



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

CITY RESOLUTION 2018-12

**CERTIFYING THE CITY OF DETROIT’S (I) ADOPTION AND
ADHERENCE TO DEFICIT-FREE BUDGETS FOR THREE CONSECUTIVE
YEARS AND (II) COMPLIANCE WITH THE MICHIGAN FINANCIAL
REVIEW COMMISSION ACT**

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 8 of the Act provides a mechanism whereby the Commission waives the duties and obligations of the City to the Commission enumerated in Sections 6 and 7 of the Act if and when the conditions enumerated in Section 8 have been satisfied; and

WHEREAS, one such condition is found in Section 8(2)(a) of the Act which requires the Commission to certify that the City has adopted and adhered to deficit-free budgets for three consecutive years that comply with generally accepted accounting principles and are in accordance with the uniform budgeting and accounting act, MCL 141.421.

WHEREAS, Section 8(2)(g) of the Act further requires the Commission to certify that the City is in substantial compliance with the provisions of the Act; and

WHEREAS, at the Commission meeting on April 30, 2018, documentation of the City's (i) adoption and adherence to deficit-free budgets for three consecutive years that comply with generally accepted accounting principles and are in accordance with the uniform budgeting and accounting act, MCL 141.421, and (ii) compliance with the Act from September 1, 2017 through April 16, 2018, attached as **Exhibit A** to this Resolution, were presented for consideration.

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

1. That the Commission hereby certifies that the City has adopted and adhered to deficit-free budgets for three consecutive years that comply with generally accepted accounting principles and are in accordance with the uniform budgeting and accounting act, MCL 141.421; provided, however that the deficits of the City's proprietary funds in fiscal year 2015 and fiscal year 2016 were less than the unrestricted General Fund balance in each such year and therefore, the City's financial position as a whole was not in a deficit position at the end of the fiscal year 2015 or fiscal year 2016 and such deviations in the fiscal year 2015 and fiscal year 2016 budgets were previously approved and accepted by the Michigan Department of Treasury and the Commission.
2. That the Commission hereby certifies that the City is in substantial compliance with the provisions of the Act for the period from September 1, 2017 through April 16, 2018.
3. That the minutes of the Detroit Financial Review Commission meeting at which this Resolution is adopted take notice of the adoption of this Resolution.
4. This Resolution shall have immediate effect.