(6,108,622.00)	(6,108,622.00)	
		Decrease Non-Departmental Revenues Appropriation	(3,907,977.00)	-	04739
		Decrease Non-Departmental Retirement Systems Appropriation	-	(3,907,977.00)	13854
		Net Change	(3,907,977.00)	(3,907,977.00)	



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

CITY RESOLUTION 2017-15

APPROVING THE CITY'S JUNE 2017 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 June 26, 2017, 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 June 2017, 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.

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 June 26, 2017 Meeting

Prepared By: Boysie Jackson, Chief Procurement Officer

City Council and Water Board Approvals Through June 21, 2017

Department	Contract Number	Description	Contract Request Type	Competitively Bid? If not a New contract, was the original contract competitively bid?	Highest Ranked or Lowest Bid? If not a New contract, was the original contract the lowest bid?	BOWC or City Council Approval Date	Office of the Chief Financial Officer Approval Date	Comments
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CONTRACTS GREATER THAN \$750K (Yes = Lowest Bid Unless Specified)

1	BSEED	6000772	Contract Amount: \$1,781,545.92 Contract Period: Upon FRC Approval through 6/30/2020 Source: 100% Construction Code Funding Purpose: To Provide Product Configuration, System Architecture, Project Governance, Maintenance and Managed Services Agreements for Software Licenses that Supports the Issuance and Management of Departmental Licenses and Permits Contractor: Accela Location: 2633 Camino Ramon, #500, San Ramon, CA 94583	New	Continuity of Service	Yes Direct to Sub-Contractor	6/13/2017	6/26/2017	Continuation of services with Software Developer due to legal issues with primary supplier
2	CITY-WIDE	6000788	Contract Amount: \$1,672,755.00 Contract Period: Upon FRC Approval through 7/31/20 Source: 100% City Funding Purpose: To Provide Elevator Maintenance and Repairs Contractor: Otis Elevator Company Location: 25365 Interchange Court, Farmington Hills, MI 48335	New	Yes	Yes	6/20/2017	6/26/2017	
3	FIRE	3013936	Contract Amount: \$2,228,394.00 Contract Period: One Time Purchase Source: 100% City Funding Purpose: To Provide Two (2) Rapid Delivery Fire Department Platform Apparatus Contractor: Jorgensen Ford Location: 8333 Michigan Avenue, Detroit, MI 48210	New	Yes	Lowest within Specifications	6/13/2017	6/26/2017	
4	FIRE	3013937	Contract Amount: \$4,088,976.00 Contract Period: One Time Purchase Source: 100% City Funding Purpose: To Provide Eight (8) Rapid Delivery Fire Department Engines/Pumpers Contractor: Jorgensen Ford Location: 8333 Michigan Avenue, Detroit, MI 48210	New	Yes	Lowest within Specifications	6/13/2017	6/26/2017	
5	FIRE	3014059	Contract Amount: \$2,569,791.00 Contract Period: One Time Purchase Source: 100% City Funding Purpose: To Provide Three (3) Aerial Ladders Contractor: R & R Fire Truck Location: 751 Doheny Drive, Northville, MI 48167	New	Yes	Yes	6/13/2017	6/26/2017	
6	GENERAL SERVICES	2850143	Contract Amount: \$21,700,000.00 Contract Period: 4/3/17 through 7/31/19 Source: 100% City Funding Purpose: To Provide Diesel and Unleaded Fuel Contractor: Waterfront Petroleum Terminal Company Location: 5431 W. Jefferson, Detroit, MI 48209	Amendment	Yes	Yes	6/20/2017	6/26/2017	

