CITY OF DETROIT

OFFICE OF THE CHIEF FINANCIAL OFFICER

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August 15, 2022

Detroit Financial Review Commission
Cadillac Place
3062 West Grand Boulevard
Detroit, MI 48202

Re: Financial Report for the Twelve Months ended June 30, 2022

Dear Commissioners:

The Office of the Chief Financial Officer (OCFO) respectfully submits its City of Detroit Financial Report for the Twelve Months ended June 30, 2022. This comprehensive financial report includes both the monthly and quarterly reports for the Twelve Months ended June 30, 2022.

This report is provided in accordance with the requirements included in Detroit Financial Review Commission (FRC) Resolution 2022-03, which granted the City its waiver of active FRC oversight through June 30, 2023. The OCFO has separately submitted this report to the Mayor, Detroit City Council and posted it on the City's website.

Best regards,

Jay B. Rising
CFO

Att: City of Detroit Financial Report for Twelve Months ended June 30, 2022

Cc: Patrick Dostine, Executive Director, Detroit Financial Review Commission

FY 2021-22 Financial Report

For the 12 Months ended June 30, 2022

Office of the Chief Financial Officer

Submitted on August 15, 2022

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Executive Summary

- Since June is the last month of the fiscal year, the June YTD budget vs. actual report is combined with the annualized projection report. The report is modified to provide an estimate of the ending unassigned fund balance, which is $197.9 million. However, these results are preliminary, unaudited, and exclude material year-end accruals anticipated in the post-June adjustment period, including income tax adjustments, employee benefits true-up, and other unrecorded expenses.

- The City has filed a motion in bankruptcy court to require the Police and Firefighters Retirement System (PFRS) maintain the original 30-year amortization period as agreed to in the City's plan of adjustment.

- Detroit was recently featured by CNBC – highlighting the resurgence of the City post-bankruptcy.

Monthly Budget v. Monthly Actual – General Fund (Unaudited)

	A		B		($) C = B-A	% D = (C/A)
REVENUE:						
Municipal Income Tax	$	21.7	$	30.1	$ 8.4	38.7%
Property Taxes		14.6		22.2	7.6	52.1%
Wagering Taxes		15.6		24.7	9.1	58.3%
Utility Users' Tax		2.4		3.9	1.5	62.5%
State Revenue Sharing		67.5		65.1	(2.4)	(3.6%)
Other Revenues		16.2		40.8	24.6	151.9%
TOTAL (H)	**$**	**138.0**	**$**	**186.8**	**$ 48.8**	**35.4%**
EXPENDITURES:						
Salary and Wages (Incl. Overtime)	$	(52.8)	$	(61.9)	$ (9.1)	(17.2%)
Employee Benefits		(34.3)		(38.7)	(4.4)	(12.8%)
Legacy Pension Payments		(18.7)		(18.7)	–	–
Retiree Protection Fund		–		–	–	–
Debt Service		–		–	–	–
Other Expenses		(11.5)		(12.8)	(1.3)	(11.3%)
TOTAL (I)	**$**	**(117.3)**	**$**	**(132.1)**	**$ (14.8)**	**(12.6%)**
VARIANCE (J=H+I)	**$**	**20.7**	**$**	**54.7**	**$ 34.0**	**164.3%**

Note: Represents Fund 1000 only.

Revenue variance: June State Revenue Sharing includes anticipated accrual for August payment. June Other Revenues variance primarily due to receipt of $18.7M annual legacy pension funding from the Foundation for Detroit's Future.

Expenditure actuals exclude pro-rated share of budgeted $50 million Budget Reserve Fund deposit (funds are reserved not expensed).

Expenditure actuals exclude material year-end accruals anticipated in the post-June adjustment period, including income tax adjustments, employee benefits true-up, and other unrecorded expenses.

YTD Budget v. YTD Actual / Annualized – General Fund (Unaudited)

	A		B		($) C = B-A		% D = (C/A)
REVENUE:							
Municipal Income Tax	$	295.6	$	360.2	$	64.6	21.9%
Property Taxes		113.4		127.5		14.1	12.4%
Wagering Taxes		169.8		277.7		107.9	63.5%
Utility Users' Tax		28.4		37.7		9.3	32.7%
State Revenue Sharing		202.5		218.4		15.9	7.9%
Other Revenues		186.2		188.3		2.1	1.1%
TOTAL (H)	**$**	**995.9**	**$**	**1,209.8**	**$**	**213.9**	**21.5%**
EXPENDITURES:							
Salary and Wages (Incl. Overtime)	$	(455.7)	$	(483.9)	$	(28.2)	(6.2%)
Employee Benefits		(158.0)		(150.8)		7.2	4.6%
Legacy Pension Payments		(18.7)		(18.7)		–	–
Retiree Protection Fund		(135.0)		(135.0)		–	–
Debt Service		(85.1)		(85.0)		0.1	(0.1%)
Other Expenses		(377.1)		(230.2)		146.9	39.0%
TOTAL (I)	**$**	**(1,229.6)**	**$**	**(1,103.6)**	**$**	**126.0**	**10.2%**
NET CHANGE IN FUND 1000 BALANCE (EST.)	**$**	**(233.7)**	**$**	**106.2**	**$**	**339.9**	**145.4%**
Unassigned Fund Balance 6/30/21		179.1		179.1		–	–
Assigned Fund Balances used for budget 6/30/21		171.0		–		(171.0)	(100.0%)
Net increase in assigned fund balances (est.)		–		(87.4)		(87.4)	-
Unassigned Fund Balance 6/30/22 (est.)	**$**	**116.4**	**$**	**197.9**	**$**	**81.5**	**70.0%**

Note: Revenues and expenditures represent Fund 1000 only.

Revenue Variance: Wagering Taxes include new internet gaming and sports betting revenues not counted in the original budget, plus a one-time $40.5 million hold harmless payment from the State. Income Taxes include unanticipated enforcement revenue and one-time payments. State Revenue Sharing includes one-time 2020 Census hold harmless payments.

Expenditure Variance: Includes $50 million Budget Reserve Fund deposit (funds are reserved not expensed) and $36.6 million for continuing appropriations in Fund 1000 that will be assigned fund balance that continue into FY 2022-2023. Up to $35 million of the remaining $39.4 million expenditure surplus may be reserved for Risk Management, per City Council resolution approved in June 2022.

Actuals exclude material year-end accruals anticipated in the post-June adjustment period, including income tax adjustments, employee benefits true-up, and other unrecorded expenses.

Fund Balances: The amended budget assumed spend down of fund balance to support all appropriations, given the original revenues budgeted. The $171 million of assigned fund balances for budget includes the $143.3 million from the adopted budget plus $27.7 million of balance forward appropriations. The amended budget assumed another $62.7 million in spending would come from the unassigned fund balance for supplemental appropriations approved during the year.

As of June, actual revenues have exceeded spending by $106.2 million. Net increases in assigned fund balances are estimated at $87.4 million, after accounting for activities in capital, blight and risk management funds. The estimated year-end unassigned fund balance is $197.9 million.

YTD Budget Amendments – General Fund

FY 2021-2022 GENERAL FUND BUDGET AMENDMENTS (Through June 2022)			
Department	**Reason for Amendment**	**Resources**	**Expenditures**
FY 2021 2022 Adopted Budget		**$ 1,138,413,354**	**$1,138,413,354**
Use of Prior Year Fund Balance			
Non-Departmental	June 2021 Rain Event Disaster Response	5,000,000	5,000,000
Non-Departmental	Cultural Institutions Support - Detroit Historical Museum	500,000	500,000
Non-Departmental	Retiree Protection Fund	50,000,000	50,000,000
Fire	Fire Fighting and Response - Overtime	2,000,000	2,000,000
Law	Outside Counsel and Litigation Support	2,500,000	2,500,000
Elections	2021 Municipal Elections	2,000,000	2,000,000
Housing and Revitalization	Prior Year DESC Administration Expenses	700,000	700,000
	Total	**62,700,000**	**62,700,000**
Balance Forward Appropriations (FY21 to FY22)			
General Services (Recreation)	Pistons Basketball	571,733	571,733
General Services	Wayne County Parks Millage - FY18/19	294,496	294,496
General Services	Wayne County Parks Millage - FY19/20	262,756	262,756
CRIO	Homegrown Detroit	1,807,008	1,807,008
Housing and Revitalization	Neighborhood Improvement Fund	1,000,000	1,000,000
Police	Public Act 302 - Training Fund	793,879	793,879
Non-Departmental	PLD Decommissioning	23,000,000	23,000,000
	Total	**27,729,872**	**27,729,872**
Budget Amendments - Additional Resources			
General Services (Recreation)	Pistons Basketball	416,666	416,666
General Services	Wayne County Parks Millage - FY20/21	300,857	300,857
	Total	**717,523**	**717,523**
FY 2021 2022 Amended Budget		**$ 1,229,560,749**	**$1,229,560,749**

Note: Represents Fund 1000 only.

Employee Count Monitoring

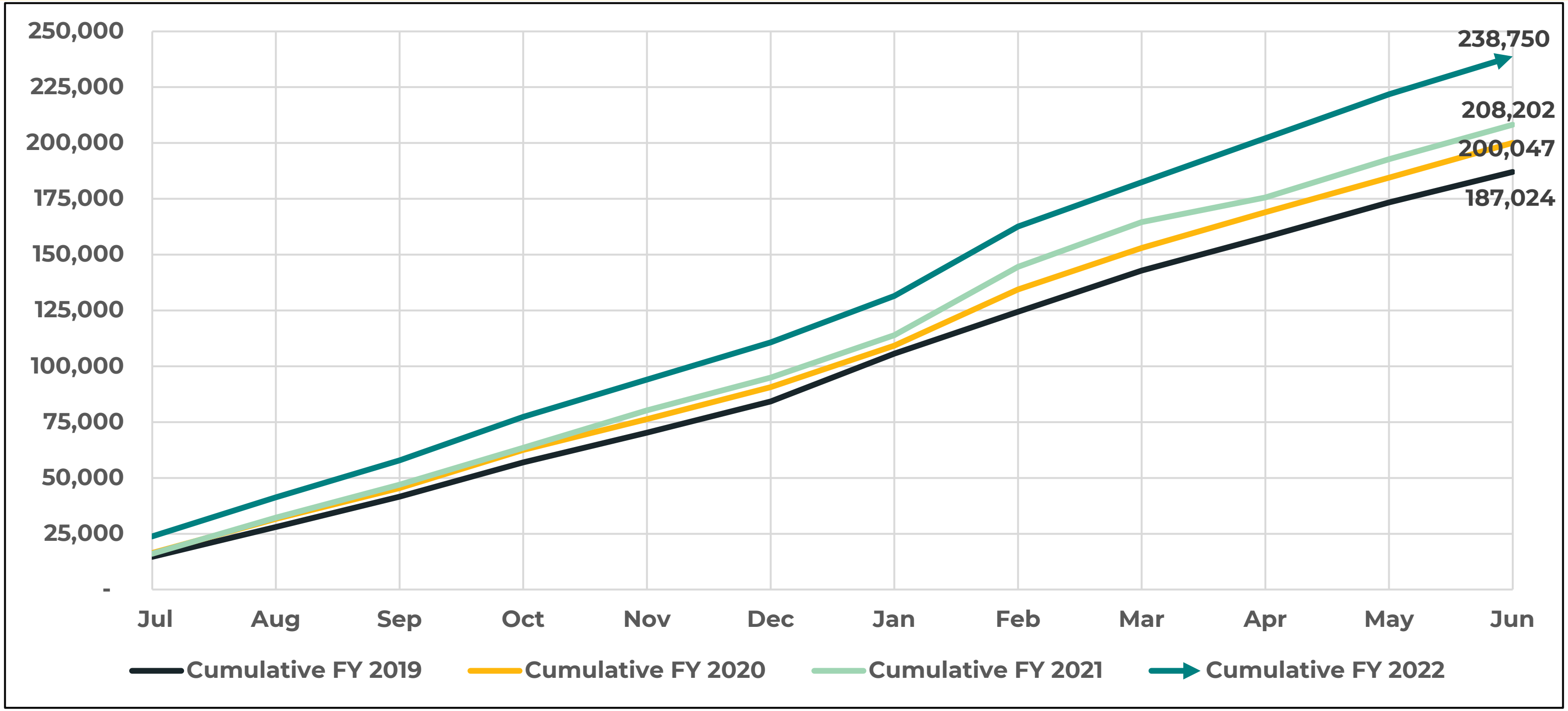
	MONTH-OVER-MONTH ACTUAL(1)			BUDGET VS. ACTUAL		
	Actual May 2022	Actual June 2022	Change June 2022 vs. May 2022	Adjusted Budget FY 2022(2)	Variance (Under)/Over Budget vs. May 2022	
Public Safety						
Police	3,035	3,063	28	3,443	(380)	(11%)
Fire	1,161	1,188	27	1,276	(88)	(7%)
Total Public Safety	4,196	4,251	55	4,719	(468)	(10%)
Non-Public Safety						
Office of the Chief Financial Officer	364	361	(3)	448	(87)	
Public Works - Full Time	342	349	7	491	(142)	
Health	140	147	7	192	(45)	
Human Resources	93	97	4	107	(10)	
Housing and Revitalization	125	124	(1)	161	(37)	
Innovation and Technology	127	131	4	148	(17)	
Law	112	114	2	129	(15)	
Mayor's Office	78	82	4	83	(1)	
Municipal Parking	68	63	(5)	99	(36)	
Planning and Development	38	41	3	42	(1)	
General Services - Full Time	579	618	39	629	(11)	
Legislative(3)	231	238	7	261	(23)	
36th District Court	307	307	0	325	(18)	
Other(4)	215	226	11	248	(22)	
Total Non-Public Safety	2,819	2,898	79	3,363	(465)	(14%)
Total General City-Full Time	**7,015**	**7,149**	**134**	**8,082**	**(933)**	**(12%)**
Seasonal / Part Time(5)	**82**	**89**	**7**	**591**	**(502)**	**(85%)**
ARPA / COVID Response	**380**	**356**	**(24)**	**380**	**(24)**	**(6%)**
Enterprise						
Airport	4	4	0	4	0	
BSEED	267	276	9	315	(39)	
Transportation	644	651	7	943	(292)	
Water and Sewerage	499	519	20	659	(140)	
Library	185	184	(1)	370	(186)	
Total Enterprise	**1,599**	**1,634**	**35**	**2,291**	**(657)**	**(29%)**
Total City	**9,076**	**9,228**	**152**	**11,344**	**(2,116)**	**(19%)**

Notes:
(1), (2) Actuals are the headcount of all active employees at month-end. The Budgeted positions have been adjusted to convert full-time equivalents to headcount and to reflect position amendments approved mid-year.
(3) Includes Auditor General, Inspector General, Zoning, City Council, Ombudsperson, City Clerk, and Elections.
(4) Includes Civil Rights Inclusion & Opportunity, Appeals and Hearings, Public Lighting, Demolition, and Non-Departmental
(5) Includes Public Works, General Services, and Elections.

Income Tax - Collections

Fiscal Years 2021 – 2022 Income Tax Collections	FY22 YTD June 2022	FY21 YTD June 2021
Withholding	$306,751,319	$280,845,031
Individual	59,722,367	78,353,032
Corporate	68,188,161	32,654,539
Partnerships	13,351,124	5,304,833
Total Collections	**$448,012,969**	**$397,157,436**
Refunds claimed, disbursed and accrued	**(87,827,334)**	**(81,154,009)**
Collections Net of Refunds/Disbursements	**$ 360,185,635**	**$ 316,003,427**

Income Tax – Number of Withholding Returns



Development and Grants

Active Grants and Donations as of June 30, 2022 *($ in millions)*

	Amount Awarded – City[1]	Amount Awarded – Partners[2]
Total Active	$2,123.1	$281.3
Net Change from last month[3]	$39.7	-$3.4

New Funds – January 1 to August 4, 2022 *($ in millions)*

	Amount Awarded
Documented	$103.4
Committed[4]	$236.6
Total New Funding (Overall Funds Raised)	**$340.0**
ARPA/COVID-19 Documented	$52.5
ARPA/COVID-19 Committed	$75.0
ARPA/COVID-19 Overall Funds Raised[5]	**$127.5**

(1) Reflects public and private funds directly to City departments.
(2) Reflects public and private funds for City projects via fiduciaries, and to third-party partners and agencies for projects prioritized by the City for which the OCFO-Office of Development and Grants has provided active support.
(3) The most significant new award this month was the Section 5307 American Rescue Plan Act (ARPA) Grant, in the amount of $51,509,139, from the Federal Transit Administration, awarded to DDOT. In addition, the General Services Department received a donation of a new Community Center, which will be located at Rouge Park, valued at $20,000,000, from the Detroit Pistons. Net change from last month includes reductions from completed awards.
(4) Reflects verbal and informal commitments for which formal agreements have not yet been finalized.
(5) Reflects documented and committed funds raised for COVID-19 response efforts by the City and its partners.

Development and Grants

New Funds and City Leverage[1] – January 1 to August 4, 2022 – By Priority Category

Priority Category	Total Funds	City Leverage[1]
Administration/General Services	$ 4,138,666	$ 1,275,791
Community/Culture		
Economic Development		
Health		
Housing[2]		
Infrastructure		
Parks and Recreation	$ 86,394,739	$ 550,000
Planning		$ 276,050
Technology/Education		
Transportation	$ 155,164,297	$ 1,606,378
		$ 17,658,064[2]
Grand Total	**$ 340,018,974**	**$ 21,366,283**

(1) Leverage includes both match and parallel investment by the City that help make the case to external funders to co-invest.
(2) This Leverage includes $15,040,200 for the People Plan and $2,000,000 in leverage for GDYT.

Cash Position

(in millions)	Unrestricted	Restricted	June 2022 Total	Prior Year June 2021 Total
Bank Balance	**$ 1,695.2**	**$ 718.5**	**$ 2,413.7**	**1,972.9**
Plus/minus: Reconciling items	0.1	0.0	0.1	(0.7)
Reconciled Bank Balance	**$ 1,695.2**	**$ 718.5**	**$ 2,413.8**	**1,972.2**
General Ledger Cash Balances				
General Fund				
General Accounts	$ 513.2	73.2	$ 586.4	$ 365.6
Self Insurance	10.0	9.6	19.6	72.0
Quality of Life Fund	2.4	1.8	4.3	6.7
Retiree Protection Trust Fund	-	356.8	356.8	234.7
A/P and Payroll Clearing	10.1	-	10.1	3.2
Other Governmental Funds				
Capital Projects	3.2	235.7	238.9	348.1
Streets	98.4	0.00	98.4	113.9
Grants	62.5	7.4	69.9	63.1
Covid 19	-	-	-	115.7
ARPA	790.3	-	790.3	424.6
Solid Waste Management	15.1	-	15.1	39.1
Debt Service	-	33.9	33.9	37.3
Gordie Howe Bridge	11.6	-	11.6	14.0
Other	33.7	0.0	33.7	27.2
Enterprise Funds				
Enterprise Funds	10.9	-	10.9	13.2
Fiduciary Funds			-	
Undistributed Property Taxes	53.5	-	53.5	14.7
Fire Insurance Escrow	11.6	-	11.6	11.2
Other	50.0	-	50.0	47.9
Component Units				
Component Units	18.7	-	18.7	20.0
Total General Ledger Cash Balance	**$ 1,695.2**	**$ 718.5**	**$ 2,413.8**	**1,972.2**

Note: This schedule reports total City of Detroit (excludes DSWD) cash in the bank at June 30, 2022 and differences between the General Ledger and the Bank are shown as reconciling items. This report does not represent cash available for spending, liabilities and fund balance must be considered when determining excess cash.

