



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

CITY RESOLUTION 2017-11

APPROVING THE CITY'S MAY 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 May 22, 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 May 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 May 22, 2017 Meeting

FY 2016 - 2017 Grant Budget Amendments

| No. | Department | Grantor | Grant / Program | Brief Description | Amount | | Appr. # |
|---|------------------------------------|---|--|---|------------------|------------------|---------|
| | | | | | Revenue | Expense | |
| 1 | Police | Michigan Department of Health and Human Services | Victims of Crime Act Grant | These funds will be used for personnel costs and equipment needed to provide services to victims of crime. | 212,778 | 212,778 | 20230 |
| Police Department Total | | | | | 212,778 | 212,778 | |
| 2 | Mayor's Office (Homeland Security) | Federal Emergency Management Agency (FEMA) | Legislative Pre-Disaster Mitigation Grant | This grant will allow for the purchase and installation of emergency back-up generators for the Fire Department. The generators will be placed at ten (10) fire stations. | 839,112 | 839,112 | 20393 |
| | | | | | 279,704 | 279,704 | 00064 |
| Mayor's Office (Homeland Security) | | | | | 1,118,816 | 1,118,816 | |
| 3 | Recreation | National Park Foundation (Sub-award from the Kresge Foundation) | Historic Fort Wayne Strategic Planning Grant | This grant will be used to fund a project consultant and conduct four community planning meetings regarding the revitalization of the Historic Fort Wayne which will improve recreational and cultural opportunities for Southwest residents. | 202,748 | 202,748 | 20392 |
| 4 | Recreation | USA Swimming Foundation | Make a Splash Grant | This grant will provide funding for swim lessons and the expansion of fitness and recreational opportunities for at-risk students | 5,000 | 5,000 | 20395 |
| Recreation Department Total | | | | | 207,748 | 207,748 | |
| GRAND TOTAL | | | | | 1,539,342 | 1,539,342 | |

CITY OF DETROIT BUDGET AMENDMENTS

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THE MICHIGAN FINANCIAL REVIEW COMMISSION ACT
For May 22, 2017 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 revenues received as a result of Executive Order 2016-1. This policy was created to maximize the utilization of Detroit residents on public-funded construction projects. A failure to meet the requirements specified in the order results in the vendor paying non-compliance fees. These funds, once appropriated, can only be used to educate and train the Detroit workforce for construction jobs.</p> | | | | | |
| 1 | Civil Rights Inclusion & Opportunity (CRIO) | Increase the Compliance Fee Appropriation | 500,000 | 500,000 | 20303 |
| <p>The purpose of the amendment is to re-align staff in order to meet the mission and goals of the department.</p> | | | | | |
| 2 | Police | Increase the Office of the Chief Appropriation | - | 137,400 | 00112 |
| | | Increase the Human Resources Bureau Appropriation | - | 55,931 | 00115 |
| | | Increase the Support Services Bureau Appropriation | - | 99,352 | 00119 |
| | | Increase Casino Municipal Services - Police Appropriation | - | 83,092 | 10152 |
| | | Decrease the Communications Bureau Appropriation | - | (221,526) | 13712 |
| | | Decrease the Neighborhood Policing Bureau Appropriation | - | (154,249) | 10082 |
| | | Net Change | - | - | |
| <p>A ruptured water main located in close proximity to the Edison Branch Library caused major flood damage. The purpose of the amendment is to appropriate insurance proceeds so the vendor doing the repairs can be compensated.</p> | | | | | |
| 3 | Library | Increase the Library Administrative Management Appropriation | 310,600 | 310,600 | 10454 |
| <p>A bus fire at the Shoemaker Terminal caused major damage to the facility. The purpose of the amendment is to appropriate insurance proceeds so that repairs can begin on the facility.</p> | | | | | |
| 4 | Transportation | Establish the Shoemaker Terminal Repair Appropriation | 2,500,000 | 2,500,000 | 20396 |

CITY OF DETROIT BUDGET AMENDMENTS

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For May 22, 2017 Meeting

(Board of Water Commissioners Approved on May 17, 2017)

FY 2017 - 2018 DWSD Budget Amendments

| No. | Department | Appropriation Name | Budget Amendment Amount | | |
|--|------------|-------------------------------------|-------------------------|----------------|---------|
| | | | Revenue | Expense | Appr. # |
| The purpose of the amendment is adjust the FY 2017 - 2018 Water Budget which has been updated to reflect the operational priorities and new rates for the system. (Previously approved as part of the FY 2018 - 2021 Four Year Plan on April 17, 2017) | | | | | |
| 1 | Water | WDWSD-R Administration | - | 1,116,364 | 20166 |
| | | WDWSD-R Operations | - | (16,019,503) | 20167 |
| | | WDWSD-R Compliance | - | 1,008,947 | 20168 |
| | | WDWSD-R Finance | 1,195,582 | (1,510,849) | 20169 |
| | | WDWSD-R Customer Service | - | (3,223,460) | 20170 |
| | | WDWSD-R Debt Service & Amortization | - | 18,444,579 | 20172 |
| | | WDWSD-R Operating Revenue | (2,534,927) | 403,893 | 20173 |
| | | WDWSD-R Long Term Planning | - | (2,265,748) | 20174 |
| | | WDWSD-R Reserves | 2,080,686 | (2,496,000) | 20175 |
| | | WDWSD-R I & E | - | 4,459,759 | 20244 |
| | | GLWA Allocations | (828,000) | (4,641) | 20267 |
| | | Net Change | (86,659) | (86,659) | |
| The purpose of the amendment is adjust the FY 2017 - 2018 Sewerage Budget which has been updated to reflect the operational priorities and new rates for the system. (Previously approved as part of the FY 2018 - 2021 Four Year Plan on April 17, 2017) | | | | | |
| 2 | Sewerage | SDWSD-R Administration | - | 4,564,529 | 20177 |
| | | SDWSD-R Operations | - | 11,322,079 | 20178 |
| | | SDWSD-R Compliance | - | 5,206,234 | 20179 |
| | | SDWSD-R Finance | 4,538,973 | 2,968,096 | 20180 |
| | | SDWSD-R Customer Service | - | 12,904,706 | 20181 |
| | | SDWSD-R Debt Service & Amortization | - | (36,051,635) | 20183 |
| | | SDWSD-R Operating Revenue | (16,739,282) | 646,349 | 20184 |
| | | SDWSD-R Long Term Planning | - | (7,703,030) | 20185 |
| | | SDWSD-R Reserves | 2,298,935 | (2,633,280) | 20186 |
| | | SDWSD-R I & E | - | 11,126,356 | 20243 |
| | | GLWA Allocations | 5,516,000 | (6,735,778) | 20268 |
| | | Net Change | (4,385,374.00) | (4,385,374.00) | |