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

7	GENERAL SERVICES	3014147	Contract Amount: \$790,000.00 Contract Period: One Time Purchase Source: 100% City Funding Purpose: To Provide Ten (10) Stack Trucks Contractor: Jorgensen Ford Location: 8333 Michigan Avenue, Detroit, MI 48210	New	Yes	Yes	6/13/2017	6/26/2017	
8	GENERAL SERVICES	6000774	Contract Amount: \$806,198.00 Contract Period: Upon FRC Approval through 6/25/19 Source: 100% City Funding Purpose: To Provide Design and Build Services for the General Services Department (for Human Resources and OCFO Suites at the Coleman A. Young Municipal Center) Contractor: Cross Renovations Location: 34133 Schoolcraft Rd., Livonia, MI 48150	New	Yes	Yes	6/20/2017	6/26/2017	
9	LAW	2870456	Contract Amount: \$1,250,000.00 Contract Period: Upon FRC Approval through 1/1/19 Source: 100% City Funding Purpose: To Provide Legal Advice and Litigation Representation pertaining to the City's ongoing Restructuring matters. Contractor: Miller, Canfield, Paddock & Stone, PLLC. Location: 150 West Jefferson, Suite 2500, Detroit, MI 48226	Amendment	Yes	Yes	6/20/2017	6/26/2017	
10	POLICE	6000659	Contract Amount: \$830,500.00 Contract Period: 5/22/17 through 5/22/18 Source: 100% City Funding Purpose: To Provide Additional Real Time Intelligence (AWARE) Consoles for Detroit Police Department and Real Time Crime Center Contractor: Motorola Solutions Inc. Location: 1301 East Algonquin Road, Schaumburg, IL 60196	New	Yes via MiDeal	Lowest Bid	5/16/2017	6/26/2017	Piggyback off State MiDeal contract.
11	PUBLIC WORKS	6000668	Contract Amount: \$3,460,188.88 Contract Period: Upon FRC Approval through 12/31/19 Source: 100% Street Funding Purpose: To Provide Resurfacing and Miscellaneous Construction on Cass Avenue Contractor: Fort Wayne Contracting Inc. Location: 320 E. Seven Mile Road, Detroit, MI 48203	New	Yes	Yes	5/23/2017	6/26/2017	
12	PUBLIC WORKS	6000671	Contract Amount: \$2,949,390.00 Contract Period: 7/1/17 through 6/30/20 Source: 100% Street Funding Purpose: To Provide Traffic Signal Maintenance Contractor: J. Ranck Electric, Inc. Location: 1993 Gover Parkway, Mt. Pleasant, MI 48858	New	Yes	Yes	6/13/2017	6/26/2017	
13	PUBLIC WORKS	6000672	Contract Amount: \$8,642,438.00 Contract Period: Upon FRC Approval through 12/31/19 Source: 100% Street Funding Purpose: To Provide Bituminous Surface Removal (Milling) and Miscellaneous Construction Contractor: Giorgi Concrete Joint Venture with Major Cement Location: 20450 Sherwood, Detroit, MI 48234	New	Yes	Yes	6/13/2017	6/26/2017	

	Department	Contract Number	Description	Contract Request Type	Competitively Bid? If not a New contract, was the original contract competitively bid?	Highest Ranked or Lowest Bid? If not a New contract, was the original contract the lowest bid?	BOWC or City Council Approval Date	Office of the Chief Financial Officer Approval Date	Comments
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CONTRACTS GREATER THAN 2 YEARS

14	FIRE	6000654	Contract Amount: \$155,000.00 Contract Period: Upon FRC Approval through 4/30/20 Source: 100% City Funding Purpose: To Provide Comprehensive Cleaning, Maintenance of Fire Gear and a Record Keeping Program Contractor: Fire Service Management Location: 32001 Schoolcraft Road, Livonia, MI 48150	New	Yes	Yes	5/9/2017	6/26/2017	
15	GENERAL SERVICES	6000541	Contract Amount: \$300,000.00 Contract Period: Upon City and FRC Approval through 3/31/20 Source: 100% City Funding Purpose: To Provide Installation and Repair of Commercial/ Industrial Glass Windows Contractor: C.S. Farmer Construction Inc. Location: 8900 East Jefferson Avenue, Detroit, MI 48214	New	Yes	Yes	5/9/2017	6/26/2017	
16	GENERAL SERVICES	6000684	Contract Amount: \$347,802.24 Contract Period: Upon FRC Approval through 5/14/20 Source: 100% City Funding Purpose: To Provide Vacant Property Cutting and Debris Removal Contractor: Motor City Grounds Crew Location: 1420 Washington Blvd., Suite 412, Detroit, MI 48226	New	Yes	Yes	5/23/2017	6/26/2017	
17	PLANNING AND DEVELOPMENT	6000717	Contract Amount: \$0.00 Contract Period: 4/1/17 through 3/20/37 Source: No Funding Source Purpose: To Provide a Lease Agreement Contractor: Board of Trustees Michigan State University Location: Hannah Administration Bldg., 426 Auditorium Road, #450, East Lansing, MI 48824	Lease Agreement	Not Applicable	Not Applicable	6/20/2017	6/26/2017	
18	PUBLIC LIGHTING	6000720	Contract Amount: \$7,568.00 Contract Period: 6/13/17 through 6/12/22 Source: REVENUE Purpose: To Provide a License Agreement (To Establish Pole or Conduit Use) Contractor: Extenet Systems, Inc. Location: 3030 Warrenville Road, Suite 340, Lisle, IL 60532	New	Yes	Yes	6/13/2017	6/26/2017	