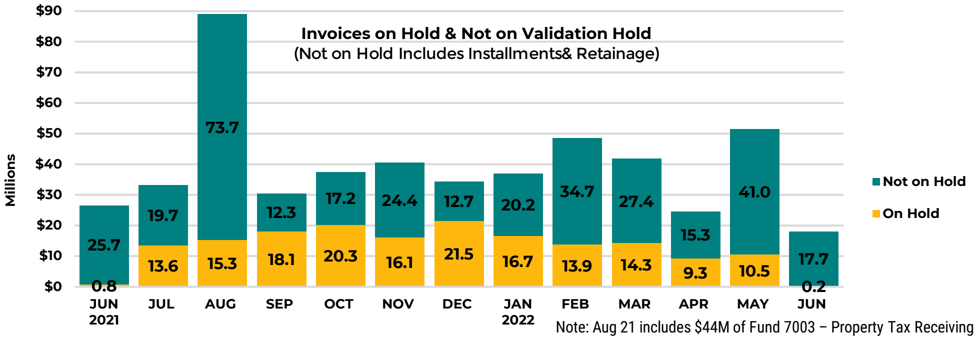
Operating Cash Activity: YTD Actual vs. Forecast and 12 Month Forecast

	FY21 YTD	FY22 YTD			June	July	August	September	October	November	December	Jan 2023 -
	July to June	July to June	Jul to June	Jul to June	2022	2022	2022	2022	2022	2022	2022	June 2023
	Actual	Actual	Forecast	Variance	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Beginning Common Cash Pool	**$ 564.2**	**$ 1,000.0**	**$ -**	**$ -**	**$ 1,032.3**	**$ 1,433.0**	**$ 1,452.1**	**$ 1,521.9**	**$ 1,420.9**	**$ 1,401.3**	**$ 1,380.5**	**$ 1,380.5**
Sources of Cash												
Income Taxes	299.2	346.7	312.2	34.6	28.6	21.5	31.0	21.1	23.0	21.5	20.9	154.3
Property Taxes	613.4	635.4	622.5	12.9	51.2	38.2	221.7	32.4	11.7	17.0	47.8	239.7
Revenue Sharing	147.8	181.6	181.5	0.2	23.0	30.7	-	30.7	-	30.9	-	91.5
Wagering Taxes	144.7	305.8	290.4	15.4	18.1	8.2	22.3	18.0	19.8	16.9	10.1	158.3
Utility Users Taxes	31.2	40.7	35.0	5.7	3.9	2.4	1.6	2.1	2.3	-	3.7	19.5
Other Receipts	955.8	782.3	767.6	14.7	451.2	27.6	84.5	34.3	33.4	36.6	42.1	166.1
Net Interpool transfers	460.2	452.9	454.5	(1.6)	22.2	36.9	17.9	23.5	55.7	25.6	26.8	191.4
Bond Proceeds	46.8	120.5	118.3	2.2	12.9	1.7	4.6	2.5	7.7	5.2	3.5	56.2
Total Sources of Cash	**$ 2,699.1**	**$ 2,866.0**	**$ 2,781.9**	**$ 84.1**	**$ 611.2**	**$ 167.1**	**$ 383.5**	**$ 164.6**	**$ 153.6**	**$ 153.7**	**$ 154.8**	**$ 1,077.0**
Uses of Cash												
Wages and Benefits	(670.4)	(735.7)	(730.2)	(5.6)	(62.5)	(54.7)	(55.5)	(49.6)	(51.4)	(55.0)	(61.1)	(361.4)
Pension Contribution	(63.3)	(81.7)	(85.3)	3.6	(4.7)	(9.3)	(2.5)	(2.4)	(10.4)	(3.6)	(2.3)	(33.8)
Debt Service	(18.5)	(25.5)	(23.6)	(1.9)	-	(5.1)	-	-	(9.1)	-	(0.1)	(9.3)
Property Tax Distribution	(384.0)	(278.1)	(275.7)	(2.4)	(2.2)	(5.6)	(99.6)	(60.3)	(9.6)	(2.2)	(4.4)	(198.5)
TIF Distribution	(57.1)	(52.1)	(55.6)	3.6	-	-	-	-	(1.6)	(3.6)	(23.9)	(29.3)
Other Disbursements	(1,019.9)	(1,124.9)	(1,121.7)	(3.2)	(141.1)	(73.3)	(66.1)	(153.3)	(91.1)	(110.1)	(128.4)	(486.4)
Transfers to Retiree Protection Fund	(50.0)	(135.0)	(135.0)	-	-	-	(90.0)	-	-	-	-	-
Total Uses of Cash	**$ (2,263.3)**	**$ (2,433.0)**	**$ (2,427.1)**	**$ (5.9)**	**$ (210.4)**	**$ (148.1)**	**$ (313.7)**	**$ (265.6)**	**$ (173.2)**	**$ (174.6)**	**$ (220.2)**	**$ (1,118.7)**
Net Cash Flow	**$ 435.8**	**$ 433.0**	**$ 354.8**	**$ 78.2**	**$ 400.7**	**$ 19.1**	**$ 69.9**	**$ (101.0)**	**$ (19.6)**	**$ (20.8)**	**$ (65.4)**	**$ (41.7)**
Ending Common Cash Pool	**$ 1,000.0**	**$ 1,433.0**	**$ -**	**$ -**	**$ 1,433.0**	**$ 1,452.1**	**$ 1,521.9**	**$ 1,420.9**	**$ 1,401.3**	**$ 1,380.5**	**$ 1,315.1**	**$ 1,338.8**
Budget Reserve Fund	**$ 107.0**	**$ 107.0**	**$ 107.0**	**$ -**	**$ 107.0**	**$ 107.0**	**$ 107.0**	**$ 107.0**	**$ 107.0**	**$ 107.0**	**$ 107.0**	**$ 138.0**

Accounts Payable and Supplier Payments

Accounts Payable (AP) as of Jun-22		
Total AP (May-22)	$	51.5
Plus: Jun-22 invoices processed	$	91.7
Less: Jun-22 Payments made	$	(125.3)
Total AP month end (Jun-22)	$	17.9
Less: Invoices on hold (1)	$	(0.2)
Total AP not on Validation hold (Jun-22)	$	17.7
Less: Installments/Retainage Invoices (2)	$	(2.2)
Net AP not on hold	$	15.5

Note: Net AP Not on Hold includes $14m of invoices that are due after Jun-22



Note: Aug 21 includes $44M of Fund 7003 – Property Tax Receiving

AP Aging

(excluding invoices on hold & Retainage)

	Net AP	Current	Days Past Due 1-30	Days Past Due 31-60	Days Past Due 61+
Jun-22. Total	$ 15.5	$ 14.2	$ 1.2	$ 0.1	$ -
% of total	*100%*	*90%*	*8%*	*2%*	*0%*
Change vs. May-22	*$ (23.3)*	*$ 4.2*	*$ (26.9)*	*$ (0.1)*	*$ (0.5)*
Total Count of Invoice	1,235	1,003	145	59	28
% of total	*100%*	*81%*	*12%*	*5%*	*2%*
Change vs. May-22	*(332)*	*47*	*(257)*	*(25)*	*(97)*
May-22. Total	$ 38.8	$ 10.0	$ 28.1	$ 0.2	$ 0.5
% of total	*100%*	*26%*	*72%*	*1%*	*1%*
Total Count of Invoice	1,567	956	402	84	125
% of total	*100%*	*61%*	*26%*	*5%*	*8%*

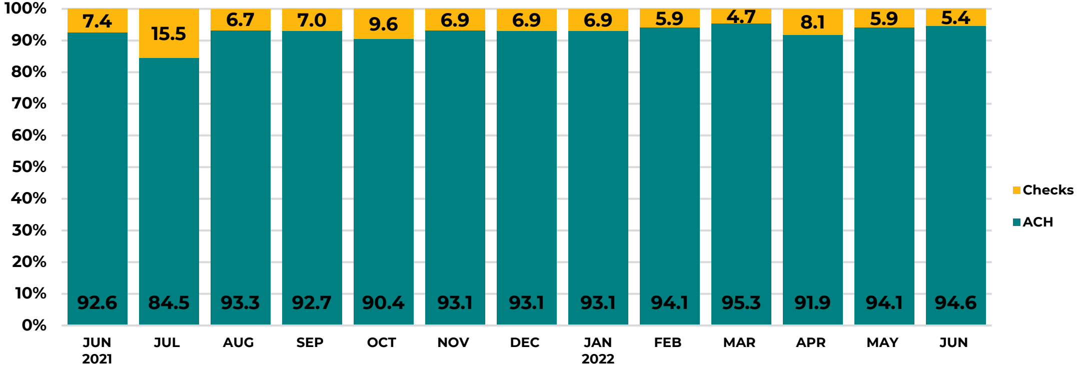
Notes:

(1) Invoices with system holds are pending validation. Some reasons include: pending receipt, does not match purchase order quantity/price and legal holds

(2) Invoices on retainage are on hold until the supplier satifies all contract obligations

All invoices are processed and aged based on the invoice date

Supplier Payment Metric - Phase 1



Property Tax Report

Collection Rate Analysis
For Tax Year 2021
$ in millions

Property Class	FY 2022 (Tax Year 2021) Adjusted Tax Roll[1]	Collections[1]	Collection Rate	FY 2021 (Tax Year 2020) Adjusted Tax Roll[1]	Collections[1]	Collection Rate
Commercial	$ 100.3	$ 92.4	92.2%	$ 100.3	$ 92.9	92.7%
Industrial	21.8	20.5	93.9%	21.0	19.4	92.4%
Residential	83.3	59.0	70.9%	80.9	56.1	69.4%
Utility	22.7	22.5	99.3%	19.6	19.6	100.0%
Total	**$ 228.0**	**$ 194.4**	**85.3%**	**$ 221.8**	**$ 188.1**	**84.8%**

[1] Amounts include General Operating, Debt Service and Library Levies.

Investment Portfolio Summary (Q4 FY2022)

July 1, 2021 – June 30, 2022

Common Cash	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity
Certificates of Deposit	60,000,000.00	57,213,800.00	60,000,000.00	5.0%	975	665
Commercial Paper	300,700,000.00	297,768,344.80	298,682,919.40	23.0%	224	123
Demand Deposit	94,203,788.11	94,203,788.11	94,203,788.11	7.0%	1	1
Federal Agency Securities	367,500,000.00	351,847,460.00	367,462,604.57	28.0%	949	233
LGIP	17,060,752.78	17,060,752.78	17,060,752.78	1.0%	1	1
Money Market	146,615,044.26	146,615,044.26	146,615,044.26	11.0%	1	1
Treasury Coupon Securities	315,000,000.00	311,167,450.00	313,913,987.53	24.0%	338	283
	$1,301,079,585.15	**$1,275,876,639.95**	**$1,297,939,096.65**	100.0%	**447**	**194**
Total Earnings	**$3,306,331.71**					
Effective Rate of Return	**0.39%**					

Risk Management	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity
Money Markets	9,635,532.95	9,635,532.95	9,635,532.95	100.0%	1	1
	$9,635,532.95	**$9,635,532.95**	**$9,635,532.95**	100.0%	**1**	**1**
Total Earnings	**$7,949.12**					
Effective Rate of Return	**0.08%**					

Debt Service	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity
Money Markets	73,410,379.74	73,410,379.74	73,410,379.74	100.0%	1	1
	$73,410,379.74	**$73,410,379.74**	**$73,410,379.74**	100.0%	**1**	**1**
Total Earnings	**$40,643.53**					
Effective Rate of Return	**0.08%**					

Bond Proceeds	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity
LGIP	68,788,248.61	68,788,248.61	68,788,248.61	21.0%	1	1
Money Markets	142,233,309.42	142,424,559.07	142,233,309.42	42.0%	1	1
Money Markets	123,845,954.53	123,845,954.53	123,845,954.53	37.0%	1	1
	$334,867,512.56	**$335,058,762.21**	**$334,867,512.56**	100.0%	**1**	**1**
Total Earnings	**$890,136.56**					
Effective Rate of Return	**0.55%**					

Reserve	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity
Certificates of Deposit	53,466,919.52	52,850,209.52	53,466,919.52	42.0%	978	246
Commercial Paper	10,900,000.00	10,840,987.30	10,891,808.83	9.0%	268	84
Federal Agency Securities	45,000,000.00	43,146,900.00	45,000,000.00	35.0%	1096	80
Money Markets	7,377,649.04	7,377,649.04	7,377,649.04	6.0%	0	0
Money Markets	10,236,244.39	10,236,244.39	10,236,244.39	8.0%	1	1
	$126,980,812.95	**$124,451,990.25**	**$126,972,621.78**	100.0%	**823**	**139**
Total Earnings	**$837,946.34**					
Effective Rate of Return	**0.75%**					

Retiree Protection Trust	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity
Money Market	50,312,325.00	50,312,325.00	50,312,325.00	14.1%	1	1
Certification of Deposits	134,589,645.00	134,589,645.00	134,589,645.00	37.6%	N/A	N/A
Fixed Income	172,881,015.00	172,881,015.00	172,881,015.00	48.3%	N/A	N/A
	$357,782,985.00	**$357,782,985.00**	**$357,782,985.00**	100.0%		
Total Earnings	**$3,958,338.00**					
Effective Rate of Return	**1.32%**					

Total Earnings	**$9,041,345.26**

Pension Payments

City of Detroit
Pension Payments Report for the Four Quarters ended June 30, 2022
(unaudited)

	YTD FY2022 Payments by Source						
YTD Payments to Plan/Fund	**City of Detroit**	**Detroit Water and Sewerage Department**	**Great Lakes Water Authority**	**Detroit Public Library**	**COBO Authority (Huntington Place)**	**Detroit Institute of Arts and Foundations**	**Total**
PFRS Hybrid Plan (Component I)	$ 20,055,026	$ -	$ -	$ -	$ -	$ -	$ 20,055,026
PFRS Legacy Plan (Component II)	$ -	$ -	$ -	$ -	$ -	$ 18,300,000	$ 18,300,000
GRS Hybrid Plan (Component I)	$ 13,790,651	$ 1,421,133	$ -	$ 467,610	$ 9,794	$ -	$ 15,689,188
GRS Legacy Plan (Component II)	$ -	$ 7,128,000	$ 38,272,000	$ 2,730,000	$ -	$ 375,000	$ 48,505,000
RPF (IRC Section 115 Trust)	$ 135,000,000	$ -	$ -	$ -	$ -	$ -	$ 135,000,000
Total	**$ 168,845,677**	**$ 8,549,133**	**$ 38,272,000**	**$ 3,197,610**	**$ 9,794**	**$ 18,675,000**	**$ 237,549,214**

Note: Payments to Hybrid Plans (Component I) represent the City's quarterly employer match based on a percentage of payroll through FY 2023. Beginning in FY 2024, City contributions will be actuarially determined based on funding policies adopted by the PFRS and GRS Investment Committees and Board of Trustees. The City's projections of these contribution requirements are based on the assumptions used in the Bankruptcy Plan of Adjustment, which used 30 year amortization of the unfunded actuarial accrued liability (UAAL) for the Legacy Plans(Component II) and keeping the Hybrid Plans fully funded. The PFRS Investment Committee voted to approve a 20 year amortization of the UAAL which would increase the amount that City will be required to contribute to the PFRS Component II plan beginning in FY 2024.

Acronyms:
PFRS: Police and Fire Retirement System
GRS: General Retirement System
RPF: Retiree Protection Fund

Debt Service

City of Detroit
Debt Service Report for the Four Quarters ended June 30, 2022
(unaudited)

Debt Obligation	# of Series	Principal Outstanding (as of 06/30/22)	Annual Debt Service	Amount Paid	Balance Due	At Trustee (as of 06/30/22)	Required Set-Aside (as of 06/30/22)
2010 UTGO DSA Second Lien Bonds[1]	1	$ 81,080,000	$ 9,824,594	$ 9,824,594	$ -	$ 14,302,428	$ -
2016 UTGO DSA Fourth Lien Bonds	2	63,315,000	27,770,871	27,770,871	-	15,360,472	596,939
2018 UTGO Bonds	1	110,760,000	10,221,000	10,221,000	-	1,807,952	-
2020 UTGO Bonds	1	69,745,000	4,925,950	4,925,950	-	1,681,406	-
2021 UTGO Bonds	2	166,405,000	17,254,197	17,254,197	-	1,748,471	-
UTGO Subtotal:		**$ 491,305,000**	**$ 69,996,612**	**$ 69,996,612**	**$ -**	**$ 34,900,730**	**$ 596,939**
2014 LTGO Bonds (Exit Financing, Remarketed)[2]	2	$ 155,805,000	$ 33,028,701	$ 33,028,701	$ -	22,155,515	$ 8,478,295
2014 LTGO (B-Notes)	2	434,311,789	17,372,472	17,372,472	-	-	-
2016 LTGO DSA First Lien Bonds	1	210,635,000	18,847,724	18,847,724	-	12,520,834	12,520,834
2016 LTGO DSA Third Lien Bonds	1	94,700,000	10,357,882	10,357,882	-	7,151,718	7,151,718
2018 LTGO DSA Fifth Lien Bonds	1	175,985,000	8,745,092	8,745,092	-	2,915,035	2,915,031
2019 LTGO MSF (JLA) Loan[3]	1	10,000,000	66,875	66,875	-	-	-
LTGO Subtotal:		**$ 1,081,436,789**	**$ 88,418,746**	**$ 88,418,746**	**$ -**	**$ 44,743,103**	**$ 31,065,878**
2017 MTF Bonds	**1**	**106,010,000**	**13,785,557**	**13,785,557**	**-**	**4,607,532**	**4,577,125**
HUD Notes[4, 5]	**9**	**30,230,000**	**7,233,154**	**10,705,154**	**-**	**2,008,921**	**-**
Total:	**25**	**$ 1,708,981,789**	**$ 179,434,069**	**$ 182,906,069**	**$ -**	**$ 86,260,286**	**$ 36,239,942**

[1] The Required Set-Aside amount has been corrected to zero. This is because a recent review by bond counsel determined there are no set-aside requirements for this bond issue.

[2] This bond issue has a debt service reserve fund of $27,500,000 held by the Trustee. The DSRF is not reflected in the "At Trustee" amount because it is not intended to pay debt service.

[3] The Amount Paid is greater than the Annual Debt Service because it includes the amount used to prepay all of the City's HUD 108 Interim Notes.

[4] Funds held at Trustee are used to pay debt service on HUD Notes that were previously defeased in substance by the City.

