



GRETCHEN WHITMER  
72 (Rev. 01-19) GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

RACHAEL EUBANKS  
STATE TREASURER

**DATE:** June 24, 2024

**TO:** Financial Review Commission Members

**FROM:** Patrick Dostine, Executive Director, Departmental Specialist, Treasury

**SUBJECT:** Year-Seven Waiver of Direct FRC Oversight of City of Detroit

### Executive Summary

The Financial Review Commission is required to certify that the statutory conditions of Sec 8(2) of the Michigan Financial Review Commission Act, Act 181 of 2014 (the Act) are met to grant a waiver under the Act. Throughout the sixth waiver year, the city has been diligent in providing the Financial Review Commission with timely submissions of information and monthly, quarterly, and annual reports as required in Section 3 of Resolution 2018-13. Exhibit A in Resolution 2024-03 details the city's compliance with the statutory conditions and identifies the supporting documentation outlining the city's compliance with the Act. Based upon a review of the city's financial information, submitted reports, and presentations and discussions during the finance meeting, staff recommends the Financial Review Commission certify that the city of Detroit has met the statutory conditions of Sec. 8(2) and grant the city of Detroit the year-seven waiver.

### Background

The Michigan Financial Review Commission Act provides for the active oversight of the city of Detroit for not less than 13 years. The Financial Review Commission's (FRC) duties and powers in active oversight are detailed in Sections 6 and 7 of the Act. Section 8 sets forth the conditions which, if all are met, require the FRC to annually adopt a resolution granting the waiver and the conditions which, should one occur, require the FRC to rescind the waiver.

The Act established the FRC on December 10, 2014, to monitor the city's compliance with the plan of adjustment (POA) and provide oversight of the city's financial and operational activities.

The FRC granted the city of Detroit the sixth waiver from active oversight on June 26, 2023. That waiver will expire on June 30, 2024. The following key metrics, (i) Adopted/Adhered to Deficit-Free Budgets, (ii) Adopted Four-Year Financial Plan FY 2025-2028, (iii) Municipal Securities/Debt Obligations, (iv) the Retirement Protection Fund (RPF), and (v) Rainy Day Fund, are discussed below which supplement the compliance documents listed in Exhibit A (Resolution 2024-3).

**i. Adopted/Adhered to Deficit-Free Budgets**

Sec. 8 (2)(a) of Act 181 requires the FRC to certify that the city has adopted and adhered to deficit-free budgets for three consecutive years that comply with generally accepted accounting principles and are in accordance with the uniform budgeting and accounting act. FY 23 marks the 9<sup>th</sup> straight year (FY2015-FY2023) of audited balanced budgets and operating surpluses.

Staff from Treasury's Local Audit and Finance Division reviewed the city's FY 2023 Annual Comprehensive Financial Report (ACFR) for funds with unrestricted deficits. For funds using modified accrual, "unrestricted" fund balance equals the sum of committed, assigned and unassigned balances. The city's FY 2023 ACFR was reviewed independently by two Treasury staff who arrived at the same conclusion: there were six funds with unrestricted deficits; however, in accordance with Treasury's [Numbered Letter \(NL\) 2016-1](#), no deficit elimination plans are required. See Table 1.

**Table 1: Treasury Review of 2023 ACFR for Deficits**

		Audit PDF	
ii. Fund Name	Fund Type	Page	Comments
Transportation	Enterprise	52-53	DEP not required because Current Assets > Current Liabilities. NL 2016-1, pages 2-4.
Airport			
Brownfield Redevelopment Authority	Component Unit	60	
Detroit Employment Solutions Corporation		61	DEP not required because Deferred Inflows of Resources >= Unrestricted Deficit. NL 2016-1, page 1.
Detroit Transportation Corporation		60	
COVID-19 Revenue	Special Revenue	177-178	

**iii. Adopted Four-Year Financial Plan FY 2024-2027**

Sec. 8 (2)(c) of Act 181 requires the city's financial plan projects a balanced budget for the current fiscal year and the succeeding three years using general accepted accounting principles and in accordance with the uniform budgeting and accounting act.

To date the city has submitted 10, four-year financial plans with balanced budgets.

- FY 2016-FY 2019, FRC approved April 20, 2015;
- FY 2017-FY 2020, FRC approved April 18, 2016;
- FY 2018-FY 2021, FRC approved April 17, 2017;
- FY 2019-FY 2022, FRC approved April 16, 2018;
- FY 2020-FY 2023, submitted April 30, 2019, (in waiver, FRC approval not required);
- FY 2021-FY 2024, submitted June 1, 2020<sup>1</sup>, (in waiver );
- FY 2022-FY 2025, submitted April 30, 2021, (in waiver);
- FY 2023-FY 2026, submitted May 7, 2022<sup>2</sup>, (in waiver);
- FY 2024-FY 2027, submitted April 30, 2023 (in waiver).
- FY 2025-FY 2028, submitted April 30, 2024 (in waiver)

<sup>1</sup> The FRC granted the city an extension on its Four-Year Financial Plan in 2020 due to the effects of COVID-19.

<sup>2</sup> The FRC granted the city a one-week extension on its Four-Year Financial Plan at the request of council president.