PREVIOUS CONTRACTS WITH 1 ENTITY, WITHIN 1 YEAR, GREATER THAN \$750K

19	FIRE	3013305	Contract Amount: \$32,600.00 Contract Period: One Time Purchase Source: 100% ATPA Funding Purpose: To Provide Two (2) Four Door Arson SUVs Contractor: Jorgensen Ford Location: 8333 Michigan Avenue, Detroit, MI 48210	New	Yes	Yes	6/13/2017	6/26/2017	
20	GENERAL SERVICES	3013940	Contract Amount: \$262,388.00 Contract Period: One Time Purchase Source: 100% City Funding Purpose: To Provide Two (2) Road Service Trucks Contractor: Jorgensen Ford Location: 8333 Michigan Avenue, Detroit, MI 48210	New	Yes	Yes	6/13/2017	6/26/2017	

	Department	Contract Number	Description	Contract Request Type	Competitively Bid? If not a New contract, was the original contract competitively bid?	Highest Ranked or Lowest Bid? If not a New contract, was the original contract the lowest bid?	BOWC or City Council Approval Date	Office of the Chief Financial Officer Approval Date	Comments
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PREVIOUS CONTRACTS WITH 1 ENTITY, WITHIN 1 YEAR, GREATER THAN \$750K -- continued

21	GENERAL SERVICES	6000775	<p>Contract Amount: \$528,467.00 Contract Period: Upon FRC Approval through 6/25/19 Source: 100% City Funding Purpose: To Provide Design and Build Services for the General Services Department (BSEED 4th Floor Coleman A. Young Municipal Center) Contractor: KEO & Associates, Inc. Location: 18286 Wyoming Ave., Detroit, MI 48221</p>	New	Yes	Lowest within Specifications	6/20/2017	6/26/2017	
22	HOUSING AND REVITALIZATION	3012543	<p>Contract Amount: \$188,094.00 Contract Period: One Time Purchase Source: 100% City Funding Purpose: To Provide Residential Demolition – 3.9.17 Group D (11 Properties in District 11) Contractor: Adamo Demolition Co. Location: 300 E. Seven Mile Road, Detroit, MI 48203</p>	New	Yes	Yes	5/23/2017	6/26/2017	
23	HOUSING AND REVITALIZATION	3012712	<p>Contract Amount: \$453,000.00 Contract Period: One Time Purchase Source: 100% City Funding Purpose: To Provide Demolition Residential 3.9.17 Group A (22 Properties in Districts 1 & 2) Contractor: Blue Star, Inc. Location: 21950 Hoover, Warren, MI 48089</p>	New	Yes	Yes	5/23/2017	6/26/2017	
24	HOUSING AND REVITALIZATION	3014021	<p>Contract Amount: \$482,400.00 Contract Period: One Time Purchase Source: 100% City Funding Purpose: To Provide Commercial Demolition: Group 51 (3 Properties in District 5) Contractor: Smalley Construction Inc. Location: 131 Main Street, Scottville, MI 49454</p>	New	Yes	Yes	6/6/2017	6/26/2017	
25	OFFICE OF CHIEF FINANCIAL OFFICER	6000518	<p>Contract Amount: \$398,800.00 Contract Period: 7/1/17 through 6/29/18 Source: 100% City Funding Purpose: To Continue providing OCFO ERP System Support - Supplier Portal and Release-13 Implementation Contractor: Applications Software Technology Corporation Location: 1755 Park Street, Naperville, IL 60563</p>	Amendment	Continuity of ERP Support	No	6/20/2017	6/26/2017	Continue to provide support for the implementation of R13 system enhancements impacting the Procurement Module. Support is inclusive of test script development, testing, creation of "How To" Guides and Training on the new enhancements.
26	PUBLIC WORKS	2902711	<p>Contract Amount: \$473,384.00 Contract Period: Upon FRC Approval through 12/31/17 Source: 100% Street Funding Purpose: To Provide PW-6968 Bituminous Resurfacing of Class C Streets, Green Infrastructure Improvements (DWSD) Contractor: Fort Wayne Contracting Inc. Location: 320 E. Seven Mile Road, Detroit, MI 48203</p>	Amendment	Yes	Yes	5/23/2017	6/26/2017	
27	PUBLIC WORKS	6000623	<p>Contract Amount: \$339,929.00 Contract Period: Upon FRC Approval through 4/14/18 Source: 100% Street Funding Purpose: To Provide Manufacturing and Pick-up of Bituminous Aggregate Paving Mixture Contractor: Ajax Paving Industries Inc. Location: 1957 Crooks Road, Troy, MI 48084</p>	New	Yes	Yes	5/19/2017	6/26/2017	