Appendix: Debt Details

City of Detroit - UTGO 2018 Debt Service Requirements

ISSUE NAME:	Unlimited Tax General Obligation
ISSUE NAME(2):	
REPAYMENT SOURCE:	Full faith and credit and resources of the City
	Ad valorem taxes levied annually on all property
ORIGINAL PAR:	$135,000,000
DATED DATE:	December 11, 2018
PRINCIPAL DUE:	Annual: April
INTEREST DUE:	Semi-Annual: April/October
INTEREST RATE:	5.00%
MATURITY DATE:	April 1, 2038
INSURANCE:	None
CALL PROVISIONS:	April 1, 2028 at 100%

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	4,460,000	5,761,000	**10,221,000**
2023	4,680,000	5,538,000	**10,218,000**
2024	4,915,000	5,304,000	**10,219,000**
2025	5,160,000	5,058,250	**10,218,250**
2026	5,420,000	4,800,250	**10,220,250**
2027	5,690,000	4,529,250	**10,219,250**
2028	5,975,000	4,244,750	**10,219,750**
2029	6,275,000	3,946,000	**10,221,000**
2030	6,590,000	3,632,250	**10,222,250**
2031	6,915,000	3,302,750	**10,217,750**
2032	7,265,000	2,957,000	**10,222,000**
2033	7,625,000	2,593,750	**10,218,750**
2034	8,005,000	2,212,500	**10,217,500**
2035	8,410,000	1,812,250	**10,222,250**
2036	8,830,000	1,391,750	**10,221,750**
2037	$9,270,000	950,250	**10,220,250**
2038	$9,735,000	486,750	**10,221,750**
OUTSTANDING AT 7/1/2021	**$ 115,220,000**	**$ 58,520,750**	**$ 173,740,750**
PAID DURING FISCAL YEAR	**4,460,000**	**5,761,000**	**10,221,000**
OUTSTANDING AT 6/30/22	**$ 110,760,000**	**$ 52,759,750**	**$ 163,519,750**

City of Detroit - UTGO 2020 Debt Service Requirements

ISSUE NAME:	**Unlimited Tax General Obligation**
ISSUE NAME(2):	
REPAYMENT SOURCE:	**Full faith and credit and resources of the City**
	Ad valorem taxes levied annually on all property
ORIGINAL PAR:	**$80,000,000**
DATED DATE:	**October 15, 2020**
PRINCIPAL DUE:	**Annual: April**
INTEREST DUE:	**Semi-Annual: April/October**
INTEREST RATE:	**5.0% to 5.5%**
MATURITY DATE:	**April 1, 2040**
INSURANCE:	**None**
CALL PROVISIONS:	**April 1, 2031 at 100%**

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	1,090,000.00	3,835,950.00	**4,925,950**
2023	1,140,000.00	3,781,450.00	**4,921,450**
2024	1,200,000.00	3,724,450.00	**4,924,450**
2025	1,260,000.00	3,664,450.00	**4,924,450**
2026	1,320,000.00	3,601,450.00	**4,921,450**
2027	1,390,000.00	3,535,450.00	**4,925,450**
2028	1,460,000.00	3,465,950.00	**4,925,950**
2029	1,530,000.00	3,392,950.00	**4,922,950**
2030	1,605,000.00	3,316,450.00	**4,921,450**
2031	1,690,000.00	3,236,200.00	**4,926,200**
2032	1,780,000.00	3,143,250.00	**4,923,250**
2033	1,880,000.00	3,045,350.00	**4,925,350**
2034	1,980,000.00	2,941,950.00	**4,921,950**
2035	2,090,000.00	2,833,050.00	**4,923,050**
2036	2,205,000.00	2,718,100.00	**4,923,100**
2037	2,325,000.00	2,596,825.00	**4,921,825**
2038	2,455,000.00	2,468,950.00	**4,923,950**
2039	2,590,000.00	2,333,925.00	**4,923,925**
2040	2,730,000.00	2,191,475.00	**4,921,475**
2041	2,885,000.00	2,041,325.00	**4,926,325**
2042	3,040,000.00	1,882,650.00	**4,922,650**
2043	3,210,000.00	1,715,450.00	**4,925,450**
2044	3,385,000.00	1,538,900.00	**4,923,900**
2045	3,570,000.00	1,352,725.00	**4,922,725**
2046	3,765,000.00	1,156,375.00	**4,921,375**
2047	3,975,000.00	949,300.00	**4,924,300**
2048	4,195,000.00	730,675.00	**4,925,675**
2049	4,425,000.00	499,950.00	**4,924,950**
2050	4,665,000.00	256,575.00	**4,921,575**
			-
OUTSTANDING AT 7/1/2021	**$ 70,835,000**	**$ 71,951,550**	**$ 142,786,550**
PAID DURING FISCAL YEAR	**1,090,000**	**3,835,950**	**4,925,950**
OUTSTANDING AT 6/30/22	**$ 69,745,000**	**$ 68,115,600**	**$ 137,860,600**

City of Detroit - UTGO 2021 NIP Debt Service Requirements

ISSUE NAME:	**Unlimited Tax General Obligation Bonds, Series 2021A (Tax-Exempt) (Social Bonds)**	**Unlimited Tax General Obligation Bonds, Series 2021B (Taxable) (Social Bonds)**	
ISSUE NAME(2):			
REPAYMENT SOURCE:	**Full faith and credit and resources of the City Ad valorem taxes levied annually on all property**	**Full faith and credit and resources of the City Ad valorem taxes levied annually on all property**	
ORIGINAL PAR:	**$135,000,000**	**$40,000,000**	**ALL**
DATED DATE:	**February 4, 2021**	**February 4, 2021**	
PRINCIPAL DUE:	**Annual: April**	**Annual: April**	
INTEREST DUE:	**Semi-Annual: October/April**	**Semi-Annual: October/April**	
INTEREST RATE:	**4.00% to 5.00%**	**1.817% to 3.644%**	
MATURITY DATE:	**April 1, 2050**	**April 1, 2034**	
INSURANCE:	**None**	**None**	
CALL PROVISIONS:	**April 1, 2031 @ 100%**	**April 1, 2031 @ 100% Make-Whole before then (40bps, max 103% of par)**	

Fiscal Year Ending June 30,	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2022	-	7,455,736	**7,455,736**	8,595,000	1,203,461	**9,798,461**	**8,595,000**	**8,659,197**	**17,254,197**
2023	-	6,546,500	**6,546,500**	3,390,000	900,526	**4,290,526**	**3,390,000**	**7,447,026**	**10,837,026**
2024	-	6,546,500	**6,546,500**	3,455,000	832,150	**4,287,150**	**3,455,000**	**7,378,650**	**10,833,650**
2025	-	6,546,500	**6,546,500**	3,530,000	756,520	**4,286,520**	**3,530,000**	**7,303,020**	**10,833,020**
2026	-	6,546,500	**6,546,500**	3,620,000	667,882	**4,287,882**	**3,620,000**	**7,214,382**	**10,834,382**
2027	-	6,546,500	**6,546,500**	3,720,000	569,743	**4,289,743**	**3,720,000**	**7,116,243**	**10,836,243**
2028	-	6,546,500	**6,546,500**	3,830,000	459,631	**4,289,631**	**3,830,000**	**7,006,131**	**10,836,131**
2029	-	6,546,500	**6,546,500**	3,945,000	340,518	**4,285,518**	**3,945,000**	**6,887,018**	**10,832,018**
2030	3,075,000	6,546,500	**9,621,500**	1,000,000	212,543	**1,212,543**	**4,075,000**	**6,759,043**	**10,834,043**
2031	3,230,000	6,392,750	**9,622,750**	1,030,000	179,103	**1,209,103**	**4,260,000**	**6,571,853**	**10,831,853**
2032	3,225,000	6,231,250	**9,456,250**	1,235,000	141,569	**1,376,569**	**4,460,000**	**6,372,819**	**10,832,819**
2033	3,370,000	6,070,000	**9,440,000**	1,295,000	96,566	**1,391,566**	**4,665,000**	**6,166,566**	**10,831,566**
2034	3,525,000	5,901,500	**9,426,500**	1,355,000	49,376	**1,404,376**	**4,880,000**	**5,950,876**	**10,830,876**
2035	5,105,000	5,725,250	**10,830,250**	-	-	**-**	**5,105,000**	**5,725,250**	**10,830,250**
2036	5,365,000	5,470,000	**10,835,000**	-	-	**-**	**5,365,000**	**5,470,000**	**10,835,000**
2037	5,630,000	5,201,750	**10,831,750**	-	-	**-**	**5,630,000**	**5,201,750**	**10,831,750**
2038	5,910,000	4,920,250	**10,830,250**	-	-	**-**	**5,910,000**	**4,920,250**	**10,830,250**
2039	6,210,000	4,624,750	**10,834,750**	-	-	**-**	**6,210,000**	**4,624,750**	**10,834,750**
2040	6,520,000	4,314,250	**10,834,250**	-	-	**-**	**6,520,000**	**4,314,250**	**10,834,250**
2041	6,780,000	4,053,450	**10,833,450**	-	-	**-**	**6,780,000**	**4,053,450**	**10,833,450**
2042	7,050,000	3,782,250	**10,832,250**	-	-	**-**	**7,050,000**	**3,782,250**	**10,832,250**
2043	7,330,000	3,500,250	**10,830,250**	-	-	**-**	**7,330,000**	**3,500,250**	**10,830,250**
2044	7,700,000	3,133,750	**10,833,750**	-	-	**-**	**7,700,000**	**3,133,750**	**10,833,750**
2045	8,085,000	2,748,750	**10,833,750**	-	-	**-**	**8,085,000**	**2,748,750**	**10,833,750**
2046	8,485,000	2,344,500	**10,829,500**	-	-	**-**	**8,485,000**	**2,344,500**	**10,829,500**
2047	8,910,000	1,920,250	**10,830,250**	-	-	**-**	**8,910,000**	**1,920,250**	**10,830,250**
2048	9,355,000	1,474,750	**10,829,750**	-	-	**-**	**9,355,000**	**1,474,750**	**10,829,750**
2049	9,825,000	1,007,000	**10,832,000**	-	-	**-**	**9,825,000**	**1,007,000**	**10,832,000**
2050	10,315,000	515,750	**10,830,750**	-	-	**-**	**10,315,000**	**515,750**	**10,830,750**
OUTSTANDING AT 7/1/2021	**$ 135,000,000**	**$ 139,160,186**	**$ 274,160,186**	**$ 40,000,000**	**$ 6,409,588**	**$ 46,409,588**	**$ 175,000,000**	**$ 145,569,774**	**$ 320,569,774**
PAID DURING FISCAL YEAR	**-**	**7,455,736**	**7,455,736**	**8,595,000**	**1,203,461**	**9,798,461**	**8,595,000**	**8,659,197**	**17,254,197**
OUTSTANDING AT 6/30/22	**$ 135,000,000**	**$ 131,704,450**	**$ 266,704,450**	**$ 31,405,000**	**$ 5,206,128**	**$ 36,611,128**	**$ 166,405,000**	**$ 136,910,578**	**$ 303,315,578**

CALLABLE:

City of Detroit - LTGO DSA 1st Lien Debt Service Requirements

ISSUE NAME:	Distributable State Aid First Lien Bonds (Limited Tax General Obligation), Series 2016B-1 (Taxable - Refunding Local Project Bonds)
ISSUE NAME(2):	LTGO DSA First Lien Bonds
REPAYMENT	Full faith and credit and resources of the City, additionally Detroit's share of State Shared Revenue payments.
SOURCE:	Ad valorem taxes levied annually on all property
ORIGINAL PAR:	$240,965,000
DATED DATE:	August 11, 2016
PRINCIPAL DUE:	Annual: November
INTEREST DUE:	Semi-Annual: November/May
INTEREST RATE:	1.94% to 5.00%
MATURITY DATE:	November 1, 2035
INSURANCE:	Noninsured
CALL PROVISIONS:	Make-Whole

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	12,130,000	6,717,724	**18,847,724**
2023	12,385,000	6,461,043	**18,846,043**
2024	12,675,000	6,170,364	**18,845,364**
2025	12,990,000	5,855,619	**18,845,619**
2026	13,330,000	5,518,638	**18,848,638**
2027	13,690,000	5,159,182	**18,849,182**
2028	14,100,000	4,743,853	**18,843,853**
2029	14,565,000	4,276,613	**18,841,613**
2030	15,050,000	3,793,889	**18,843,889**
2031	15,550,000	3,295,109	**18,845,109**
2032	16,065,000	2,779,784	**18,844,784**
2033	16,625,000	2,219,922	**18,844,922**
2034	17,235,000	1,612,981	**18,847,981**
2035	17,860,000	983,903	**18,843,903**
2036	18,515,000	331,881	**18,846,881**
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
OUTSTANDING AT 7/1/2021	**$ 222,765,000**	**$ 59,920,505**	**$ 282,685,505**
PAID DURING FISCAL YEAR	**12,130,000**	**6,717,724**	**18,847,724**
OUTSTANDING AT 6/30/22	**$ 210,635,000**	**$ 53,202,781**	**$ 263,837,781**

City of Detroit - UTGO DSA 2nd Lien Debt Service Requirements

ISSUE NAME:	Distributable State Aid Second Lien Bonds (Unlimited Tax General Obligation), Series 2010 (Taxable - Recovery Zone Economic development Bonds - Direct Payment)
ISSUE NAME(2):	UTGO DSA 2nd Lien
REPAYMENT SOURCE:	Full faith and credit and resources of the City & State Shared Revenue payments
	Ad valorem taxes levied annually on all property
ORIGINAL PAR:	$100,000,000
DATED DATE:	December 16, 2010
PRINCIPAL DUE:	Annual: November
INTEREST DUE:	Semi-Annual: November/May
INTEREST RATE:	5.429% to 8.369%
MATURITY DATE:	November 1, 2035
INSURANCE:	None
CALL PROVISIONS:	Make-Whole

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	2,970,000	6,854,594	9,824,594
2023	3,195,000	6,633,024	9,828,024
2024	3,455,000	6,373,621	9,828,621
2025	3,755,000	6,071,919	9,826,919
2026	4,085,000	5,743,854	9,828,854
2027	4,440,000	5,387,125	9,827,125
2028	4,825,000	4,999,431	9,824,431
2029	5,250,000	4,577,843	9,827,843
2030	5,705,000	4,119,431	9,824,431
2031	6,205,000	3,621,057	9,826,057
2032	6,750,000	3,078,955	9,828,955
2033	7,335,000	2,489,568	9,824,568
2034	7,975,000	1,848,921	9,823,921
2035	8,675,000	1,152,202	9,827,202
2036	9,430,000	394,598	9,824,598
OUTSTANDING AT 7/1/2021	$ 84,050,000	$ 63,346,145	$ 147,396,145
PAID DURING FISCAL YEAR	2,970,000	6,854,594	9,824,594
OUTSTANDING AT 6/30/22	$ 81,080,000	$ 56,491,551	$ 137,571,551

City of Detroit - LTGO DSA 3rd Lien Debt Service Requirements

ISSUE NAME:	Distributable State Aid Third Lien Bonds (Limited Tax General Obligation), Series 2016B-2 (Taxable - Refunding Local Project Bonds)
ISSUE NAME(2):	LTGO DSA Third Lien Bonds
REPAYMENT	Full faith and credit and resources of the City, additionally Detroit's share of State Shared Revenue payments.
SOURCE:	Ad valorem taxes levied annually on all property
ORIGINAL PAR:	$123,175,000
DATED DATE:	August 11, 2016
PRINCIPAL DUE:	Annual: November
INTEREST DUE:	Semi-Annual: November/May
INTEREST RATE:	1.39% to 3.61%
MATURITY DATE:	November 1, 2032
INSURANCE:	Noninsured
CALL PROVISIONS:	Make-Whole

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	7,160,000	3,197,882	**10,357,882**
2023	7,335,000	3,024,353	**10,359,353**
2024	7,535,000	2,827,671	**10,362,671**
2025	7,745,000	2,613,538	**10,358,538**
2026	7,975,000	2,384,754	**10,359,754**
2027	8,215,000	2,142,267	**10,357,267**
2028	8,495,000	1,864,475	**10,359,475**
2029	8,810,000	1,552,120	**10,362,120**
2030	9,130,000	1,228,303	**10,358,303**
2031	9,470,000	892,573	**10,362,573**
2032	9,815,000	544,478	**10,359,478**
2033	10,175,000	183,659	**10,358,659**
OUTSTANDING AT 7/1/2021	**$ 101,860,000**	**$ 22,456,073**	**$ 124,316,073**
PAID DURING FISCAL YEAR	**7,160,000**	**3,197,882**	**10,357,882**
OUTSTANDING AT 6/30/22	**$ 94,700,000**	**$ 19,258,191**	**$ 113,958,191**

City of Detroit - UTGO DSA 4th Lien Debt Service Requirements

ISSUE NAME:	Distributable State Aid Fourth Lien Bonds (Unlimited Tax General Obligation), Series 2016A-1 (Tax-Exempt Refunding Local Project Bonds)	Distributable State Aid Fourth Lien Bonds (Unlimited Tax General Obligation), Series 2016A-2 (Taxable - Refunding Local Project Bonds)	
ISSUE NAME(2):	UTGO DSA 4th Lien	UTGO DSA 4th Lien	
REPAYMENT SOURCE:	Full faith and credit and resources of the City & State Shared Revenue payments	Full faith and credit and resources of the City & State Shared Revenue payments	
	Ad valorem taxes levied annually on all property	Ad valorem taxes levied annually on all property	
ORIGINAL PAR:	$222,185,000	$19,855,000	ALL
DATED DATE:	August 11, 2016	August 11, 2016	
PRINCIPAL DUE:	Annual: April	Annual: April	
INTEREST DUE:	Semi-Annual: October/April	Semi-Annual: October/April	
INTEREST RATE:	4.00% to 5.00%	1.69% to 3.66%	
MATURITY DATE:	April 1, 2028	April 1, 2028	
INSURANCE:	None	None	
CALL PROVISIONS:	October 1, 2026 @ 100%	Make Whole	

Fiscal Year Ending June 30,	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2022	22,185,000	3,798,250	**25,983,250**	1,420,000	367,621	**1,787,621**	**23,605,000**	**4,165,871**	**27,770,871**
2023	19,465,000	2,689,000	**22,154,000**	1,465,000	325,817	**1,790,817**	**20,930,000**	**3,014,817**	**23,944,817**
2024	15,695,000	1,715,750	**17,410,750**	1,510,000	279,757	**1,789,757**	**17,205,000**	**1,995,507**	**19,200,507**
2025	8,160,000	931,000	**9,091,000**	1,560,000	230,531	**1,790,531**	**9,720,000**	**1,161,531**	**10,881,531**
2026	3,320,000	523,000	**3,843,000**	1,610,000	178,115	**1,788,115**	**4,930,000**	**701,115**	**5,631,115**
2027	3,485,000	357,000	**3,842,000**	1,665,000	122,409	**1,787,409**	**5,150,000**	**479,409**	**5,629,409**
2028	3,655,000	182,750	**3,837,750**	1,725,000	63,135	**1,788,135**	**5,380,000**	**245,885**	**5,625,885**
OUTSTANDING AT 7/1/2021	**$ 75,965,000**	**$ 10,196,750**	**$ 86,161,750**	**$ 10,955,000**	**$ 1,567,385**	**$ 12,522,385**	**$ 86,920,000**	**$ 11,764,135**	**$ 98,684,135**
PAID DURING FISCAL YEAR	**22,185,000**	**3,798,250**	**25,983,250**	**1,420,000**	**367,621**	**1,787,621**	**23,605,000**	**4,165,871**	**27,770,871**
OUTSTANDING AT 6/30/22	**$ 53,780,000**	**$ 6,398,500**	**$ 60,178,500**	**$ 9,535,000**	**$ 1,199,764**	**$ 10,734,764**	**$ 63,315,000**	**$ 7,598,264**	**$ 70,913,264**

CALLABLE: **$7,140,000**

City of Detroit - LTGO DSA 5th Lien Debt Service Requirements

ISSUE NAME:	Distributable State Aid Fifth Lien Bonds (Limited Tax General Obligation), Series 2018 (Taxable)
ISSUE NAME(2):	LTGO DSA Fifth Lien Bonds
REPAYMENT SOURCE:	Full faith and credit and resources of the City, additionally Detroit's share of State Shared Revenue payments. Ad valorem taxes levied annually on all property
ORIGINAL PAR:	$175,985,000
DATED DATE:	December 13, 2018
PRINCIPAL DUE:	Annual: November
INTEREST DUE:	Semi-Annual: November/May
INTEREST RATE:	4.920% to 5.020%
MATURITY DATE:	November 1, 2043
INSURANCE:	Noninsured
CALL PROVISIONS:	Make-Whole

Fiscal Year Ending June 30,	Principal	Interest	Total
2022		8,745,092	8,745,092
2023		8,745,092	8,745,092
2024		8,745,092	8,745,092
2025		8,745,092	8,745,092
2026		8,745,092	8,745,092
2027		8,745,092	8,745,092
2028		8,745,092	8,745,092
2029		8,745,092	8,745,092
2030		8,745,092	8,745,092
2031		8,745,092	8,745,092
2032		8,745,092	8,745,092
2033		8,745,092	8,745,092
2034	5,755,000	8,603,519	14,358,519
2035	865,000	8,440,667	9,305,667
2036	2,855,000	8,349,155	11,204,155
2037	$19,560,000	$7,797,746	27,357,746
2038	$19,720,000	$6,831,458	26,551,458
2039	$20,100,000	$5,851,886	25,951,886
2040	$20,500,000	$4,853,126	25,353,126
2041	$20,935,000	$3,823,358	24,758,358
2042	$21,400,000	$2,760,749	24,160,749
2043	$21,890,000	$1,674,170	23,564,170
2044	$22,405,000	$562,366	22,967,366
OUTSTANDING AT 7/1/2021	$ 175,985,000	$ 164,489,303	$ 340,474,303
PAID DURING FISCAL YEAR	-	8,745,092	8,745,092
OUTSTANDING AT 6/30/22	$ 175,985,000	$ 155,744,211	$ 331,729,211

City of Detroit - LTGO Exit (Remarketed) Debt Service Requirements

ISSUE NAME:	**Financial Recovery Income Tax Revenue and Refunding Bonds, Series 2014-A (Tax-Exempt)**	**Financial Recovery Income Tax Revenue and Refunding Bonds, Series 2014-B (Taxable)**	**ALL**
ISSUE NAME(2):	**Exit Financing (Remarketed)**	**Exit Financing (Remarketed)**	
REPAYMENT	**Income Taxes & Full faith and credit and resources of the City**	**Income Taxes & Full faith and credit and resources of the City**	
SOURCE:	**Income Taxes**	**Income Taxes**	
ORIGINAL PAR:	**$134,725,000**	**$110,275,000**	
DATED DATE:	**September 1, 2015**	**September 1, 2015**	
PRINCIPAL DUE:	**Annual: October**	**Annual: October**	
INTEREST DUE:	**Semi Annual: October/April**	**Semi Annual: October/April**	
INTEREST RATE:	**3.40% to 4.50%**	**4.60%**	
MATURITY DATE:	**October 1, 2029**	**October 1, 2022**	
INSURANCE:	**Noninsured**	**Noninsured**	
CALL PROVISIONS:	**None**	**None**	

Fiscal Year Ending June 30,	**2014-A Principal**	**2014-A Interest**	**2014-A Total**	**2014-B Principal**	**2014-B Interest**	**2014-B Total**	**ALL Principal**	**ALL Interest**	**ALL Total**
2022	2,000,000	5,727,106	**7,727,106**	23,605,000	1,696,595	**25,301,595**	**25,605,000**	**7,423,701**	**33,028,701**
2023	2,000,000	5,653,106	**7,653,106**	25,080,000	576,840	**25,656,840**	**27,080,000**	**6,229,946**	**33,309,946**
2024	15,375,000	5,317,216	**20,692,216**				**15,375,000**	**5,317,216**	**20,692,216**
2025	16,285,000	4,693,625	**20,978,625**				**16,285,000**	**4,693,625**	**20,978,625**
2026	17,245,000	3,979,913	**21,224,913**				**17,245,000**	**3,979,913**	**21,224,913**
2027	18,265,000	3,180,938	**21,445,938**				**18,265,000**	**3,180,938**	**21,445,938**
2028	19,350,000	2,334,600	**21,684,600**				**19,350,000**	**2,334,600**	**21,684,600**
2029	20,495,000	1,438,088	**21,933,088**				**20,495,000**	**1,438,088**	**21,933,088**
2030	21,710,000	488,475	**22,198,475**				**21,710,000**	**488,475**	**22,198,475**
OUTSTANDING AT 7/1/2021	**$ 132,725,000**	**$ 32,813,066**	**$ 165,538,066**	**$ 48,685,000**	**$ 2,273,435**	**$ 50,958,435**	**$ 181,410,000**	**$ 35,086,501**	**$ 216,496,501**
PAID DURING FISCAL YEAR	**2,000,000**	**5,727,106**	**7,727,106**	**23,605,000**	**1,696,595**	**25,301,595**	**25,605,000**	**7,423,701**	**33,028,701**
OUTSTANDING AT 6/30/22	**$ 130,725,000**	**$ 27,085,959**	**$ 157,810,959**	**$ 25,080,000**	**$ 576,840**	**$ 25,656,840**	**$ 155,805,000**	**$ 27,662,799**	**$ 183,467,799**

City of Detroit - LTGO B-Notes Debt Service Requirements

ISSUE NAME:	**Financial Recovery Bonds, Series 2014-B1 (Federally Taxable)**	**Financial Recovery Bonds, Series 2014-B2 (Federally Taxable)**	
ISSUE NAME(2):	**B-Notes**	**B-Notes**	
REPAYMENT SOURCE:	**Full faith and credit and resources of the City**	**Full faith and credit and resources of the City**	
ORIGINAL PAR:	**$616,560,047**	**$15,404,098**	**ALL**
DATED DATE:	**December 10, 2014**	**December 10, 2014**	
PRINCIPAL DUE:	**Annual: April**	**Annual: April**	
INTEREST DUE:	**Semi Annual: April/October**	**Semi Annual: April/October**	
INTEREST RATE:	**4.00% to 6.00%**	**4.00% to 6.00%**	
MATURITY DATE:	**April 1, 2044**	**April 1, 2044**	
INSURANCE:	**Noninsured**	**Noninsured**	
CALL PROVISIONS:	**Callable at Par**	**Callable at Par**	

Fiscal Year Ending June 30,	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2022		16,973,304	**16,973,304**		399,168	**399,168**	**-**	**17,372,472**	**17,372,472**
2023		16,973,304	**16,973,304**		399,168	**399,168**	**-**	**17,372,472**	**17,372,472**
2024		16,973,304	**16,973,304**		399,168	**399,168**	**-**	**17,372,472**	**17,372,472**
2025	2,411,066	16,973,304	**19,384,370**		399,168	**399,168**	**2,411,066**	**17,372,472**	**19,783,538**
2026	2,256,986	16,876,861	**19,133,847**		399,168	**399,168**	**2,256,986**	**17,276,029**	**19,533,015**
2027	2,128,183	16,786,582	**18,914,765**		399,168	**399,168**	**2,128,183**	**17,185,749**	**19,313,932**
2028	1,977,770	16,701,454	**18,679,224**		399,168	**399,168**	**1,977,770**	**17,100,622**	**19,078,392**
2029	1,807,988	16,622,344	**18,430,332**		399,168	**399,168**	**1,807,988**	**17,021,511**	**18,829,499**
2030	1,616,461	16,550,024	**18,166,485**		399,168	**399,168**	**1,616,461**	**16,949,192**	**18,565,653**
2031	23,874,105	16,485,366	**40,359,471**		399,168	**399,168**	**23,874,105**	**16,884,533**	**40,758,638**
2032	24,095,750	15,530,401	**39,626,151**	736,738	399,168	**1,135,906**	**24,832,488**	**15,929,569**	**40,762,057**
2033	25,056,264	14,566,571	**39,622,835**	770,205	369,698	**1,139,903**	**25,826,469**	**14,936,270**	**40,762,739**
2034	30,828,003	13,564,321	**44,392,324**	770,205	338,890	**1,109,095**	**31,598,208**	**13,903,211**	**45,501,419**
2035	30,828,003	18,496,801	**49,324,804**	770,205	462,123	**1,232,328**	**31,598,208**	**18,958,924**	**50,557,132**
2036	30,828,003	16,647,121	**47,475,124**	770,205	415,911	**1,186,116**	**31,598,208**	**17,063,031**	**48,661,239**
2037	30,828,003	14,797,441	**45,625,444**	770,205	369,698	**1,139,903**	**31,598,208**	**15,167,139**	**46,765,347**
2038	30,828,003	12,947,760	**43,775,763**	770,205	323,486	**1,093,691**	**31,598,208**	**13,271,246**	**44,869,454**
2039	30,828,003	11,098,080	**41,926,083**	770,205	277,274	**1,047,479**	**31,598,208**	**11,375,354**	**42,973,562**
2040	30,828,003	9,248,400	**40,076,403**	770,205	231,061	**1,001,266**	**31,598,208**	**9,479,462**	**41,077,670**
2041	30,828,003	7,398,720	**38,226,723**	770,205	184,849	**955,054**	**31,598,208**	**7,583,569**	**39,181,777**
2042	30,828,003	5,549,040	**36,377,043**	770,205	138,637	**908,842**	**31,598,208**	**5,687,677**	**37,285,885**
2043	30,828,003	3,699,360	**34,527,363**	770,205	92,424	**862,629**	**31,598,208**	**3,791,784**	**35,389,992**
2044	30,827,990	1,849,679	**32,677,669**	770,203	46,212	**816,415**	**31,598,193**	**1,895,892**	**33,494,085**
OUTSTANDING AT 7/1/2021	**$ 424,332,593**	**$ 313,309,541**	**$ 737,642,134**	**$ 9,979,196**	**$ 7,641,110**	**$ 17,620,306**	**$ 434,311,789**	**$ 320,950,651**	**$ 755,262,440**
PAID DURING FISCAL YEAR	**-**	**16,973,304**	**16,973,304**	**-**	**399,168**	**399,168**	**-**	**17,372,472**	**17,372,472**
OUTSTANDING AT 6/30/22	**$ 424,332,593**	**$ 296,336,237**	**$ 720,668,830**	**$ 9,979,196**	**$ 9,979,196**	**$ 19,958,392**	**$ 434,311,789**	**$ 303,578,179**	**$ 737,889,968**

City of Detroit - 2019 Capital Improvement Bond (JLA Demolition) - Debt Service Requirements

ISSUE NAME:	City of Detroit 2019 Capital Improvement Bond		
ISSUE NAME(2):	(Joe Louis Arena Demolition)		
REPAYMENT	Full faith and credit and resources of the City.		
SOURCE:	Ad valorem taxes levied annually on all property		
ORIGINAL PAR:	$10,000,000		
DATED DATE:	June 10, 2019		
PRINCIPAL DUE:	Annual: July		
INTEREST DUE:	Annual: July		
INTEREST RATE:	1.00% to 2.00% (Step up to 2% once full amount was drawn)		
MATURITY DATE:	July 9, 2039		
INSURANCE:	Noninsured		
CALL PROVISIONS:			
Fiscal Year Ending June 30,	Principal	Interest	Total
2022	-	66,875	66,875
2023	467,096	200,000	667,096
2024	476,438	190,658	667,096
2025	485,470	181,626	667,096
2026	495,676	171,420	667,096
2027	505,590	161,506	667,096
2028	515,701	151,395	667,096
2029	525,629	141,467	667,096
2030	536,528	130,568	667,096
2031	547,258	119,837	667,096
2032	558,204	108,892	667,096
2033	569,100	97,996	667,096
2034	580,750	86,346	667,096
2035	592,365	74,731	667,096
2036	604,212	62,884	667,096
2037	616,157	50,939	667,096
2038	628,619	38,477	667,096
2039	641,192	25,904	667,096
2040	654,016	13,080	667,096
2041			
2042			
2043			
2044			
OUTSTANDING AT 7/1/2021	$ 10,000,000	$ 2,074,601	$ 12,074,601
PAID DURING FISCAL YEAR	-	66,875	66,875
OUTSTANDING AT 6/30/22	$ 10,000,000	$ 2,007,726	$ 12,007,726

City of Detroit - MTF Bonds - Debt Service Requirements

ISSUE NAME:	City of Detroit Transportation Project
ISSUE NAME(2):	MTF Bonds
REPAYMENT	Act 51 dollars
SOURCE:	Act 51 dollars
ORIGINAL PAR:	$124,500,000
DATED DATE:	November 16, 2017
PRINCIPAL DUE:	April 1
INTEREST DUE:	April 1
INTEREST RATE:	2.38% to 3.49%
MATURITY DATE:	April 1, 2032
INSURANCE:	None
CALL PROVISIONS:	7 year

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	9,345,000.00	4,440,556.80	13,785,557
2023	9,585,000.00	4,146,376.20	13,731,376
2024	9,840,000.00	3,833,042.54	13,673,043
2025	10,115,000.00	3,500,548.92	13,615,549
2026	10,430,000.00	3,120,629.52	13,550,630
2027	10,765,000.00	2,713,755.22	13,478,755
2028	11,115,000.00	2,287,245.92	13,402,246
2029	11,485,000.00	1,837,421.86	13,322,422
2030	11,875,000.00	1,366,996.26	13,241,996
2031	12,275,000.00	876,321.26	13,151,321
2032	8,525,000.00	361,630.50	8,886,631
OUTSTANDING AT 7/1/2021	$ 115,355,000	$ 28,484,525	$ 143,839,525
PAID DURING FISCAL YEAR	9,345,000	4,440,557	13,785,557
OUTSTANDING AT 6/30/22	$ 106,010,000	$ 24,043,968	$ 130,053,968

City of Detroit - HUD Notes Debt Service Requirements

ISSUE NAME:	Mexicantown Welcome Center			Mexicantown Welcome Center			Book Cadillac Project Note 2		
	HUD 108 Note			HUD 108 Interim Note[1]			HUD 108 Note		
REPAYMENT SOURCE:	Section 108 Loan Guaranty Block Grant Funds			Section 108 Loan Guaranty Block Grant Funds			Section 108 Loan Guaranty Block Grant Funds		
ORIGINAL PAR:	$7,789,000			$280,000			$10,700,000		
DATED DATE:	March 26, 2019 (Refunding)			August 3, 2020			March 26, 2019 (Refunding)		
PRINCIPAL DUE:	Annual: August			Annual: August			Annual: August		
INTEREST DUE:	Semi Annual: August/February			Quarterly: August/November/February/May			Semi Annual: August/February		
INTEREST RATE:	5.09% to 5.70%			13 Week Treasury Bill + 35 bps			4.33% to 5.38%		
MATURITY DATE:	August 1, 2024			August 1, 2024			August 1, 2025		
INSURANCE:	Noninsured			Noninsured			Noninsured		
CALL PROVISIONS:	None			None			None		
Fiscal Year Ending June 30,	Principal	Interest	Total	Principal	Interest*	Total	Principal	Interest	Total
2022	280,000	22,684	**302,684**	47,000	1,144	**48,144**	716,000	70,076	**786,076**
2023	350,000	14,629	**364,629**	47,000	-	**47,000**	716,000	51,758	**767,758**
2024	360,000	5,459	**365,459**	47,000	-	**47,000**	716,000	33,267	**749,267**
2025	28,000	374	**28,374**	47,000	-	**47,000**	716,000	14,343	**730,343**
2026	-	-	**-**	46,000	-	**46,000**	175,000	2,396	**177,396**
2027	-	-	**-**	46,000	-	**46,000**	-	-	**-**
2028	-	-	**-**	-	-	**-**	-	-	**-**
2029	-	-	**-**	-	-	**-**	-	-	**-**
2030	-	-	**-**	-	-	**-**	-	-	**-**
2031	-	-	**-**	-	-	**-**	-	-	**-**
2032	-	-	**-**	-	-	**-**	-	-	**-**
OUTSTANDING AT 7/1/2021	$ 1,018,000	$ 43,146	$ 1,061,146	$ 280,000	$ 1,144	$ 281,144	$ 3,039,000	$ 171,839	$ 3,210,839
PAID DURING FISCAL YEAR	280,000	22,684	302,684	280,000	1,144	281,144	716,000	70,076	786,076
OUTSTANDING AT 6/30/22	$ 738,000	$ 20,462	$ 758,462	$ -	$ -	$ -	$ 2,323,000	$ 101,763	$ 2,424,763

*Interest on the 2020 HUD 108 Interim Notes is variable and is therefore estimated. As of May 1, 2021, HUD changed the variable rate on HUD Section 108 interim notes from 3-month Libor + 20 bps to 13-week Treasury Bill + 35 bps. In this report, the City projects that in FY23 the variable rate will be 100 bps on the August 1 payment, followed by a 25 bp increase every quarter and a variable rate of 200 bps for FY24 thereafter.

Notes:

1. On April 25, 2022, the City prepaid all of its outstanding HUD 108 Interim Notes. Also on this date, the Woodward Gardens Project II Note was partially defeased by the City. Specifically, the City made payment to HUD's Trustee to defease $510,000 of the August 1, 2027, maturity. From the City's perspective, the principal amount is considered defeased in substance on the date the City made payment.
2. In FY17, funds to prepay the New Amsterdam Note were placed in escrow and the Note was fully defeased in substance. The trustee pays the debt service from the escrow until final payment on 8-1-22.

City of Detroit - HUD Notes Debt Service Requirements

ISSUE NAME:	Book Cadillac Project Note 2 HUD 108 Interim Note[1]	Garfield II Project Note 1 HUD 108 Note	Garfield II Project Note 1 HUD Interim 108 Note[1]
REPAYMENT SOURCE:	Section 108 Loan Guaranty Block Grant Funds	Section 108 Loan Guaranty Block Grant Funds	Section 108 Loan Guaranty Block Grant Funds
ORIGINAL PAR:	$716,000	$6,522,000	$520,000
DATED DATE:	August 3, 2020	March 26, 2019 (Refunding)	August 3, 2020
PRINCIPAL DUE:	Annual: August	Annual: August	Annual: August
INTEREST DUE:	Quarterly: August/November/February/May	Semi Annual: August/February	Quarterly: August/November/February/May
INTEREST RATE:	13 Week Treasury Bill + 35 bps	4.33% to 5.30%	13 Week Treasury Bill + 35 bps
MATURITY DATE:	August 1, 2025	August 1, 2025	August 1, 2025
INSURANCE:	Noninsured	Noninsured	Noninsured
CALL PROVISIONS:	None	None	None

Fiscal Year Ending June 30,	Book Cadillac Principal	Book Cadillac Interest*	Book Cadillac Total	Garfield II HUD 108 Principal	Garfield II HUD 108 Interest	Garfield II HUD 108 Total	Garfield II Interim Principal	Garfield II Interim Interest*	Garfield II Interim Total
2022	144,000	2,836	**146,836**	620,000	99,507	**719,507**	104,000	2,062	**106,062**
2023	143,000	-	**143,000**	720,000	82,370	**802,370**	104,000	-	**104,000**
2024	143,000	-	**143,000**	780,000	62,991	**842,991**	104,000	-	**104,000**
2025	143,000	-	**143,000**	950,000	40,108	**990,108**	104,000	-	**104,000**
2026	143,000	-	**143,000**	1,002,000	13,717	**1,015,717**	104,000	-	**104,000**
2027	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-
OUTSTANDING AT 7/1/2021	$ 716,000	$ 2,836	$ 718,836	$ 4,072,000	$ 298,693	$ 4,370,693	$ 520,000	$ 2,062	$ 522,062
PAID DURING FISCAL YEAR	716,000	2,836	718,836	620,000	99,507	719,507	520,000	2,062	522,062
OUTSTANDING AT 6/30/22	$ -	$ -	$ -	$ 3,452,000	$ 199,186	$ 3,651,186	$ -	$ -	$ -

*Interest on the 2020 HUD 108 Interim Notes is variable and is therefore estimated. As of May 1, 2021, HUD changed the variable rate on HUD Section 108 interim notes from 3-month Libor + 20 bps to 13-week Treasury Bill + 35 bps. In this report, the City projects that in FY23 the variable rate will be 100 bps on the August 1 payment, followed by a 25 bp increase every quarter and a variable rate of 200 bps for FY24 thereafter.

Notes:

1. On April 25, 2022, the City prepaid all of its outstanding HUD 108 Interim Notes. Also on this date, the Woodward Gardens Project II Note was partially defeased by the City. Specifically, the City made payment to HUD's Trustee to defease $510,000 of the August 1, 2027, maturity. From the City's perspective, the principal amount is considered defeased in substance on the date the City made payment.
2. In FY17, funds to prepay the New Amsterdam Note were placed in escrow and the Note was fully defeased in substance. The trustee pays the debt service from the escrow until final payment on 8-1-22.