Department	Contract Number	Description	Contract Request Type	Competitively Bid? If not a New contract, was the original contract competitively bid?	Highest Ranked or Lowest Bid? If not a New contract, was the original contract the lowest bid?	BOWC or City Council Approval Date	Office of the Chief Financial Officer Approval Date	Comments
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DEPARTMENT OF WATER AND SEWAGE CONTRACTS

CONTRACTS GREATER THAN \$750,000.00

28	WATER AND SEWAGE	6000815	<p>Contract Amount Not to Exceed: \$ 9,349,594 Contract Period: June 28, 2017 - June 19, 2019 Source: Operations and Maintenance (O&M) Funded 5731-20301-487800-617900-900132-30129-0000-000000 Purpose: Water System Improvements: Various Streets Throughout the City of Detroit Contractor: L. D'Agostini & Sons, Inc. Location: 15801 23 Mile Road, Macomb, Michigan 48042</p>	New	Yes	Yes	BOWC Approval 6/21/2017	6/26/2017	
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CONTRACTS GREATER THAN 2 YEARS

29	WATER AND SEWAGE	6000818	<p>Contract Amount Not to Exceed: \$159,048.05 Contract Period: June 21, 2017 - June 20, 2020 Source: Operations and Maintenance (O&M) Funded Purpose: Contract to purchase repair parts for the stop boxes used in the maintenance of gate valves. Contractor: Motor City Pipe & Supply Company Location: P.O. Box 27259, Detroit, Michigan 48227</p>	New	Yes	Yes	BOWC Approval 6/21/2017	6/26/2017	The proposed contract is for the program administration, planning, design/engineering, asset management, Capital Improvement Program Development and Implementation, Construction Administration and Oversight, and Development and Execution of Training and Inclusion Programs. The Program will improve coordination with other utility agencies and maximize the value of all funding sources to achieve the greatest volume of work for appropriate construction costs. The CIMPO will put DWSD on pace with industry standards to renew 1% to 2% of water and sewer infrastructure per year.
30	WATER AND SEWAGE	6000777	<p>Contract Amount: \$57,406,355.00 Contract Period: 7/1/17 through 6/30/22 Source: 100% DWSD Funded Purpose: Capital Improvement Program Management Program (CIPMO) Contractor: AECOM Great Lakes, Inc. Location: 400 Monroe Street, Suite 270, Detroit, Michigan 48226</p>	New	Yes	Highest Ranked	6/13/2017	06/26/17	
31	WATER AND SEWAGE	6000802	<p>Contract Amount: \$23,681,475.00 Contract Period: 6/23/17 through 6/22/20 Source: Operations & Maintenance (O&M) Funded Purpose: To Provide Repair of Payment, Sidewalks, Drivewalks and Curb Cuts in Various Streets at Various Locations throughout the City of Detroit Contractor: Giorgi Concrete, LLC/Major Cement Co., Joint Venture Location: 15347 Dale, Detroit, MI 48223</p>	New	Yes	Yes	6/13/2017	06/26/17	
32	WATER AND SEWAGE	6000709	<p>Contract Amount: \$7,752,019.00 Contract Period: 4/17/17 through 10/9/18 Source: Bond Fund Purpose: To Provide Water System Improvements: Various Streets throughout the City of Detroit Contractor: Major Cement Company Location: 1551 Rosa, Detroit, MI 48212</p>	New	Yes	Yes	6/6/2017	6/26/2017	
33	WATER AND SEWAGE	6000817	<p>Contract Amount Not to Exceed: \$269,571.25 Contract Period: June 21, 2017 to June 20, 2020 Source: Operations & Maintenance (O&M) Funded Purpose: Contract to purchase repair clamps to repair water mains. Contractor: T&N Services, Inc. Location: 2940 E, Jefferson, Detroit, Michigan 48207</p>	New	Yes	Yes	BOWC Approval 6/21/2017	6/26/2017	



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DATE: June 22, 2017
TO: Financial Review Commission Members
FROM: Kevin Kubacki, Financial Specialist – Financial Review Commission
SUBJECT: Contract Summary - June 2017 City of Detroit FRC Meeting

The City has submitted 33 contracts for review/approval at the June 26, 2017 commission meeting. These contracts have been vetted by the FRC Advisory Subcommittee on Contracts and Procurement. Additionally, all of these contracts have been approved by the Office of the Chief Financial Officer, and where required, City Council. Each contract is summarized below:

Contract 1 – New Contract to Finalize Software Platform for Managing License and Permitting Activity

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Accela	New Contract	6/13/2017	\$1,781,546	Continuity of Service	Yes, Sub to Direct Contractor	Construction Code Fund

This contract is subject to FRC review because it exceeds the statutory threshold of \$750,000. This contract will finalize the implementation of the Accela software platform that will manage licensing and permitting activity in the Buildings, Safety, Engineering and Environmental Department, Department of Public Works, and the Fire Marshall. While Accela is the developer of the software being implemented, FNG was initially engaged as the primary vendor for this project with Accela as the subcontractor. In October 2016, FNG was barred from doing further business with the City and thus suspending this project. The previous subcontractor Accela is now being recommended as the primary vendor to complete the project. This contract will also serve to establish ongoing maintenance and hosting agreements direct with Accela.