City of Detroit - HUD Notes Debt Service Requirements

ISSUE NAME:	Garfield II Project Note 2			Garfield II Project Note 2			Garfield II Project Note 4 (Geothermal)		
	HUD 108 Note			HUD Interim 108 Note[1]			HUD 108 Note		
REPAYMENT SOURCE:	Section 108 Loan Guaranty Block Grant Funds			Section 108 Loan Guaranty Block Grant Funds			Section 108 Loan Guaranty Block Grant Funds		
ORIGINAL PAR:	$2,058,000			$120,000			$1,393,000		
DATED DATE:	March 26, 2019 (Refunding)			August 3, 2020			May 28, 2015 (Refunding)		
PRINCIPAL DUE:	Annual: August			Annual: August			Annual: August		
INTEREST DUE:	Semi Annual: August/February			Quarterly: August/November/February/May			Semi Annual: August/February		
INTEREST RATE:	5.09% to 5.77%			13 Week Treasury Bill + 35 bps			.28% to 3.35%		
MATURITY DATE:	August 1, 2026			August 1, 2026			August 1, 2029		
INSURANCE:	Noninsured			Noninsured			Noninsured		
CALL PROVISIONS:	None			None			None		
Fiscal Year Ending June 30,	Principal	Interest	Total	Principal	Interest*	Total	Principal	Interest	Total
2022	130,000	37,141	**167,141**	24,000	476	**24,476**	95,000	24,112	**119,112**
2023	140,000	33,688	**173,688**	24,000	-	**24,000**	100,000	21,771	**121,771**
2024	150,000	29,941	**179,941**	24,000	-	**24,000**	100,000	19,146	**119,146**
2025	240,000	24,776	**264,776**	24,000	-	**24,000**	100,000	16,321	**116,321**
2026	320,000	17,194	**337,194**	24,000	-	**24,000**	100,000	13,421	**113,421**
2027	448,000	6,406	**454,406**			**-**	100,000	10,396	**110,396**
2028	-	-	**-**	-	-	**-**	100,000	7,271	**107,271**
2029	-	-	**-**	-	-	**-**	100,000	4,071	**104,071**
2030	-	-	**-**	-	-	**-**	73,000	1,223	**74,223**
2031	-	-	**-**	-	-	**-**	-	-	**-**
2032	-	-	**-**	-	-	**-**	-	-	**-**
OUTSTANDING AT 7/1/2021	**$ 1,428,000**	**$ 149,146**	**$ 1,577,146**	**$ 120,000**	**$ 476**	**$ 120,476**	**$ 868,000**	**$ 117,732**	**$ 985,732**
PAID DURING FISCAL YEAR	**130,000**	**37,141**	**167,141**	**120,000**	**476**	**120,476**	**95,000**	**24,112**	**119,112**
OUTSTANDING AT 6/30/22	**$ 1,298,000**	**$ 112,005**	**$ 1,410,005**	**$ -**	**$ -**	**$ -**	**$ 773,000**	**$ 93,620**	**$ 866,620**

*Interest on the 2020 HUD 108 Interim Notes is variable and is therefore estimated. As of May 1, 2021, HUD changed the variable rate on HUD Section 108 interim notes from 3-month Libor + 20 bps to 13-week Treasury Bill + 35 bps. In this report, the City projects that in FY23 the variable rate will be 100 bps on the August 1 payment, followed by a 25 bp increase every quarter and a variable rate of 200 bps for FY24 thereafter.

Notes:

1. On April 25, 2022, the City prepaid all of its outstanding HUD 108 Interim Notes. Also on this date, the Woodward Gardens Project II Note was partially defeased by the City. Specifically, the City made payment to HUD's Trustee to defease $510,000 of the August 1, 2027, maturity. From the City's perspective, the principal amount is considered defeased in substance on the date the City made payment.
2. In FY17, funds to prepay the New Amsterdam Note were placed in escrow and the Note was fully defeased in substance. The trustee pays the debt service from the escrow until final payment on 8 1-22.

City of Detroit - HUD Notes Debt Service Requirements

ISSUE NAME:	Garfield II Project Note 4 (Geothermal)			Garfield II Project Note 3 (Sugar Hill)			Garfield II Project Note 3 (Sugar Hill)		
	HUD 108 Interim Note[1]			HUD 108 Note			HUD 108 Interim Note[1]		
REPAYMENT SOURCE:	Section 108 Loan Guaranty Block Grant Funds			Section 108 Loan Guaranty Block Grant Funds			Section 108 Loan Guaranty Block Grant Funds		
ORIGINAL PAR:	$95,000			$6,697,000			$190,000		
DATED DATE:	August 3, 2020			May 28, 2015 (Refunding)			August 3, 2020		
PRINCIPAL DUE:	Annual: August			Annual: August			Annual: August		
INTEREST DUE:	Quarterly: August/November/February/May			Semi Annual: August/February			Quarterly: August/November/February/May		
INTEREST RATE:	13 Week Treasury Bill + 35 bps			.93% to 3.35%			13 Week Treasury Bill + 35 bps		
MATURITY DATE:	August 1, 2039			August 1, 2029			August 1, 2029		
INSURANCE:	Noninsured			Noninsured			Noninsured		
CALL PROVISIONS:	None			None			None		
Fiscal Year Ending June 30,	Principal	Interest*	Total	Principal	Interest	Total	Principal	Interest*	Total
2022	9,000	414	**9,414**	200,000	185,906	**385,906**	22,000	813	**22,813**
2023	9,000	-	**9,000**	220,000	180,861	**400,861**	21,000	-	**21,000**
2024	9,000	-	**9,000**	230,000	174,946	**404,946**	21,000	-	**21,000**
2025	9,000	-	**9,000**	260,000	168,021	**428,021**	21,000	-	**21,000**
2026	9,000	-	**9,000**	400,000	158,416	**558,416**	21,000	-	**21,000**
2027	9,000	-	**9,000**	600,000	143,216	**743,216**	21,000	-	**21,000**
2028	9,000	-	**9,000**	900,000	119,741	**1,019,741**	21,000	-	**21,000**
2029	8,000	-	**8,000**	1,400,000	82,816	**1,482,816**	21,000	-	**21,000**
2030	8,000	-	**8,000**	1,793,000	30,033	**1,823,033**	21,000	-	**21,000**
2031	8,000	-	**8,000**	-	-	**-**	-	-	**-**
2032	8,000	-	**8,000**	-	-	**-**	-	-	**-**
OUTSTANDING AT 7/1/2021	$ 95,000	$ 414	$ 95,414	$ 6,003,000	$ 1,243,952	$ 7,246,952	$ 190,000	$ 813	$ 190,813
PAID DURING FISCAL YEAR	95,000	414	95,414	200,000	185,906	385,906	190,000	813	190,813
OUTSTANDING AT 6/30/22	$ -	$ -	$ -	$ 5,803,000	$ 1,058,046	$ 6,861,046	$ -	$ -	$ -

*Interest on the 2020 HUD 108 Interim Notes is variable and is therefore estimated. As of May 1, 2021, HUD changed the variable rate on HUD Section 108 interim notes from 3-month Libor + 20 bps to 13-week Treasury Bill + 35 bps. In this report, the City projects that in FY23 the variable rate will be 100 bps on the August 1 payment, followed by a 25 bp increase every quarter and a variable rate of 200 bps for FY24 thereafter.

Notes:

1. On April 25, 2022, the City prepaid all of its outstanding HUD 108 Interim Notes. Also on this date, the Woodward Gardens Project II Note was partially defeased by the City. Specifically, the City made payment to HUD's Trustee to defease $510,000 of the August 1, 2027, maturity. From the City's perspective, the principal amount is considered defeased in substance on the date the City made payment.
2. In FY17, funds to prepay the New Amsterdam Note were placed in escrow and the Note was fully defeased in substance. The trustee pays the debt service from the escrow until final payment on 8-1-22.

City of Detroit - HUD Notes Debt Service Requirements

ISSUE NAME:	Fort Shelby Project HUD 108 Note			Fort Shelby Project HUD 108 Interim Note[1]			Woodward Garden Project 1 HUD 108 Note		
REPAYMENT SOURCE:	Section 108 Loan Guaranty Block Grant Funds			Section 108 Loan Guaranty Block Grant Funds			Section 108 Loan Guaranty Block Grant Funds		
ORIGINAL PAR:	$18,700,000			$1,250,000			$7,050,000		
DATED DATE:	March 26, 2019 (Refunding)			August 3, 2020			March 26, 2019 (Refunding)		
PRINCIPAL DUE:	Annual: August			Annual: August			Annual: August		
INTEREST DUE:	Semi Annual: August/February			Quarterly: August/November/February/May			Semi Annual: August/February		
INTEREST RATE:	4.33% to 5.34%			13 Week Treasury Bill + 35 bps			4.48% to 5.05%		
MATURITY DATE:	August 1, 2026			August 1, 2026			August 1, 2021		
INSURANCE:	Noninsured			Noninsured			Noninsured		
CALL PROVISIONS:	None			None			None		
Fiscal Year Ending June 30,	Principal	Interest	Total	Principal	Interest*	Total	Principal	Interest	Total
2022	1,500,000	248,730	1,748,730	209,000	5,110	214,110	300,000	3,855	303,855
2023	1,500,000	210,353	1,710,353	209,000	-	209,000	-	-	-
2024	1,500,000	171,615	1,671,615	208,000	-	208,000	-	-	-
2025	1,500,000	131,970	1,631,970	208,000	-	208,000	-	-	-
2026	2,000,000	84,580	2,084,580	208,000	-	208,000	-	-	-
2027	2,000,000	28,600	2,028,600	208,000	-	208,000	-	-	-
2028	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-
OUTSTANDING AT 7/1/2021	$ 10,000,000	$ 875,848	$ 10,875,848	$ 1,250,000	$ 5,110	$ 1,255,110	$ 300,000	$ 3,855	$ 303,855
PAID DURING FISCAL YEAR	1,500,000	248,730	1,748,730	1,250,000	5,110	1,255,110	300,000	3,855	303,855
OUTSTANDING AT 6/30/22	$ 8,500,000	$ 627,118	$ 9,127,118	$ -	$ -	$ -	$ -	$ -	$ -

*Interest on the 2020 HUD 108 Interim Notes is variable and is therefore estimated. As of May 1, 2021, HUD changed the variable rate on HUD Section 108 interim notes from 3-month Libor + 20 bps to 13-week Treasury Bill + 35 bps. In this report, the City projects that in FY23 the variable rate will be 100 bps on the August 1 payment, followed by a 25 bp increase every quarter and a variable rate of 200 bps for FY24 thereafter.

Notes:

1. On April 25, 2022, the City prepaid all of its outstanding HUD 108 Interim Notes. Also on this date, the Woodward Gardens Project II Note was partially defeased by the City. Specifically, the City made payment to HUD's Trustee to defease $510,000 of the August 1, 2027, maturity. From the City's perspective, the principal amount is considered defeased in substance on the date the City made payment.

2. In FY17, funds to prepay the New Amsterdam Note were placed in escrow and the Note was fully defeased in substance. The trustee pays the debt service from the escrow until final payment on 8-1-22.

City of Detroit - HUD Notes Debt Service Requirements

ISSUE NAME:	Woodward Garden Project 1			Woodward Garden Project 2			Woodward Garden Project 2		
	HUD 108 Interim Note[1]			HUD 108 Note			HUD 108 Interim Note[1]		
REPAYMENT SOURCE:	Section 108 Loan Guaranty Block Grant Funds			Section 108 Loan Guaranty Block Grant Funds			Section 108 Loan Guaranty Block Grant Funds		
ORIGINAL PAR:	$1,250,000			$6,197,000			$148,000		
DATED DATE:	August 3, 2020			June 12, 2008			August 3, 2020		
PRINCIPAL DUE:	Annual: August			Annual: August			Annual: August		
INTEREST DUE:	Quarterly: August/November/February/May			Semi Annual: August/February			Quarterly: August/November/February/May		
INTEREST RATE:	13 Week Treasury Bill + 35 bps			2.66% to 4.35%			13 Week Treasury Bill + 35 bps		
MATURITY DATE:	August 1, 2021			August 1, 2027			August 1, 2028		
INSURANCE:	Noninsured			Noninsured			Noninsured		
CALL PROVISIONS:	None			None			None		
Fiscal Year Ending June 30,	Principal	Interest*	Total	Principal	Interest	Total	Principal	Interest*	Total
2022	1,250,000	1,209	**1,251,209**	170,000	169,847	**339,847**	19,000	627	**19,627**
2023	-	-	**-**	200,000	130,104	**330,104**	19,000	-	**19,000**
2024	-	-	**-**	300,000	120,379	**420,379**	19,000	-	**19,000**
2025	-	-	**-**	400,000	106,424	**506,424**	19,000	-	**19,000**
2026	-	-	**-**	650,000	84,942	**734,942**	18,000	-	**18,000**
2027	-	-	**-**	1,100,000	48,364	**1,148,364**	18,000	-	**18,000**
2028	-	-	**-**	589,000	12,605	**601,605**	18,000	-	**18,000**
2029	-	-	**-**	-	-	**-**	18,000	-	**18,000**
2030	-	-	**-**	-	-	**-**	-	-	**-**
2031	-	-	**-**	-	-	**-**	-	-	**-**
2032	-	-	**-**	-	-	**-**	-	-	**-**
OUTSTANDING AT 7/1/2021	$ 1,250,000	$ 1,209	$ 1,251,209	$ 3,919,000	$ 672,665	$ 4,081,665	$ 148,000	$ 627	$ 148,627
PAID DURING FISCAL YEAR	1,250,000	1,209	1,251,209	680,000	169,847	849,847	148,000	627	148,627
OUTSTANDING AT 6/30/22	$ -	$ -	$ -	$ 3,239,000	$ 502,818	$ 3,231,818	$ -	$ -	$ -

*Interest on the 2020 HUD 108 Interim Notes is variable and is therefore estimated. As of May 1, 2021, HUD changed the variable rate on HUD Section 108 interim notes from 3-month Libor + 20 bps to 13-week Treasury Bill + 35 bps. In this report, the City projects that in FY23 the variable rate will be 100 bps on the August 1 payment, followed by a 25 bp increase every quarter and a variable rate of 200 bps for FY24 thereafter.

Notes:

1. On April 25, 2022, the City prepaid all of its outstanding HUD 108 Interim Notes. Also on this date, the Woodward Gardens Project II Note was partially defeased by the City. Specifically, the City made payment to HUD's Trustee to defease $510,000 of the August 1, 2027, maturity. From the City's perspective, the principal amount is considered defeased in substance on the date the City made payment.
2. In FY17, funds to prepay the New Amsterdam Note were placed in escrow and the Note was fully defeased in substance. The trustee pays the debt service from the escrow until final payment on 8-1-22.

City of Detroit - HUD Notes Debt Service Requirements

ISSUE NAME:	Woodward Garden Project 3			Woodward Garden Project 3					
	HUD 108 Note			HUD 108 Interim Note[1]					
REPAYMENT SOURCE:	Section 108 Loan Guaranty Block Grant Funds			Section 108 Loan Guaranty Block Grant Funds					
ORIGINAL PAR:	$5,753,000			$295,000					
DATED DATE:	May 28, 2015 (Refunding)			August 3, 2020					
PRINCIPAL DUE:	Annual: August			Annual: August			ALL		
INTEREST DUE:	Semi Annual: August/February			Quarterly: August/November/February/May					
INTEREST RATE:	.83% to 3.55%			13 Week Treasury Bill + 35 bps					
MATURITY DATE:	August 1, 2031			August 1, 2024					
INSURANCE:	Noninsured			Noninsured					
CALL PROVISIONS:	None			None					
Fiscal Year Ending June 30,	Principal	Interest	Total	Principal	Interest*	Total	Principal	Interest	Total
2022	310,000	132,494	442,494	74,000	1,113	75,113	6,223,000	1,010,154	7,233,154
2023	325,000	124,870	449,870	74,000	-	74,000	4,921,000	850,403	5,771,403
2024	342,000	116,101	458,101	74,000	-	74,000	5,127,000	733,845	5,860,845
2025	359,000	106,197	465,197	73,000	-	73,000	5,201,000	608,533	5,809,533
2026	377,000	95,521	472,521	-	-	-	5,597,000	470,186	6,067,186
2027	396,000	83,822	479,822	-	-	-	4,946,000	320,804	5,266,804
2028	417,000	71,116	488,116	-	-	-	2,054,000	210,732	2,264,732
2029	438,000	57,431	495,431	-	-	-	1,985,000	144,318	2,129,318
2030	460,000	42,609	502,609	-	-	-	2,355,000	73,865	2,428,865
2031	483,000	26,451	509,451	-	-	-	491,000	26,451	517,451
2032	507,000	8,999	515,999				515,000	8,999	523,999
OUTSTANDING AT 7/1/2021	$ 4,414,000	$ 865,611	$ 5,279,611	$ 295,000	$ 1,113	$ 296,113	$ 39,925,000	$ 4,458,289	$ 43,873,289
PAID DURING FISCAL YEAR	310,000	132,494	442,494	295,000	1,113	296,113	$ 9,695,000	$ 1,010,154	10,705,154
OUTSTANDING AT 6/30/22	$ 4,104,000	$ 733,117	$ 4,837,117	$ -	$ -	$ -	$ 30,230,000	$ 3,448,135	$ 33,168,135

*Interest on the 2020 HUD 108 Interim Notes is variable and is therefore estimated. As of May 1, 2021, HUD changed the variable rate on HUD Section 108 interim notes from 3-month Libor + 20 bps to 13-week Treasury Bill + 35 bps. In this report, the City projects that in FY23 the variable rate will be 100 bps on the August 1 payment, followed by a 25 bp increase every quarter and a variable rate of 200 bps for FY24 thereafter.

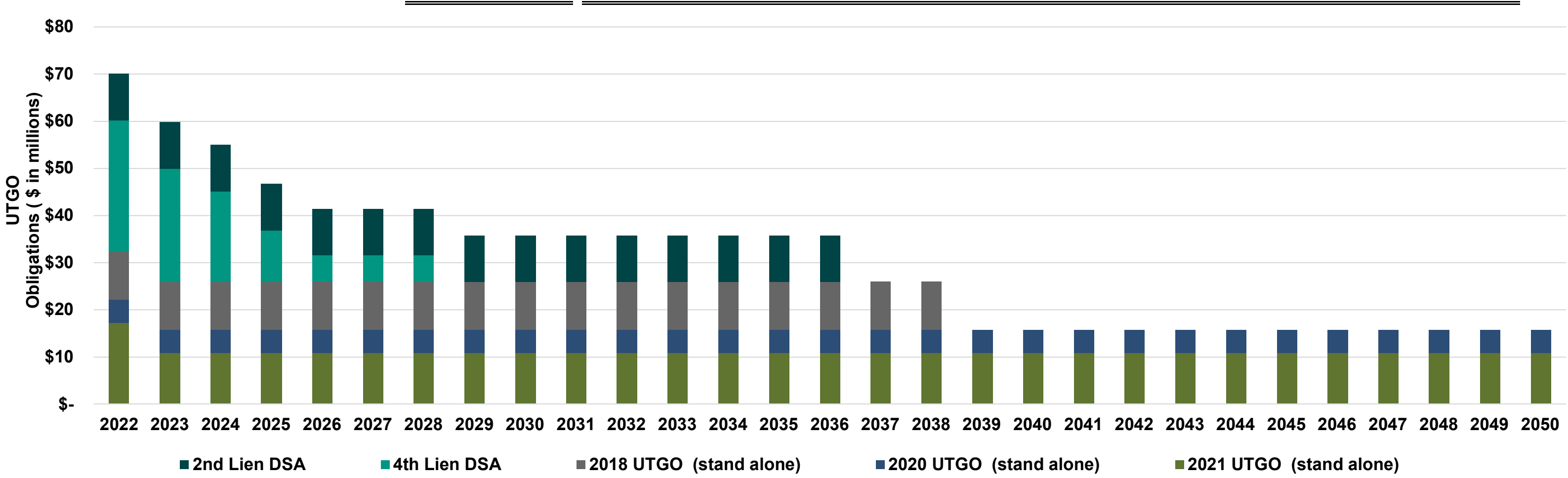
Notes:

1. On April 25, 2022, the City prepaid all of its outstanding HUD 108 Interim Notes. Also on this date, the Woodward Gardens Project II Note was partially defeased by the City. Specifically, the City made payment to HUD's Trustee to defease $510,000 of the August 1, 2027, maturity. From the City's perspective, the principal amount is considered defeased in substance on the date the City made payment.