Contract 2 – New Contract for Elevator Maintenance and Repairs

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked ?	Budgeted Funding Sources
Otis Elevator Company	New Contract	6/20/2017	\$1,672,755	Yes	Yes	General Fund, Transportation Operation Fund, & Parking Operation Fund

This contract is subject to FRC review because it exceeds the statutory threshold of \$750,000 and because the terms of the contract exceed two years. This contract provides for regular maintenance and minor repairs to 35 elevators, escalators, or chairlifts throughout various locations in the City. This contract was competitively bid and two vendors responded. This contract is being recommended for approval to the lowest bidder.

Contract 3 – New Contract for Two Rapid Delivery Fire Department Platform Apparatuses

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Jorgensen Ford	New Contract	6/13/2017	\$2,228,394	Yes	Lowest Within Specifications	Quality of Life Fund

This contract is subject to FRC review because it exceeds the statutory threshold of \$750,000. This contract provides for the delivery of two fire department platform apparatuses. This contract was competitively bid and five vendors responded. The recommendation for approval is to the lowest bidder that could meet the size and delivery schedule requirements of the RFP.

Contract 4 – New Contract for Eight Rapid Delivery Fire Department Engines/Pumpers

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Jorgensen Ford	New Contract	6/13/2017	\$4,088,976	Yes	Lowest Within Specification	Quality of Life Fund

This contract amendment is subject to FRC review because it exceeds the statutory threshold of \$750,000. This contract provides for the purchase of eight fire engine/pumpers to be delivered by late September. This contract was competitively bid and three vendors responded. The

recommendation for approval is to the 2nd lowest bidder. The lowest bidder could not provide the apparatuses before the expected Insurance Services Office evaluation. It was noted on the call that these vehicles could help provide a better evaluation score, saving residents' money on house insurance premiums.

Contract 5 – New Contract for Three Aerial Ladders

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
R & R Fire Truck	New Contract	6/13/2017	\$2,569,791	Yes	Yes	Quality of Life Fund

This contract is subject to FRC review because it exceeds the statutory threshold of \$750,000. This contract provides for the purchase of three aerial ladder units, of 100+ feet. Also included are three training sessions on usage and maintenance of the ladders. This contract was competitively bid and the recommendation for approval is to the lowest bid.

Contract 6 – Contract Amendment for Diesel and Unleaded Fuel

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Waterfront Petroleum Terminal Company	Contract Amendment	6/20/2017	\$21,700,000	Yes	Lowest	General Fund, Transportation Operations Fund, & Airport Operation Fund

This contract amendment is subject to FRC review because it exceeds the statutory threshold of \$750,000 and because the terms exceed two years. This contract amendment is to extend the current contract through July 2019 with an increase of \$21,700,000 in estimated costs for diesel fuel, E-85, 87, and 89 octane fuel. This contract supports all non-DWSD Departments that require fuel for use in their operations.

Contract 7 – New Contract for the Purchase of 10 Stake Trucks

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Jorgensen Ford	New Contract	6/13/2017	\$790,000	Yes	Lowest	General Fund

This contract amendment is subject to FRC review because it exceeds the statutory threshold of \$750,000. This contract is for the purchase of 10 stake trucks. These trucks will be used to

transport staff, materials, and equipment for the City-Wide Vacant Home Board Up Program. This contract was competitively bid and one vendor responded.

Contract 8 – New Contract for Design and Build Services at the Coleman A. Young Municipal Center

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Cross Renovations	New Contract	6/20/2017	\$806,198	Yes	Lowest	General Fund

This contract is subject to FRC review because it exceeds the statutory threshold of \$750,000. This contract provides for the design and rebuilding of four office suites in the Coleman Young Municipal Center. This contract was competitively bid and three vendors responded. The recommendation for approval is to the lowest bidder.

Contract 9 – Contract Amendment for Legal Advice and Litigation Representation on Restructuring Matters

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Miller, Canfield, Paddock & Stone, PLLC	Contract Amendment	6/20/2017	\$1,250,000 Contract Increase; \$11,700,523 Total Contract Amount	Yes	Lowest	Risk Management Fund

This contract amendment is subject to FRC review because it exceeds the statutory threshold of \$750,000. This contract provides legal advice and litigation representation pertaining to implementing the City's ongoing restructuring and other matters as requested. This contract amendment increases the value by \$1,250,000 and extends the services to January 1, 2019.

Contract 10 – New Contract for Real Time Intelligence Consoles for Police

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Motorola Solutions, Inc.	New Contract	5/16/2017	\$830,500	Yes via MiDeal	Lowest Bid	Quality of Life Fund

This contract is subject to FRC review because it exceeds the statutory threshold of \$750,000. This contract is for the purchase of 11 real time intelligence consoles at \$75,500 each. The pricing for this contract is consistent with MiDeal pricing.

Contract 11 – New Contract for Road Resurfacing and Miscellaneous Construction

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Fort Wayne Contracting, Inc.	New Contract	5/23/2017	\$3,460,189	Yes	Lowest	Major Street Fund

This contract amendment is subject to FRC review because it exceeds the statutory threshold of \$750,000. This contract provides for road resurfacing and replacement of sidewalks, curbs and ramps along 2.92 miles of Cass Avenue. Also included in the contract are bike lane improvements for 3.7 miles. This contract was competitively bid and two vendors responded. The recommendation for approval is to the lowest bidder.

Contract 12 – New Contract for Traffic Signal Maintenance

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
J. Ranck Electric, Inc.	New Contract	6/13/2017	\$2,949,390	Yes	Lowest	Major Street Fund

This contract is subject to FRC review because it exceeds the statutory threshold of \$750,000 and because the terms of the contract exceed two years. This contract provides for routine maintenance to keep the traffic signal system properly functioning 24 hours per day, 7 days per week through annual preventative maintenance and corrective maintenance as required. This contract was competitively bid and two vendors responded. The recommendation for approval is to the lowest bidder at \$983,130 per year over three years.

Contract 13 – New Contract for Bituminous Surface Removal and Miscellaneous Construction

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Giorgi Concrete Joint Venture with Major Cement	New Contract	6/13/2017	\$8,642,438	Yes	Lowest	Local Street Fund

This contract is subject to FRC review because it exceeds the statutory threshold of \$750,000 and because the terms of this contract exceed two years. This contract provides for surface removal and repaving associated with construction activities for new curbs, sidewalks, installation of ADA ramps, etc. City-Wide through December 31, 2019. This contract was competitively bid and two vendors responded. The recommendation for approval is to the lowest bidder

Contract 14 – New Contract for Cleaning and Maintenance of Fire Gear

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Fire Service Management	New Contract	5/9/2017	\$155,000	Yes	Lowest	General Fund

This contract is subject to FRC review because the terms of the contract exceed two years. This contract provides for regular cleaning and maintenance of fire uniforms. Also included in this contract is the required record-keeping services of the uniforms. This contract was competitively bid and only the recommended vendor responded.

Contract 15 – New Contract for Installation and Repair of Commercial/Industrial Glass Windows

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
C.S. Farmer Construction, Inc.	New Contract	5/9/2017	\$300,000	Yes	Lowest	General Fund

This contract is subject to FRC review because the terms of the contract exceed two years. This contract is for installation, renovation and repairing of commercial and industrial glass windows as requested by General Services. This RFP was competitively bid and only the recommended vendor responded. The Department estimates costs will be \$100,000 per year over three years.

Contract 16 – New Contract to For Grass Cutting and Debris Removal

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Motor City Grounds Crew	New Contract	5/23/2017	\$347,802	Yes	Lowest	N/A

This contract is subject to FRC review because the terms of the contract exceed two years. This contract provides four grass cuttings at 67 former DPS properties that were transferred to the City. Originally, this RFP was competitively bid as part of larger grass cutting contracts and five vendors responded. Motor City Grounds was the lowest bid under each RFP, but the City was concerned about the company's capacity to perform the work. Therefore, the 67 DPS properties were carved out of the original RFPs and are being recommended to Motor City Grounds Crew.

Contract 17 – New Contract for Land Lease Agreement

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Board of Trustees, Michigan State University	Lease Agreement of City Properties	6/20/2017	\$0.00	N/A	N/A	N/A

This contract is subject to FRC review because the terms of the contract exceed two years. This proposed contract is for a 20 year lease for 3.3 acres of vacant land to Michigan State University (MSU). MSU Extension and AgBioResearch are seeking to establish MSU-Detroit Center for Urban Food and Forestry Systems. In consideration of a \$0.00 lease, MSU will construct a portable classroom, field laboratory, fencing, signage, utility connections and metering. MSU may construct a permanent building at the site based on programming and interest. MSU will also engage area residents and community stakeholders to provide free programs and activities for the public.