2. In FY17, funds to prepay the New Amsterdam Note were placed in escrow and the Note was fully defeased in substance. The trustee pays the debt service from the escrow until final payment on 8-1-22.

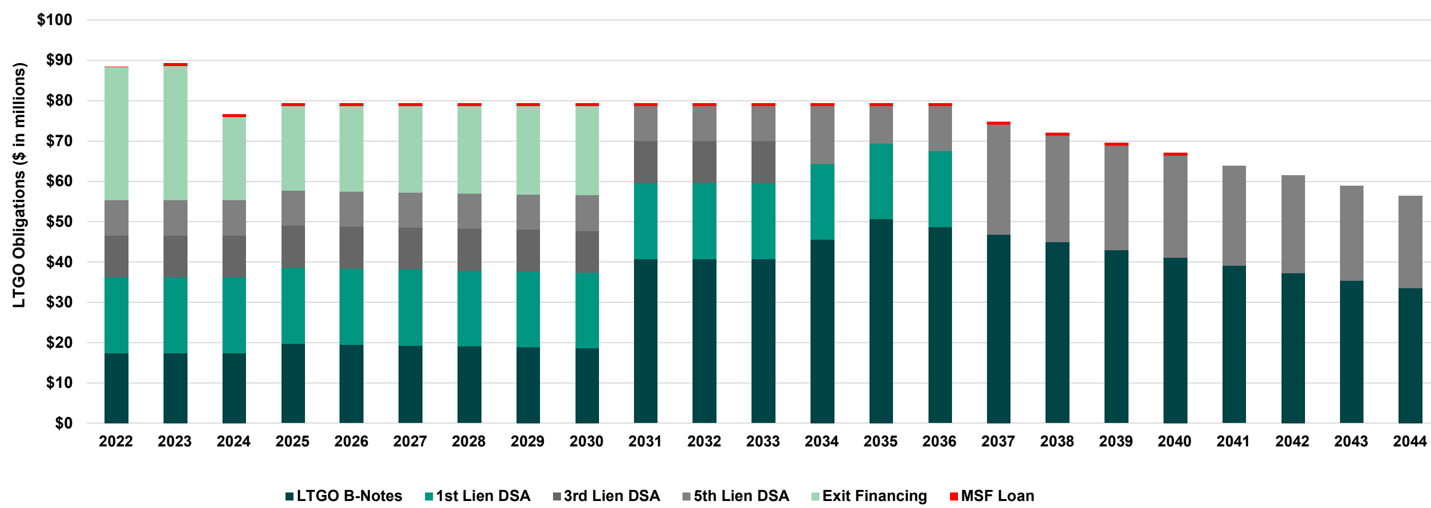
City of Detroit - UTGO Debt Service Requirements Summary

Fiscal Year Ending June 30	2018 UTGO (stand alone)	2020 UTGO (stand alone)	2021 UTGO (stand alone)	2nd Lien DSA	4th Lien DSA	UTGO Obligations
2022	10,221,000	4,925,950	17,254,197	9,824,594	27,770,871.40	69,996,612
2023	10,218,000	4,921,450	10,837,026	9,828,024	23,944,816.60	59,749,317
2024	10,219,000	4,924,450	10,833,650	9,828,621	19,200,507.00	55,006,228
2025	10,218,250	4,924,450	10,833,020	9,826,919	10,881,531.00	46,684,170
2026	10,220,250	4,921,450	10,834,382	9,828,854	5,631,115.00	41,436,051
2027	10,219,250	4,925,450	10,836,243	9,827,125	5,629,409.00	41,437,478
2028	10,219,750	4,925,950	10,836,131	9,824,431	5,625,885.00	41,432,148
2029	10,221,000	4,922,950	10,832,018	9,827,843	-	35,803,811
2030	10,222,250	4,921,450	10,834,043	9,824,431	-	35,802,174
2031	10,217,750	4,926,200	10,831,853	9,826,057	-	35,801,860
2032	10,222,000	4,923,250	10,832,819	9,828,955	-	35,807,025
2033	10,218,750	4,925,350	10,831,566	9,824,568	-	35,800,234
2034	10,217,500	4,921,950	10,830,876	9,823,921	-	35,794,248
2035	10,222,250	4,923,050	10,830,250	9,827,202	-	35,802,752
2036	10,221,750	4,923,100	10,835,000	9,824,598	-	35,804,448
2037	10,220,250	4,921,825	10,831,750	-	-	25,973,825
2038	10,221,750	4,923,950	10,830,250	-	-	25,975,950
2039	-	4,923,925	10,834,750	-	-	15,758,675
2040	-	4,921,475	10,834,250	-	-	15,755,725
2041	-	4,926,325	10,833,450	-	-	15,759,775
2042	-	4,922,650	10,832,250	-	-	15,754,900
2043	-	4,925,450	10,830,250	-	-	15,755,700
2044	-	4,923,900	10,833,750	-	-	15,757,650
2045	-	4,922,725	10,833,750	-	-	15,756,475
2046	-	4,921,375	10,829,500	-	-	15,750,875
2047	-	4,924,300	10,830,250	-	-	15,754,550
2048	-	4,925,675	10,829,750	-	-	15,755,425
2049	-	4,924,950	10,832,000	-	-	15,756,950
2050	-	4,921,575	10,830,750	-	-	15,752,325
Total	$ 173,740,750	$ 142,786,550	$ 320,569,774	$ 147,396,145	$ 98,684,135	$ 883,177,354



City of Detroit - LTGO Debt Service Requirements Summary

Fiscal Year Ending June 30	LTGO B-Notes	1st Lien DSA	3rd Lien DSA	5th Lien DSA	Exit Financing	MSF (JLA) Loan	LTGO Obligations
2022	17,372,472	18,847,724	10,357,882	8,745,092	33,028,701	66,875	88,418,746
2023	17,372,472	18,846,043	10,359,353	8,745,092	33,309,946	667,096	89,300,002
2024	17,372,472	18,845,364	10,362,671	8,745,092	20,692,216	667,096	76,684,910
2025	19,783,538	18,845,619	10,358,538	8,745,092	20,978,625	667,096	79,378,507
2026	19,533,015	18,848,638	10,359,754	8,745,092	21,224,913	667,096	79,378,507
2027	19,313,932	18,849,182	10,357,267	8,745,092	21,445,938	667,096	79,378,507
2028	19,078,392	18,843,853	10,359,475	8,745,092	21,684,600	667,096	79,378,508
2029	18,829,499	18,841,613	10,362,120	8,745,092	21,933,088	667,096	79,378,508
2030	18,565,653	18,843,889	10,358,303	8,745,092	22,198,475	667,096	79,378,508
2031	40,758,638	18,845,109	10,362,573	8,745,092	-	667,096	79,378,508
2032	40,762,057	18,844,784	10,359,478	8,745,092	-	667,096	79,378,507
2033	40,762,739	18,844,922	10,358,659	8,745,092	-	667,096	79,378,508
2034	45,501,419	18,847,981	-	14,358,519	-	667,096	79,375,015
2035	50,557,132	18,843,903	-	9,305,667	-	667,096	79,373,798
2036	48,661,239	18,846,881	-	11,204,155	-	667,096	79,379,372
2037	46,765,347	-	-	27,357,746	-	667,096	74,790,189
2038	44,869,454	-	-	26,551,458	-	667,096	72,088,008
2039	42,973,562	-	-	25,951,886	-	667,096	69,592,544
2040	41,077,670	-	-	25,353,126	-	667,096	67,097,891
2041	39,181,777	-	-	24,758,358	-		63,940,135
2042	37,285,885	-	-	24,160,749	-	-	61,446,634
2043	35,389,992	-	-	23,564,170	-	-	58,954,162
2044	33,494,085	-	-	22,967,366	-	-	56,461,450
Total	$ 755,262,440	$ 282,685,505	$ 124,316,073	$ 340,474,303	$ 216,496,501	$ 12,074,601	$ 1,731,309,423



UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

In re:	Bankruptcy Case No. 13-53846
City of Detroit, Michigan,	Judge Thomas J. Tucker
Debtor.	Chapter 9

CITY OF DETROIT'S MOTION TO ENFORCE PLAN OF ADJUSTMENT AND REQUIRE 30-YEAR AMORTIZATION OF THE UAAL IN THE POLICE AND FIRE RETIREMENT SYSTEM PENSION PLAN

The City of Detroit, Michigan ("City"), by its undersigned counsel, Miller, Canfield, Paddock and Stone, PLC, files this *Motion to Enforce Plan of Adjustment and Require 30-Year Amortization of the UAAL in the Police and Fire Retirement System Pension Plan*. In support of this Motion, the City relies on and incorporates herein the Brief attached to this Motion as Exhibit 3. The City sought consent to the relief requested in this Motion on August 1, 2022, but concurrence was denied.

[signature block on following page]

39400576.3/022765.00213

Dated: August 3, 2022 Respectfully submitted,

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ATTORNEYS FOR THE CITY OF DETROIT

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

In re: City of Detroit, Michigan, Debtor.	Bankruptcy Case No. 13-53846 Judge Thomas J. Tucker Chapter 9

EXHIBIT LIST

Exhibit 1	Proposed Order
Exhibit 2	Notice of Opportunity to Object
Exhibit 3	Brief
Exhibit 4	Certificate of Service
Exhibit 5	None
Exhibit 6	Exhibits to Brief (summarized below)

Ex. 1 — Declaration of Mayor Michael Duggan

Ex. 2 — Gabriel Roeder's March 4, 2021, PFRS funding policy

Ex. 3 — March 4, 2021, PFRS Board minutes approving 20-year amortization

Ex. 4 — Detroit CFO's July 21, 2021, memo objecting to 20-year amortization

Ex. 5 — Gabriel Roeder's August 2, 2021, supplemental funding report

Ex. 6 — October 1-14, 2021, emails between Ms. Brader and Mr. Raimi

Ex. 7 — October 18, 2021, PFRS IC minutes approving 20-year amortization

Ex. 8 — October 18, 2021, PFRS IC resolution approving 20-year amortization

Ex. 9 — November 18, 2021, PFRS Board minutes ratifying 20-year amortization

Ex. 10 — Stout report dated October 13, 2021

Ex. 11 — Michigan Tax Tribunal Order dated June 11, 2021

Ex. 12 — Cheiron report dated June 6, 2022

Ex. 13 — Gabriel Roeder's June 17, 2022, letter re Restoration Reserve Account

Ex. 14 — Excerpt from 40-year projection

EXHIBIT 1 – PROPOSED ORDER

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

In re: City of Detroit, Michigan, Debtor.	Bankruptcy Case No. 13-53846 Judge Thomas J. Tucker Chapter 9

ORDER GRANTING THE CITY OF DETROIT'S MOTION TO ENFORCE PLAN OF ADJUSTMENT AND REQUIRE 30-YEAR AMORTIZATION OF THE UAAL IN THE POLICE AND FIRE RETIREMENT SYSTEM PENSION PLAN

This matter, having come before the Court on the *Motion to Enforce Plan of Adjustment and Require 30-Year Amortization of the UAAL in the Police and Fire Retirement System Pension Plan* ("Motion"),[1] upon proper notice and a hearing, the Court being fully advised in the premises, and there being good cause to grant the relief requested,

THE COURT ORDERS THAT:

1. The Motion is granted.

2. The resolutions passed and the votes taken by Police and Fire Retirement System ("PFRS") and the Investment Committee which shortened the amortization period to 20 years are void and of no force or effect, and the PFRS and

[1] Capitalized terms used but not otherwise defined in this Order shall have the meanings given to them in the Motion.

the Investment Committee are enjoined and barred from shortening the 30-year amortization period.

3. The PFRS shall amortize the PFRS's plan's unfunded actuarial accrued liability that will exist as of June 30, 2023, over an additional 30 years commencing on June 30, 2023.

4. The Court shall retain jurisdiction over any and all matters arising from the interpretation or implementation of this Order.

EXHIBIT 2 – NOTICE

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

In re: City of Detroit, Michigan, Debtor.	Bankruptcy Case No. 13-53846 Judge Thomas J. Tucker Chapter 9

NOTICE OF OPPORTUNITY TO OBJECT TO CITY OF DETROIT'S MOTION TO ENFORCE PLAN OF ADJUSTMENT AND REQUIRE 30-YEAR AMORTIZATION OF THE UAAL IN THE POLICE AND FIRE RETIREMENT SYSTEM PENSION PLAN

The City of Detroit has filed the *Motion to Enforce Plan of Adjustment and Require 30-Year Amortization of the UAAL in the Police and Fire Retirement System Pension Plan*.

Your rights may be affected. You should read these papers carefully and discuss them with your attorney.

If you do not want the Court to enter an Order granting the *Motion to Enforce Plan of Adjustment and Require 30-Year Amortization of the UAAL in the Police and Fire Retirement System Pension Plan,* within 14 days, you or your attorney must:

1. File with the court a written response or an answer, explaining your position at:[2]

United States Bankruptcy Court
211 W. Fort St., Suite 1900
Detroit, Michigan 48226

If you mail your response to the court for filing, you must mail it early enough so that the court will **receive** it on or before the date stated above. You must also mail a copy to:

Miller, Canfield, Paddock & Stone, PLC
Attn: Marc N. Swanson
150 West Jefferson, Suite 2500
Detroit, Michigan 48226

2. If a response or answer is timely filed and served, the clerk will schedule a hearing on the motion and you will be served with a notice of the date, time, and location of that hearing.

If you or your attorney do not take these steps, the court may decide that you do not oppose the relief sought in the motion or objection and may enter an order granting that relief.

[2] Response or answer must comply with F. R. Civ. P. 8(b), (c) and (e).

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

By: /s/ Marc N. Swanson

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Facsimile: (313) 496-8451
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Dated: August 3, 2022

EXHIBIT 3 – BRIEF

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

In re: City of Detroit, Michigan, Debtor.	Bankruptcy Case No. 13-53846 Judge Thomas J. Tucker Chapter 9

BRIEF IN SUPPORT OF CITY OF DETROIT'S MOTION TO ENFORCE PLAN OF ADJUSTMENT AND REQUIRE 30-YEAR AMORTIZATION OF THE UAAL IN THE POLICE AND FIRE RETIREMENT SYSTEM PENSION PLAN

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ATTORNEYS FOR THE CITY OF DETROIT

Dated: August 3, 2022

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<u>ISSUES AND MOST APPROPRIATE AUTHORITY</u>

1. The City of Detroit Police and Fire Retirement System (PFRS) recently adopted (over the City's objections) a resolution providing that the plan's unfunded actuarial accrued liability (UAAL) for retirement benefits, existing as of June 30, 2023, be amortized over 20 years. The Plan of Adjustment (POA) provides that the proper period is 30 years. 20-year amortization will require the City to pay additional hundreds of millions of dollars in front-loaded funding over the amounts that would be due under 30-year amortization (and under the original projections in the POA).

<u>The first issue in this case is</u>:

> Should the Court compel PFRS to amortize the PFRS' plan's UAAL that will exist as of June 30, 2023, over 30 years, rather than 20 years, where the POA provides that 30-years is the proper amortization period.
>
> City answers **yes**.

The Confirmation Order explicitly requires the UAAL to be amortized over 30 years. *In re City of Detroit, Mich.*, 524 B.R. 147, 231-32 (Bankr. E.D. Mich. 2014) ("<u>Confirmation Opinion</u>") *and see* Confirmation Order, ¶ G, p. 10 of 225, (incorporating the Confirmation Opinion). Consequently, the PFRS's attempt to change the 30-year amortization period is a violation of the Confirmation Order. Further, the governing pension plan documents (section 16.6) provide that "Nothing [in the PFRS pension plan documents] shall be interpreted as permitting the

Investment Committee or the Board to alter or depart from the requirements set forth in the Plan of Adjustment."

2. The City learned shortly after the POA was confirmed that, due to material actuarial mistakes in devising the POA, the accrued pension liabilities for the two legacy plans had been understated by some $500 million. To ensure the legacy plans would be properly funded, the City voluntarily created the Retiree Protection Trust Fund. By June of 2023, the City will have paid $445 million of general fund monies into the Trust Fund. As a result, and directly contrary to the POA, the City has been deprived of much of the benefit of the POA's ten-year "pension holiday" during which the City was to have made only nominal contributions to the legacy plans.

<u>The second issue in this case is:</u>

> Should the Court compel PFRS to amortize the PFRS' plan's UAAL that will exist as of June 30, 2023, over 30 years, rather than 20 years, where (i) 20-year amortization, together with (ii) the City's need to use $445 million from the Retiree Protection Trust Fund–depriving the City of much of the benefit of the POA's "pension holiday"–will threaten the City's ability to successfully implement the POA?
>
> City answers **yes**.

POA Article VII gives the Court broad authority to enter orders necessary for the successful implementation of the POA, including the order requested here.

I. FACTS

This factual recitation is supported by the declaration of Michael Duggan, Mayor of the City of Detroit, attached as exhibit 1, and other documents appended as exhibits.

A. Duggan's due diligence and testimony in support of the POA.

Duggan was first elected in November 2013 and then again in November 2017 and 2021. His prior jobs included Deputy County Executive of Wayne County, elected Wayne County Prosecutor, and Chief Executive Officer of the Detroit Medical Center. Ex. 1 ("Duggan Dec'l."), ¶ 1.

The City filed for Chapter 9 bankruptcy in July 2013 and was in bankruptcy when Duggan became Mayor effective January 1, 2014. Kevyn Orr was the state appointed emergency manager and supervised the bankruptcy activities. *Id.*, ¶ 3.

For much of Duggan's first year in office (2014), he was excluded from ongoing bankruptcy activities. However, as the Plan of Adjustment ("POA") was being negotiated, and it became clear to Mr. Orr and his team that Duggan would need to support the POA to secure its approval, Duggan was provided access to significant information about the bankruptcy. After extensive due diligence Duggan ultimately testified in support of the POA and its feasibility. *Id.*, ¶ 4.

Perhaps the most important and contentious issue in the bankruptcy, and one of Duggan's primary concerns about the POA and its feasibility, was the City's legacy retirement obligations. The City historically had two defined benefit pension plans for employees and retirees. The Police and Fire Retirement System ("PFRS") managed the plan for public safety employees and retirees. The General Retirement System ("GRS") managed the plan for all other City employees and retirees. Both plans were frozen in bankruptcy and, under the POA, covered only City retirees and employees who performed services for the City prior to July 1, 2014. *Id.*, ¶ 5.

Both plans were replaced going forward with hybrid plans that combined elements of both defined benefit and defined contribution plans. In the POA, the new hybrid plans are known as Component I plans, and the frozen plans are known as Component II plans.

At issue in this case is the PFRS Component II plan that was frozen in bankruptcy and now covers only public safety employees and retirees who provided services prior to July 1, 2014. *Id.*, ¶ 6. References in this brief to the PRFS plan are to the PFRS Component II plan that was frozen in bankruptcy. Because the plan was frozen and no new beneficiaries are being added, it is a "closed plan" and will terminate after all beneficiaries have died.

The eighth, final, and operative POA incorporated what became known as the "Grand Bargain." The Grand Bargain raised the equivalent of $816 million from the state of Michigan, the Detroit Institute of Arts, and various charities and, as a result:

- Pension cuts to retirees were minimized. The only cut to public safety pensions was a 55% reduction to the cost-of- living adjustment (COLA).

Other City employees' pensions were cut more but still far less than had been anticipated.

- The Detroit Institute of Arts' collection was protected.
- The POA gave the City a 10-year pension contribution "holiday" and, thereafter, the legacy plans' UAAL was to be amortized over a 30-year period. This was to allow the City to devote as many resources as reasonably possible to address ongoing issues that had substantially contributed to the bankruptcy, such as blight, public safety, loss of employment opportunities, etc.

Id., ¶ 7.

On November 12, 2014, this Court entered the Confirmation Order and found the POA to be feasible. To make this determination, the Court relied on the City's 40-year forecast. Confirmation Order, ¶ 11, pp. 41-42 of 225. The City has attached as Exhibit 14 an excerpt of one of the forecasts that it believes was referenced by the Court in paragraph 11(c) of the Confirmation Order. This 40-year forecast specifically provides for a 30-year amortization. The Court found the 40-year forecasts refenced in paragraph 11(c) of the Confirmation Order to be "reasonable, made in good faith, accurate and consistent with other financial projections made by the City and based upon assumptions that are reasonable when considered individually and collectively." Confirmation Order, ¶ 11, pp. 41-42 of 225.

On December 31, 2014, Bankruptcy Judge Steven Rhodes issued a supplemental opinion approving the Plan of Adjustment. *In re City of Detroit*, Mich., 524 B.R. 147 (Bankr. E.D. Mich. 2014), ("<u>Supp Op</u>").

As Judge Rhodes noted, the pension classes voted to accept the POA by 82% in class 10 (PFRS) and 73% in class 11 (GRS). Supp Op at 180. The Supplemental Opinion explains:

> Because of the outside money committed as part of the Grand Bargain, the City will have little responsibility for funding the GRS [General Retirement System] and the PFRS [Police/Fire Retirement System] through June 2023. During that time period, the PFRS will be funded exclusively from contributions from the DIA, the DIA Funders, the Foundation Funders and the State under the Grand Bargain, as described previously.

Id. at 179.

Judge Rhodes concluded that the pension settlement was "fair and equitable" and stated as follows:

> It is therefore a vast understatement to say that the pension settlement is reasonable. It borders on the miraculous. No one could have foreseen this result for the pension creditors when the City filed this case. Without the outside funding from the Grand Bargain, the City anticipated having to reduce pensions by as much as 27%. The pension reductions in the pension settlement are minor compared to any reasonably foreseeable outcome for these creditors without the pension settlement and the Grand Bargain.

Id. at 181.

At the time of the bankruptcy, both the public safety (PFRS) and general retirement (GRS) legacy (Component II) plans were underfunded. Under financial projections prepared for the POA, the plans were likewise projected to be underfunded at the end of the 10-year pension holiday. Actuaries identify the amount of such underfunding as the plan's "unfunded actuarial accrued liability," or "UAAL." Duggan Dec'l., ¶ 10.

In examining the feasibility of the POA, experts addressed how the Component II plans' UAAL would be amortized after the end of the 10-year pension holiday. Those projections showed that after the 10-year holiday, the then existing UAAL would be amortized over the following 30 years. The Supplemental Opinion confirmed in two separate places that the Component II Plans' UAAL at the end of the pension holiday were to be amortized over a thirty-year period:

> However, at the end of FY2023, the GRS and PFRS will remain significantly underfunded. Using the assumptions from the global pension settlement, including the 6.75% discount rate, the City projects that the PFRS will only achieve 78% funding, leaving a UAAL of $681 million. For the GRS, the City projects a 70% funded status by the end of FY2023, leaving a UAAL of $695 million. **The City will then amortize the remaining UAAL for both plans over the next thirty years at an interest rate of 6.75%.** Between FY2024 and FY2033, the City will receive an additional $68 million in Grand Bargain proceeds to pay toward the UAAL amortization for PFRS, and $188 million for GRS. The balance of the amortized UAAL will come from the City.
>
> The plan greatly reduces the City's pension obligations, thanks to the State Contribution Agreement, the Grand Bargain funding, and the modification of the City's obligations to its current retirees."

Supp Op at 231-32 (emphasis added and citations removed).

> As discussed in part III.F. above, the City's obligations to the GRS and the PFRS are fixed under the plan from FY2014-FY2023. During this time, as the City works to stabilize its finances and implement the RRIs, the majority of the City's contributions to the GRS and the PFRS will come from the DWSD, the State Contribution Agreement, and the

> Grand Bargain funding. However, after 2023, the City projects the retirement systems will remain somewhat underfunded. **The balance of the underfunding in 2023 will be amortized over a thirty year period of time.**

Supp Op at 230 n.23 (emphasis added and citations removed).

Despite the funding provided by the Grand Bargain, Judge Rhodes was extremely concerned about the feasibility of the POA. His opinion stated:

> In this case, examining the feasibility of the plan is difficult for a number of reasons. The City's debt is enormous and the City proposes to pay most of its creditors over a long period of time. As the Court discusses below, the City's revenue and expense projections extend forty years into the future [40 years is the 10-year pension holiday plus 30-year amortization].
>
> Second, the feasibility of the plan depends upon the City's ability to fix and maintain its broken governmental operations. This is significant because the chapter 9 feasibility inquiry requires an analysis of whether the City can reasonably provide sustainable municipal services, as the court found in *In re Mount Carbon.* It is also significant because the City's ability to repay its creditors pursuant to the plan depends upon the City's ability to increase its revenues from taxes and fees by improving the efficiency of City operations and by identifying and accessing untapped sources of revenue.
>
> The feasibility analysis is yet more complex because several key parts of the plan depend upon performance by parties who are completely beyond the City's control. For example, because the City's contributions to the retirement systems are fixed through FY2023, a risk remains that the pension plans will be significantly more underfunded than anticipated if one of the many organizations participating in the Grand Bargain fails to perform in the time or manner promised.
>
> As the City itself succinctly states in its pretrial brief in support of plan confirmation, "[T]he City was—and remains today—enmeshed in a financial crisis of unsurpassed proportions and complexity." Despite

> efforts from both the City and the State of Michigan, "the City is trapped in a vicious circle of cash crises, general fund deficits, crushing long-term liabilities and tumbling credit ratings exacerbated by the City's bureaucratic structure and frequent deviations from established budgets."

Supp Op at 220-21 (citations omitted, alterations in original).

Martha Kopacz, the Court's appointed feasibility expert, was likewise extremely concerned about the feasibility of the POA:

> I want to emphasize, however, that there is little space remaining on the continuum of [feasibility]. The recent settlements and corresponding amendments to the Plan of Adjustment have served the laudable goals of efficiently resolving disputes and garnering additional support for the Plan of Adjustment. Conversely, they have imposed additional financial obligations on the City. I have already expressed concerns regarding the level of contingency provided for in the Plan of Adjustment. The financial obligations associated with the recent settlements only intensify this concern."

Supp Op, at p. 219 (Court's quotation of expert, alterations in original).

Duggan worked closely with Ms. Kopacz and her staff, and major City departments, in examining the POA's feasibility. Ultimately, Duggan and Ms. Kopacz came to the same conclusion–that the POA was feasible but enormous work would be required and financially there was no room to spare. Critical to Duggan's support for the POA was that the City's legacy pension liabilities would be minimized for the initial ten years and then amortized over a 30-year period, thus providing the City as much funding as reasonably possible to address the City's problems by investing in what were called "RRIs," or recovery and reinvestment initiatives. As of the time of the confirmation hearing, Duggan believed the City was perhaps 10% of the way toward providing proper City services, and that many years of implementing major service improvements and job creation initiatives would be needed to successfully carry out the POA. Duggan Dec'l., ¶ 14.

In considering the feasibility of the POA, Duggan was aware that the POA provided an assumed rate of return of 6.75% for the legacy pension plans. During his due diligence, Duggan learned that a proposal had been made to raise the assumed rate of return to 7%. That would have allowed the actuaries to more easily "make the numbers work" for the feasibility analysis but would have put more funding stress on the City when it came time to resume funding the plans. Duggan advised the participants that if they raised the assumed rate of return to 7%, he would testify against the feasibility of the POA. *Id.*, ¶ 15.

B. Duggan learns the actuarial assumptions for the POA were grossly inaccurate and materially understated the plans' liabilities. The City responds by creating and placing hundreds of millions of dollars into a Retiree Protection Trust Fund, largely negating the POA's "pension holiday" for the City.

The POA was approved and then became effective in December 2014. Sometime in 2015, Duggan learned that the actuarial assumptions for the legacy pension plans were seriously flawed. Specifically, the plans' projected UAAL had been understated by roughly $500 million. That information was provided by Gabriel Roeder Smith & Company ("Gabriel Roeder"), the actuary for both legacy plans. Neither Gabriel Roeder, nor any of the other actuaries or experts who worked on the POA, ever explained how the error occurred. *Id.*, ¶ 16.

The City considered bringing a lawsuit. The City's investigation revealed serious concerns about the way in which the retirement liability issues were handled by the "experts" in the bankruptcy process. Those included use of outdated mortality tables. Duggan also learned that the "experts" were seemingly more concerned about the making the numbers work, *i.e.*, minimizing retiree pension cuts, than with the City's ability to successfully carry out the POA. Duggan spoke with Ms. Kopacz who advised she likewise had no idea that the retirement plan projections were materially incorrect, and that information would likely have changed her view on the feasibility of the POA. Duggan ultimately decided not to bring a lawsuit because the POA had broad exculpatory provisions. *Id.*, ¶ 17.

Thereafter, to further ensure proper funding of legacy pensions, Duggan's administration voluntarily put in place an irrevocable Retiree Protection Trust Fund to provide additional funding for the legacy plans after the end of the 10-year pension "holiday." To date, the City has deposited $355 million, and will be adding $90 million later this year. Accordingly, by the time City funding of the PFRS plan is to begin (FY 2024), the City will have funded the Retiree Protection Trust Fund with $445 million of general fund money. *Id.*, ¶ 18.

Under the POA, that $445 million should have been available for recovery and reinvestment initiatives such as blight remediation, public safety, job creation initiatives etc. It has instead irrevocably been set aside for the retirees' pension security. *Id.*, ¶ 19.

C. In November 2021 PFRS adopts a resolution which, contrary to the POA, shortened the amortization period for PFRS' UAAL from 30 to 20 years.

This litigation challenges PFRS' adoption of a funding resolution which provides for amortizing the UAAL that will exist after the expiration of the pension "holiday" (June 30, 2023) over 20 years – rather than the 30-years required by the POA. Section 16.6 of the governing plan documents makes crystal clear PFRS had no right to violate the POA. "Nothing herein [in the PFRS plan document] shall be interpreted as permitting the Investment Committee or the Board to alter or depart from the requirements set forth in the Plan of Adjustment."[1]

Relevant background to that action is discussed below.

1. PFRS' governance by its Board of Trustees and Investment Committee (IC).

In reaction to serious investment abuses in prior years, the POA materially changed the governance of the City's GRS and PFRS retiree legacy plans. Investment decisions were entrusted to newly created Investment Committees, or

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[1] Doc. No. 8045-1, p. 519 of 809. Section 16.6 of the Component I plan also applies to Component II. Doc. No. 8045-1, pp. 597-98 of 809.

ICs. The PFRS IC has 9 members as follows: four public safety representatives and five independent members. The City and Mayor have no representation. The public safety members each have one-half vote. The independent members originally were appointed by Governor Snyder, typically based on their investment expertise.

PFRS has a 17-member Board of Trustees. Because the City and public safety representatives could never agree on an "independent" trustee, at all relevant times there have been 16 trustees. Five represent the Mayor's administration. One represents the City Council president. Eight directly represent public safety employee/retiree interests. Two trustees were appointed by the Mayor but the chosen individuals had to be retired public safety officers. As a result, public safety representatives control the Board, as evidenced by their votes adopting 20-year amortization, discussed below.

2. Events leading to PFRS' adoption of 20-year amortization.

August 20, 2020, City presentation. After learning that PFRS was considering accelerated amortization, the City's CFO and Deputy made a presentation to PFRS' Board and IC. The City opposed acceleration for reasons that included, *inter alia*, the POA expressly provides for 30-year amortization.

March 4, 2021, Gabriel Roeder's 20-year funding policy. At the urging of the PFRS' public safety representatives, Gabriel Roeder prepared an Actuarial Funding Policy providing for 20-year amortization. Ex. 2, p. 3, § 3(b)(a). Gabriel

Roeder gave no consideration whatsoever to the points made by the City in its prior presentation. PFRS' Board's public safety representatives, over the objections of the City, adopted the funding policy on March 4, 2021, with an 8-6 vote. Ex. 3, pp. 6-7. IC approval also was needed for a funding policy.

July 21, 2021, City continues to object. The IC had previously engaged the Stout Consulting Firm to prepare an analysis of the City's "ability to pay" using the proposed 20-year amortization funding. On July 21, 2021, the City provided to Stout and the IC's counsel documents and information requested by Stout to complete its analysis, together with a transmittal memorandum attached as Exhibit 4. The memorandum again reiterated the City's fundamental concerns with accelerated amortization. Ex. 4, pp. 1-3. The memo also asked the Board and IC to hear both from the City's Mayor, and the independent actuary the City had engaged (Cheiron) before taking any final action on the funding policy. Ex. 4, p. 3.

August 2, 2021, Gabriel Roeder's supplemental report. At the IC's request, Gabriel Roeder prepared a supplemental report that examined financial projections using 20- and 25-year amortizations under various assumptions of baseline or unfavorable investment results. Ex. 5. Six projections were considered. The worst-case scenario was "25-year amortization, Downside Level 2." Ex. 5, p. 11. Even under the worst case, the funded level percentage never dropped below

40%. Neither PFRS nor Gabriel Roeder has ever articulated any need to accelerate the POA's 30-year amortization.

October 1 – 14, 2021, email exchanges between counsel for the City and IC. On October 1, 2021, the City's deputy corporation counsel (Raimi) reminded the IC's counsel (Valerie Brader) of the City's prior request for the PFRS Board and IC to hear from the City's Mayor and actuarial expert prior to making a final decision of the funding policy. Ex. 6, pp. 5-6, Raimi email dated 10/1/21. Ms. Brader responded that the Stout report was not yet complete. Ex. 6, p. 5.

Ms. Brader advised on October 12 that the IC would be taking up the Stout report at its October 18 meeting and "would be happy to have the Mayor present." Ex. 6, p. 4. That timing was, of course, impossible. Raimi responded that the City had not even seen the Stout report and both the Mayor and the City's expert (Cheiron) would need reasonable time to review the report and prepare the presentations. Ex. 6, pp. 3-4. The Stout report was dated October 13, 2021, Exhibit 6, but the City did not receive a copy until sometime later.

Raimi questioned why the IC insisted on moving so quickly, and without input from the Mayor and Cheiron, since the funding policy would not take effect until July 2023. Ex. 6, p. 1. Ms. Brader responded that the IC was attempting to accommodate an earlier City request for guidance on the funding issue by the fall of 2021. *Id.* The City, obviously, was perfectly willing to push this back so the IC could be fully informed, but it clearly was not interested. Ms. Brader also advised that any action by the IC would also need Board ratification, *id.*, but it was perfectly clear that the public safety-controlled Board would again approve 20-year amortization. *Id.*[2]

October 18, 2021, IC adopts 20-year amortization. On October 18, Stout's Robert Roth presented to the IC his report addressing the City's ability to pay using 20-year amortization. Gabriel Roeder presented its supplemental analysis. Ex. 7, IC minutes. The IC adopted 20-year amortization, *id.*, and approved the appended resolution. Ex. 8.

There was never any doubt that the "independent" members of the IC would follow fiduciary law 101–which instructs fiduciaries that they generally cannot be criticized or sued if they act in accordance with their "expert's" (Gabriel Roeder's) advice. And here, the City had no representation on the IC to offer any contrary view.

November 18, 2021, PFRS Board ratifies 20-year amortization. At the November 18 PFRS Board meeting, trustee Conrad Mallett, the City's deputy

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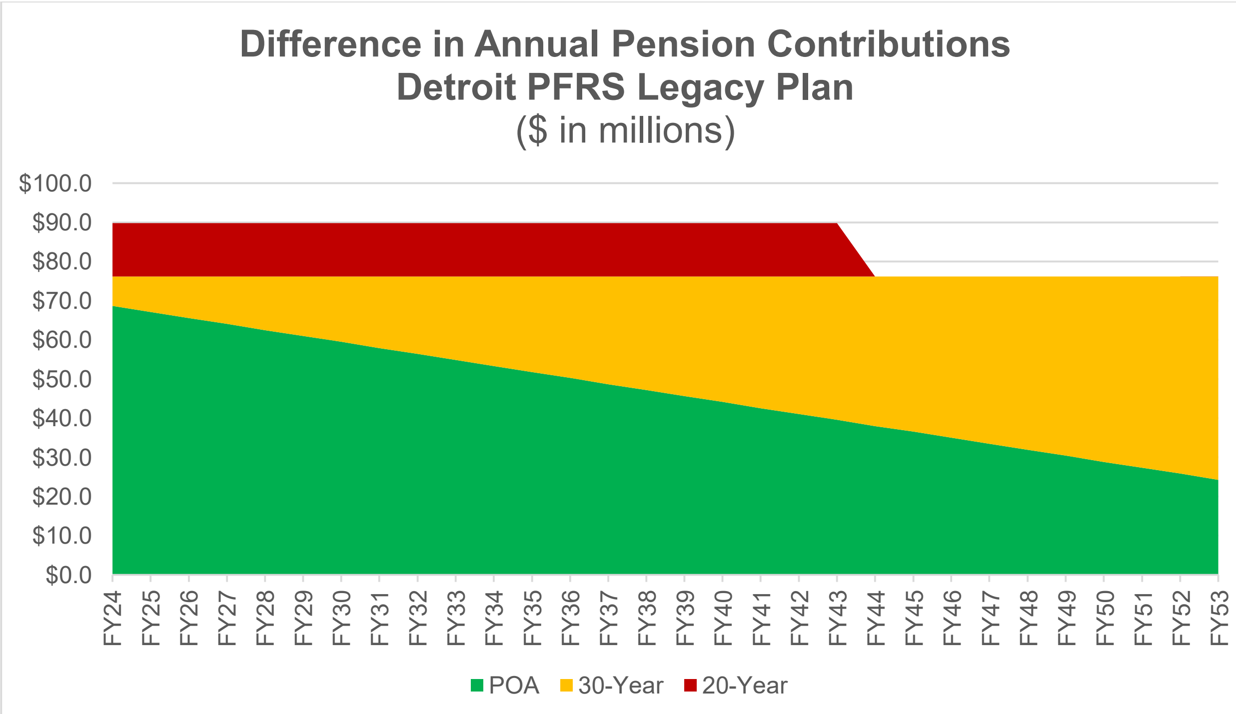
[2]Ms. Brader's October 1, 2021, email expressed her concerns about the so-called "pay-as-you-go" funding proposal which the City's CFO offered as one option in his August 2020 presentation. Ex. 6, p. 5. Raimi advised Ms. Brader that Cheiron would be offering a different and more focused approach. Ex. 6, p. 2. The City is not pursuing the "pay-as-you-go" approach, nor is it relevant because both Gabriel Roeder and Cheiron agree that there is no foreseeable danger that the City would not be able to pay benefits under 30-year amortization.

mayor, offered a resolution asking the Board to disaffirm its prior approval of 20-year funding and agree to mediation concerning the funding dispute. On the strength of the votes of the public safety representatives, that resolution was defeated and the Board affirmed 20-year amortization. Ex. 9, pp. 9-10.