Contract 18 – New Contract for License Agreement for Pole or Conduit Use

Customer	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Externet Systems, Inc.	Revenue Contract	6/13/2017	\$7,568	N/A	N/A	Revenue Budgeted to General Fund

This contract is subject to FRC review because the terms of the contract exceed two years. This contract is entered into by the City of Detroit acting by and through the Public Lighting Department to allow Externet Systems, Inc. use of certain space on utility poles and space within conduits. Externet Systems provides wireline and wireless telecommunications services.

Contract 19 – New Contract for Two Arson SUVs.

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Jorgensen Ford	New Contract	6/13/2017	\$32,600	Yes	Lowest	Federal Grant Fund

This contract is subject to FRC review because the aggregate sum of the City's contracts with this contractor exceed \$750,000. This contract is for the purchase of two used four-door SUVs that will be used by the Arson Investigation Unit. It was noted during the call that the purchase of these trucks meet Federal grant requirements for reimbursement. This contract was competitively bid and the recommended vendor was the only vendor to respond.

Contract 20 – New Contract for Purchase of Two Road Service Trucks

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Jorgensen Ford	New Contract	6/13/2017	\$262,388	Yes	Lowest	General Fund

This contract is subject to FRC review because the aggregate sum of the City's contracts with this contractor exceed \$750,000. This contract provides for the purchase of Two Road Service Trucks outfitted with an 11-foot crane. These trucks will support field repairs of other vehicles. This contract was competitively bid and two vendors responded. The recommendation for approval is to the lowest bidder.

Contract 21 – New Contract for Design and Build Services at the Coleman A. Young Municipal Center

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
KEO & Associates	New Contract	6/20/2017	\$528,467	Yes	Lowest that met specifications	Construction Code Fund

This contract is subject to FRC review because the aggregate sum of the City's contracts with this contractor exceed \$750,000. This contract provides for the design and rebuilding of office suites for the Buildings, Safety Engineering and Environmental offices on the 4th floor of the Coleman Young Municipal Center. This contract was competitively bid and three vendors responded. The recommendation for approval is to the lowest bid that met the RFP's specifications.

Contract 22 – New Contract for Residential Demolition of 11 Properties

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Adamo Demolition Co.	New Contract	5/23/2017	\$188,094	Yes	Lowest	General Fund

This contract is subject to FRC review because the aggregate sum of the City's contracts with this contractor exceed \$750,000. This contract provides for the demolition and debris removal of 11 residential properties as part of the blight removal initiative. This contract was competitively bid and six vendors responded. The recommendation for approval is to the lowest bidder.

Contract 23 – New Contract for Residential Demolition of 22 Properties

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Blue Star, Inc.	New Contract	5/23/2017	\$453,000	Yes	Lowest	General Fund

This contract is subject to FRC review because the aggregate sum of the City's contracts with this contractor exceed \$750,000. This contract provides for the demolition and debris removal of 22 residential properties as part of the blight removal initiative. This contract was competitively bid and six vendors responded. The recommendation for approval is to the lowest bidder.

Contract 24 – New Contract for Commercial Demolition of 3 Properties

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Smalley Construction, Inc.	New Contract	6/6/2017	\$482,400	Yes	Lowest	General Fund

This contract is subject to FRC review because the aggregate sum of the City's contracts with this contractor exceed \$750,000. This contract provides for the demolition and debris removal of three commercial properties as part of the blight removal initiative. This contract was competitively bid and five vendors responded. The recommendation for approval is to the lowest bidder.

Contract 25 – Contract Amendment for OCFO ERP System Support

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Applications Software Technology Corporation	Contract Amendment	6/20/2017	\$398,800 Increase; \$605,600 Total Contract Value	Yes	Selected on Value	General Fund

This contract amendment is subject to FRC review because the aggregate sum of the City's contracts with this contractor exceed \$750,000. This amendment is for a one year extension and an increase in the contract's value of \$398,800. This contract provides for supplier portal support and also provides assistance to procurement and accounts payable to resolve outstanding issues. This contract also provides support for the integration to the Oracle Fusion platform.

Contract 26 – Contract Amendment to Provide Bituminous Resurfacing Material for Local Streets

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Fort Wayne Contracting, Inc.	Contract Amendment	5/23/2017	\$473,384 Increase; \$6,658,461 Total Contract Value	Yes	Selected on Value	Water Fund and Sewage Disposal Fund.

This contract amendment is subject to FRC review because the original terms of the contract exceed \$750,000. Under the original contract, green infrastructure improvements were removed along one section of road due to DWSD budgetary constraints. This amendment provides for an increase of \$473,384 to allow these improvements to be brought back under the scope of the contract. Specifically, these infrastructure improvements include installing permeable pavement along the sides of the streets, bioswales, and storm sewers to facilitate drainage.

Contract 27 – New Contract for Bituminous Paving Mixture

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Ajax Paving Industries, Inc.	New Contract	5/19/2017	\$339,929	Yes	Lowest	Local Street Fund

This contract is subject to FRC review because the aggregate sum of the City's contracts with this contractor exceed \$750,000. This contract provides for the purchase of two different grades of bituminous aggregate paving mixture that will be used by the City to transition driveways to streets. This contract was competitively bid and only one vendor responded.

Contract 28 – New DWSD Contract for Water Main Replacements

Contractor	Nature of Contract	BOWC Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
L. D'Agostini & Sons, Inc.	New Contract	6/21/2017	\$9,349,594	Yes	Lowest	DWSD Operations and Maintenance Fund

This contract is subject to FRC review because the aggregate sum of the City's contracts with this contractor exceed \$750,000. This contract is to replace approximately 38,944 linear feet of existing water mains throughout the City. This contract was competitively bid and five bidders responded. The recommendation for approval is to the lowest bidder.

Contract 29 – New DWSD Contract for Gate Box Repair Parts

Contractor	Nature of Contract	BOWC Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Motor City Pipe & Supply Company	New Contract	6/21/2017	\$159,048	Yes	Lowest	DWSD Operations and Maintenance Fund

This contract is subject to FRC review because the terms of the contract exceed two years. This contract provides gate box repair parts to DWSD. Gate boxes cover water valves and allow workers access to turn water off and on during repairs. The gate box repair parts help to extend the useful life of the boxes. This contract was competitively bid and five vendors responded. The recommendation for approval is to the lowest bidder.

Contract 30 – New DWSD Contract for Capital Improvement Program Management Program

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
AECOM Great Lakes, Inc.	New Contract	6/13/2017	\$57,406,355	Yes	Highest Ranked	DWSD Fund

This contract is subject to FRC review because it exceeds the statutory threshold of \$750,000 and because the terms of this contract exceed two years. This contract provides for a vendor to administer a Capital Improvement Program Management Program. The contractor will be responsible for program administration, planning, design/engineering, asset management, capital improvement program development and implementation, construction administration and oversight, and development and execution of training and inclusion programs. This contract was competitively bid and three vendors responded. The recommendation for approval is to the highest ranked bid.

Contract 31 – New DWSD Contract for Repair of Payment, Sidewalks, Driveways, and Curbs in Various Locations

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Giorgi Concrete, LLC/ Major Cement Co., Joint Venture	New Contract	6/13/2017	\$23,681,475	Yes	Lowest	DWSD Operations and Maintenance Fund

This contract is subject to FRC review because it exceeds the statutory threshold of \$750,000 and because the terms of this contract exceed two years. This contract provides for the restoration of surface areas after DWSD work crews are required to open-cut streets, sidewalks and driveways in areas throughout the City. This contract was competitively bid and five vendors responded. The contractor recommended for approval submitted the lowest bid.

Contract 32 – New DWSD Contract for Water Main Replacements

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Major Cement Company	New Contract	6/6/2017	\$7,752,019	Yes	Lowest	DWSD Bond Fund

This contract is subject to FRC review because it exceeds the statutory threshold of \$750,000. This contract is part of a series of water main replacement contracts to replace old water mains in the City that have an extensive history of leaks and breaks. This contract was competitively bid and three vendors responded. The recommendation for approval is to the lowest bid.

Contract 33 – New DWSD Contract for Repair Clamps to Repair Water Mains

Contractor	Nature of Contract	BOWC Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
T&N Services, Inc.	New Contract	6/21/2017	\$269,571	Yes	Lowest	DWSD Operations and Maintenance Fund

This contract is subject to FRC review because the terms of the contract exceed two years. This contract provides for the purchase of various repair clamps for the DWSD Warehouse Operations.

The repair clamps will be used to repair broken water mains throughout the City of Detroit. This contract was competitively bid and six vendors responded. The recommendation for approval is to the lowest bid.



CITY OF DETROIT
MAYOR'S OFFICE

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June 21, 2017

Nick Khouri
State Treasurer
Chairman, Financial Review Commission
3062 West Grand Blvd
Detroit, MI 48202

Dear Treasurer Khouri:

I write as Mayor of the City of Detroit to request that the Financial Review Commission (FRC), at its meeting scheduled for June 26, 2017, 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 public safety employees, 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,

A handwritten signature in blue ink, appearing to read "Michael E. Duggan". The signature is stylized and includes a long horizontal flourish at the end.

Michael E. Duggan
Mayor, City of Detroit