D. The devastating impact to the City of 20-year amortization.

The critical importance of the amortization issue is illustrated by the following diagram which is addressed in Duggan's affidavit. Duggan Dec'l., ¶ 21. This shows (i) the City's funding obligation as originally estimated under the (POA) (in green), (ii) the City's increased funding obligation over the POA estimates, using 30-year amortization (green and yellow), and (iii) the City's increased funding obligation over the POA estimates, using 20-year (green, yellow, and red). The 20-year and 30-year amortization projections (yellow and red) are based on the most recently available data from PRFS's actuaries, which is as of June 30, 2021. (Gabriel Roeder's June 30, 2021, actuarial report was not released until March 24, 2022, and is the most recent data available. That data is used for the chart below and in the Cheiron expert report discussed below.)



Duggan Dec'l., ¶ 21.

The additional hundreds of millions of dollars of front-loaded payments under 20-year amortization would be devastating to the City's ability to fund critical programs needed to improve City services, attract employment opportunities, and otherwise continue to successfully implement the POA. Duggan Dec'l., ¶ 22.

Moreover, in addition to the PFRS frozen legacy plan, there is also the frozen legacy GRS pension plan for non-public safety employees. The Investment Committee for that plan is carefully following this funding dispute. If this Court were to allow PFRS to violate the POA and impose 20-year amortization, the City is justly apprehensive that GRS will feel compelled to do likewise. That would roughly double the additional upfront pension funding payments for the City. *Id.*, ¶ 39.

E. The Stout Report prepared for the IC lacks all credibility.

The Stout Report was prepared by Raymond Roth and is appended (without exhibits) as Exhibit 10. The report's stated purpose is to advise the IC "regarding the capability of Detroit to make specified levels of pension contributions [using 20-year amortization] beginning in 2024." Ex. 10, ¶ 12. The report concludes "Thus, it is my opinion that Detroit will have the ability to pay the additional amounts of PFRS Legacy Plan contributions under the scenarios projected by its actuaries." *Id.*, ¶ 84.

Mayor Duggan has carefully reviewed the Stout Report and concludes that it is meaningless to the amortization dispute for reasons including the following (Ex. 1, ¶¶ 29-38):

The report purports to compare Detroit to four allegedly "comparable" cities, namely, Indianapolis, Cleveland, Columbus, and Minneapolis. That is absurd on its face. Stout's own report shows (Ex. 10, p. 9) that in 2015, the year after Detroit exited from bankruptcy, Detroit's median income was roughly $25,000 per year, versus $43,000 for Indianapolis, $45,000 for Columbus, and $51,000 for Minneapolis. None of those cities are remotely "comparable" to Detroit. Although Cleveland's median income was similar to Detroit's, in 2015 some 40% of Detroit residents were below the poverty line versus 35% for Cleveland. Stout Report, Ex. 10, p. 11. And, of course, Cleveland never declared bankruptcy, nor has it ever faced problems such as those described in Judge Rhodes' Supplemental Opinion (describing his tour of the City):

> The primary impression that remains with the Court following the tour is that blight in Detroit is extensive. The statistics do not fully convey its extent or impact. In neighborhood after neighborhood, short and long stretches of streets have abandoned structures—they can no longer be called homes—that are intimidating hulks. Some are partially or mostly burned out. Some have gaping holes in their roofs or collapsed garages. Many have missing doors and windows, and broken front steps and porches. Some are strewn with illegal dumping. All are vivid statements of their former owners' emotional and financial struggles, and of community loss.
>
> These streets also have vacant lots, or collections of vacant lots, on which unmanaged and unsightly vegetation has taken over from the structures after their removal. On the commercial streets, block after block of abandoned, boarded up and graffiti-littered strip shopping centers far outnumbered the occasional small businesses that have survived.
>
> It is heartbreaking, maddening and sad. No one should have to endure, day in and day out, the damage to the human spirit that can result from living in those surroundings. City residents who live, work and play in these neighborhoods deserve better. Detroit deserves better."

Supp. Op. at 167. Ironically, the Stout Report (Ex. 10, ¶ 17) acknowledges the following:

> Detroit has experienced a remarkable transformation since its emergence from bankruptcy. The median income of its residents has risen, while the number of families living below poverty, unemployment, and crime has declined. In addition, blight has been reduced, street lighting improved, emergency medical services ("EMS") response times are down, and credit ratings have stabilized. However, Detroit's population remains at lower income levels, including higher concentrations of poverty and crime rates, than the Comparable Midwestern Cities."

Nevertheless, Mr. Roth inexplicably "concludes" that Detroit could "afford" the dramatically increased up-front payments under 20-year amortization. Roth argues that Detroit allegedly is spending too much of its budget on "central government." Duggan Dec'l., ¶ 32 (citing Stout report, Ex. 10, ¶¶ 54-67).

The City's review of Mr. Roth's report raises substantial questions whether the "central government" comparison properly analyzes each City's unique accounting policies and practices. But even if it does, Mr. Roth's "opinion" completely ignores the fact that the City's "remarkable transformation" was precisely the result of the Duggan administration's spending priorities including "central government." Duggan Dec'l., ¶ 33. The "central government" spending was critical to the City's job creation, housing initiatives, blight removal, neighborhood revitalization, revamping of City departments, and myriad other activities that produced the "remarkable transformation." Mr. Roth never asked to speak to the Mayor about this or any other aspect of his report. Nor did the PFRS Board of Trustees or its Investment Committee request the Mayor's input on the report or on the impact the 20-year amortization would have on the City. Duggan Dec'l., ¶ 33.

The Stout Report (Ex. 10, ¶¶ 54-55) notes that Detroit has lower levels of public safety spending as a percentage of general fund revenue than the "comparable cities." As explained in his declaration, Mayor Duggan did not need Mr. Roth's report to tell him that Detroit needs additional resources for public safety and many other priorities. The City's financial crisis and bankruptcy devastated all City departments and employee morale, and none more than public safety. Improving public safety recruiting, pay, benefits and performance has been a top priority to which Mayor Duggan and his administration have devoted enormous time and effort. Mr. Roth also ignores the fact that the City would have been able to spend more on public safety had it not been required to fund the $445 million Retiree Protection Trust Fund. Duggan Dec'l., ¶ 34.

It is extremely disturbing that Mr. Roth, after acknowledging the City's need for additional resources for public safety, would nevertheless conclude that the City can "afford" sharp increases in pension funding payments under 20-year amortization. It is quite evident that Mr. Roth has no understanding of the realities and complexities of managing the City of Detroit. Nor does his resume list anything that would qualify him to opine on these subjects. *Id.*, ¶ 35.

The Stout Report also speculates that the City may in the future gain additional revenues via internet gaming. What is known for certain is that the pandemic wreaked havoc on the City's finances, including income tax which is the City's largest revenue source. As a result of the pandemic, many thousands of employees who formerly worked in City offices are working from their homes in the suburbs.

As a result, they are not paying City income tax. City restaurants, businesses, etc. are adversely affected. *Id.*, ¶ 36.

To the extent the City does realize additional gaming tax from internet gaming, those have already been considered in the City's spending projections, so that would not be "additional revenues" available for pension funding. *Id.*, ¶ 37.

Wholly apart from the fact that Mr. Roth has no crystal ball to see into the future, the Bankruptcy Court, the Court appointed mediators, Ms. Kopacz, myriad interested parties and their advisors spent thousands of hours working out the POA. In addition to Gabriel Roeders, the national/international law firms and actuaries included:

- The Official Committee of Retirees engaged the Dentons law firm, the Segal Company financial/actuarial firm and the Lazard actuarial/financial firm.
- PFRS and GRS engaged Clark Hill and the financial/actuarial firm of Greenhill & Co.
- Kevyn Orr, the emergency manager, engaged multiple law firms including Jones Day and actuarial firm Milliman.

The advisors collectively charged tens of millions of dollars for their services. After all of that, the POA provided for a 30-year amortization period for the legacy plans' UAAL beginning with the 2024 fiscal year. The Mayor rightly points out that if PFRS had recently identified some compelling need to violate the POA to ensure proper funding, PFRS should have petitioned the Court for relief. But PFRS has never identified any such need and there is no reason for violating the POA with a 20-year amortization schedule. *Id.*, ¶ 38.

Finally, this Court should be aware of Stout firm's recent history with the City. For the last 7 years Raimi has been lead counsel in the City's defense of a property tax appeal by MGM Grand Detroit casino-hotel. MGM seeks past refunds and future reductions likely totaling more than $100 million. MGM engaged the Stout firm (Kevin Kernen) to issue a report supporting MGM's novel and, in the City's view untenable theory, supporting those reductions. The Tribunal, on June 11, 2021, issued a 100-page Order addressing the parties' dispositive motions. The Tribunal ruled in the City's favor (affirmed on reconsideration) and spent much of the decision attacking the Stout report in the harshest possible terms. For example:

> [The Tribunal] cannot draw a "uniform assessment" from Mr. Kernen's Report which relies on inaccurate information and, frankly, makes little sense. The methodology in the Report is not found in any appraisal textbook, treatise, scholarly article, case law or statute and appears to have been presented to Kernen by counsel for its client's own self-interest, not from any independent thought.

Ex. 11, p. 91-92. The current Stout report is as deeply flawed and incredible as the Kernen report.

F. The Cheiron report confirms there is no actuarial basis for 20-year amortization.

The most recent PFRS data available is Gabriel Roeder's June 30, 2021, actuarial report, which was not released until March 24, 2022. The Cheiron report, which is attached as Exhibit 12, used that data. The report was authored by Gene Kalwarski, whose impeccable credentials are discussed at page 7 of the report.

The report's key finding is that "The differences between a 20-year and 30-year amortization are negligible in terms of ensuring sufficient assets will be available to pay all future benefits under the plan." Ex. 12, p. 1, point 1. The balance of the report provides the supporting data for that statement. Likewise, even under Gabriel Roeder's worst-case scenario the plan's funded level percentage never dropped below 40%. Ex. 5, p. 11.

There is one major difference in Cheiron's analysis versus Gabriel's. Cheiron states "Because a 20-year amortization results in increased assets when compared to a 30-year amortization, this level of assets increases the exposure the City has to investment risk, without any offsetting benefit to taking such risk due to conclusion number 1 (quoted above)." Ex. 12, p. 1, point 3. In other words, if the City is compelled to front-load the funding, and the stock market falls, the accelerated amortization will impose even more financial stress on the City.

The City commissioned the Cheiron report to determine whether 30-year amortization posed any risk to retirees. It would not. Duggan's administration would never take any action to jeopardize pension benefits. Duggan Dec'l., ¶ 24. That is exactly why his administration voluntarily created the Retiree Protection Trust Fund and will soon have funded it with $445 million in general fund money. *Id.*

Finally, to alleviate any possible concerns, the Mayor would support, in connection with 30-year amortization, adoption of a "trigger" such that if the funded percentage of the plan fell below a certain agreed upon threshold, the City would be required to provide additional funding. But there is nothing to currently suggest that will ever be an issue. *Id.*, ¶ 28.

G. PFRS' most recent actions again confirm there is no need for 20-year amortization.

The POA contemplates that if the PFRS achieves a funded ratio in excess of 78%, PFRS can establish a "Restoration Reserve Account." The Account's purpose is to pay PFRS retirees' amounts they lost under the 55% COLA reduction in the POA. On June 17, 2022, Gabriel Roeders wrote to PFRS advising that $26+ million dollars could be placed in the Restoration Account. Ex. 13. Although minutes are not yet available, the IC approved creation of the account at its June 22, 2022, meeting. In short, the PFRS plan is so healthy that public safety retirees are seeking to recoup their minor pension reductions (55% of COLA) resulting from the POA.

II. ARGUMENT

A. The Court has jurisdiction over this dispute.

The Court has jurisdiction over this dispute under POA Article VII, paragraphs E, F, G, I, K, L, and Q.

B. The Court should order PFRS to amortize the PFRS' plan's UAAL that will exist as of June 30, 2023, over 30 years, rather than 20 years, because the POA provides that 30 years is the proper amortization period.

Judge Rhodes' Supplemental Opinion approving the POA confirmed in two separate places that the Component II Plans' liabilities at the end of the pension holiday were to be amortized over a thirty-year period. See excerpts of the Supplemental Opinion at p. 230, n. 23 and pages 231-232 quoted above.

Judge Rhodes' Supplemental Opinion was incorporated as part of the Confirmation Order. Confirmation Order, ¶ G, p. 10 of 225. In both instances in which Judge Rhodes discussed the 30-year amortization, he affirmatively stated that the balance "will" be amortized over a thirty-year period. Judge Rhodes' directives in the Confirmation Opinion should be treated as conclusions of law under the Confirmation Order. Indeed, the Confirmation Order states that "All findings of fact and conclusions of law announced by the Court on the record in connection with confirmation of the Plan or otherwise at the Confirmation Hearing or in the Confirmation Opinion are incorporated herein by reference." Confirmation Order, Section B, ¶ 4, p. 73-74 of 225. Because of this express incorporation, the

Confirmation Opinion is construed as part of the Confirmation Order. *See In re Terrell*, 637 B.R. 129, 135-38 (Bankr. E.D. Wisc. 2021) (discussing, in chapter 13 context, how courts construe plans, the orders confirming them, and "other documents expressly incorporated" into them); *Somerset Trust Co. v. Mostoller (In re Somerset Regional Water Res., LLC)*, 592 B.R. 38, 49-50 (Bankr. W.D. Pa. 2018) (similar, in chapter 11 setting).

Section 16.6 of the governing PFRS plan document provides that "Nothing herein shall be interpreted as permitting the Investment Committee or the Board to alter or depart from the requirements set forth in the Plan of Adjustment." Doc. No. 8045-1, p. 519 or 809, and see Doc. No. 8045-1, pp. 597-98 of 809 (Sec. 16.6 applies both to Component I and Component II plans).

Because the POA requires 30-year amortization, and PFRS has no legal right to change that, the POA enjoins the PFRS from changing the amortization period to 20 years because this action "does not conform to or comply with the provisions of the Plan or the settlements" and it is an action which "interfere[s] with the implementation or consummation of the Plan." POA, pp. 50-51, Art. III.D.5 and III.D.6. PFRS' proposed 20-year amortization is directly contrary to the POA and the governing PFRS plan documents. The Court should Order PFRS to continue with 30-year amortization.

C. The Court also should order 30-year amortization to carry out the intent of, and allow the City to successfully implement, the POA.

1. Governing law.

Article VII of the POA gives the Court broad powers to enter Orders necessary to the successful implementation of the POA:

> Pursuant to sections 105(c), 945 and 1142(b) of the Bankruptcy Code and notwithstanding entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court will retain exclusive jurisdiction over all matters arising out of, and related to, the Chapter 9 Case and the Plan to the fullest extent permitted by law, including, among other things, jurisdiction to: [. . .]
>
> F. Enter such orders as may be necessary or appropriate to implement or consummate the provisions of the Plan and all contracts, instruments, releases and other agreements or documents entered into or delivered in connection with the Plan, the Disclosure Statement or the Confirmation Order;
>
> G. Resolve any cases, controversies, suits or disputes that may arise in connection with the consummation, interpretation or enforcement of the Plan or any contract, instrument, release or other agreement or document that is entered into or delivered pursuant to the Plan or any Entity's rights arising from or obligations incurred in connection with the Plan or such documents;
>
> H. Approve any modification of the Plan or approve any modification of the Confirmation Order or any contract, instrument, release or other agreement or document created in connection with the Plan or the Confirmation Order, or remedy any defect or omission or reconcile any inconsistency in any order, the Plan, the Confirmation Order or any contract, instrument, release or other agreement or document created in connection with the Plan or the Confirmation Order, or enter any order in aid of confirmation pursuant to sections 945 and 1142(b) of the Bankruptcy Code, in such manner as may be necessary or appropriate to consummate the Plan;

> I. Issue injunctions, enforce the injunctions contained in the Plan and the Confirmation Order, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Entity with consummation, implementation or enforcement of the Plan or the Confirmation Order;
>
> [. . .]
>
> L. Determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release or other agreement or document entered into or delivered in connection with the Plan, the Disclosure Statement or the Confirmation Order [. . . .]"

POA, Art. VII. pp. 69-71.

2. The Court should order 30-year amortization to carry out the intent of, and allow the City to successfully implement, the POA.

An integral and critical component of the Court's finding that the POA was feasible was the POA's provision of a ten year "pension holiday" for the City, which was to be followed by 30-year amortization. The stated purpose was to provide the City with many millions of dollars to spend on initiatives to improve City services including public safety, create of new economic opportunities and deal with blight and other endemic City problems. Facts, Section I.A of this Brief, *supra*.

But the City learned shortly after the POA was confirmed that due to material actuarial mistakes in devising the POA, the UAAL for the two legacy plans had been understated by some $500 million. To ensure the legacy plans would be properly funded, the City voluntarily created the Retiree Protection Trust Fund. By June of

2023 the City will have paid $445 million of general fund monies into the Trust Fund. Facts, Section I.B, *supra*. As a result, and directly contrary to the POA, the City has been deprived of much of the benefit of the POA's pension holiday.

The deprivation of much of the benefits of the pension holiday, together with the greatly accelerated funding that would be required by the proposed 20-year amortization, seriously threaten the City's ability to continue to improve City services and thereby successfully implement the Plan of Adjustment. Facts, Section I.D, *supra*.

There are no countervailing facts supporting 20-year amortization. Gabriel Roeder's worst-case projection did not result in the PFRS' plan funding level dropping below 40%. Facts, Section I.C.2, *supra*. Cheiron found that "The differences between a 20-year and 30-year amortization are negligible in terms of ensuring sufficient assets will be available to pay all future benefits under the plan." Facts, Section I.F, *supra*. But Cheiron also pointed out that the increased up-front funding would expose the City to unnecessary investment risk if there is a drop in the stock market. *Id.*

Gabriel Roeders and PFRS' IC recently recognized that funding is so adequate that it can begin to set aside money to restore pension benefits to plan members. Facts, section G. And to avoid any possible concern, the City is prepared to agree to a reasonable "trigger" to increase payments if a problem arises in the future. *Id.*

Finally, the Stout report is utterly meaningless and has zero credibility. Facts, Section I.E, *supra*. It praises the City's comeback while criticizing its alleged failure to spend enough money on public safety. The report completely ignores the fact that the City was forced to divert some $445 million of general fund monies from public safety and other City priorities to fund the Retiree Protection Trust Fund. That shortfall was the result of Gabriel Roeders and other actuaries understating the legacy pension plans' liabilities by some $500 million in preparing the POA. That "mistake," in turn, allowed the public safety retirees to escape bankruptcy with *de minimis* cuts to their pensions – cuts they are now looking to restore at the City's expense.

III. Further proceedings.

The City's arguments are supported by the POA, Judge Rhodes' Supplemental Opinion, and other documents and facts that should be uncontested. However, to the extent the Court believes there are disputed questions of fact, the City respectfully seeks the opportunity for discovery and an evidentiary hearing.

IV. Conclusion and Relief

For the reasons stated, the City asks the Court to order PFRS to continue with 30-year amortization for Plan's UAAL that will exist as of June 30, 2023.

Dated: August 3, 2022

Respectfully submitted,

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ATTORNEYS FOR THE CITY OF DETROIT

EXHIBIT 4 – CERTIFICATE OF SERVICE

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

In re: City of Detroit, Michigan, Debtor.	Bankruptcy Case No. 13-53846 Judge Thomas J. Tucker Chapter 9

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on August 3, 2022, he served a copy of the foregoing *Motion to Enforce Plan of Adjustment and Require 30-Year Amortization of the UAAL in the Police and Fire Retirement System Pension Plan* via the Court's ECF system which will provide service to all registered parties and in the manner described below:

Via first class mail and email:

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DATED: August 3, 2022

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EXHIBIT 5 – NONE