Table 2 is the city's adopted Four-Year Financial Plan FY 2025-2028. It includes the adopted budget for FY 2025 plus three forecasted years (FY 2026, FY 2027, FY 2028) in accordance with the requirements of the Home Rule City Act and in compliance with Sec. 8(2)(c) of Act 181, utilizing revenue estimates from the February 2024 Revenue Estimating Conference as a base.

**Table 2: FY 2025 Balanced Four-Year Financial Plan – General Fund**

<b>General Fund-General Purpose Budget (Fund 1000) (\$ in millions)</b>	<b>FY24 Adopted</b>	<b>FY24 Projected</b>	<b>FY25 Adopted</b>	<b>FY26 Forecast</b>	<b>FY27 Forecast</b>	<b>FY28 Forecast</b>
<b>Sources</b>						
Income Tax	\$ 392.8	\$ 420.1	\$ 433.9	\$ 448.1	\$ 462.7	\$ 478.9
State Revenue Sharing	224.4	232.7	236.7	241.2	245.9	250.7
Wagering Tax	258.1	248.7	256.6	258.7	260.8	262.9
Property Tax	137.4	147.1	152.9	156.7	160.5	164.2
Utility Users Tax	46.3	42.6	43.1	43.7	44.2	44.8
Other Revenues (recurring)	194.6	198.6	215.7	220.9	224.0	227.1
Other Revenues (one-time)	-	36.6	25.2	-	-	-
Retiree Protection Fund (RPF) Use	57.2	79.1	75.2	68.3	61.6	54.8
Budgeted Use of Surplus	8.7	10.1	34.9	-	-	-
<b>Total Sources</b>	<b>\$ 1,319.5</b>	<b>\$ 1,415.6</b>	<b>\$ 1,474.2</b>	<b>\$ 1,437.6</b>	<b>\$ 1,459.7</b>	<b>\$ 1,483.4</b>
<b>Uses</b>						
Personnel	\$ 721.5	\$ 749.5	\$ 766.8	\$ 782.8	\$ 799.1	\$ 819.5
Non-Personnel	226.7	234.5	245.7	248.5	251.8	255.1
Legacy Pension Contributions	148.9	170.8	169.9	166.0	162.3	158.5
Debt Service	81.5	73.3	84.4	87.8	87.9	87.9
Other Expenses	132.2	132.5	147.3	152.5	158.6	162.4
One-Time Expenditures	8.7	10.1	60.1	-	-	-
<b>Total Uses</b>	<b>\$ 1,319.5</b>	<b>\$ 1,370.7</b>	<b>\$ 1,474.2</b>	<b>\$ 1,437.6</b>	<b>\$ 1,459.7</b>	<b>\$ 1,483.4</b>
<b>Sources Less Uses</b>	<b>-</b>	<b>44.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Use for FY24 One-Time Supplemental	-	(44.8)	-	-	-	-
Remaining Projected Surplus	-	0.1	-	-	-	-

#### iv. Municipal Securities/Debt Obligations

One of the conditions in Sec. 8(2)(b), the waiver granting section of PA 181, requires the city to demonstrate to the commission's satisfaction that it has sufficient ability to borrow in the municipal securities market. The city's borrowing capacity remains significant. The city has substantially more legal debt margin (\$1.7B) than it would need for any of the debt.

There are two financings in the FY25 adopted budget. One is to issue the remaining \$46.3M of UTGO bonds. These voter-authorized bonds (2004, 2009) will be used for public lighting (\$22M), transportation (\$11.6M), recreation (\$9M), public safety (\$3.3M), economic development (0.4M). In April city council authorized the issuance of the remaining \$46.3M UTGO bonds.

The second financing is the planned purchase of \$55M of vehicles through an Installment Purchase Agreement, which city council also authorized in April. The IPA would fund the cost of refreshing the city's police and fire vehicles over the next 2-3 years.

Moody's and S&P upgraded the city's credit rating two notches in early spring *to investment grade*, Baa2 with a positive outlook and BBB stable, respectively. The city last had an investment grade rating in 2009. The city's credit rating is more evidence of the city's ability borrow in the capital market.

**v. The Pension Funds and the Retiree Protection Fund (RPF)**

Sec 4t (c)(ii) of Act 279 of 1909 (as amended) requires the city to make contributions necessary to assure that the pension systems for employees and retirees of the city are adequately funded. The city has been setting aside surplus funds since 2017 into the Retiree Protection Fund in preparation for its first budgeted pension contribution at the end of this fiscal year. The RPF has accumulated nearly a half-billion dollars, \$479.3 million. The RPF is a best-practice pension management tool.

The estimated contribution to the pension systems in the FY '25 budget is \$170 million. The city switched this year to a 30-year (amortization) level principal rather than level dollar to accelerate the payment schedule. A level principal has the effect, among other things, of increasing the pension systems' funded ratios more deliberately than a level dollar.

The RPF off-sets the city's general fund contributions, gradually reducing over the years and exhausting around FY 37.

**vi. Rainy Day Fund**

Act 182 requires the city must maintain a budget reserve of at least 5% of projected recurring general fund expenditures. The FY25 budget reserve is \$150 million, 11% of expenditures.

**Conclusion**

For the above-mentioned reasons and Exhibit A of Resolution 2024-3, staff recommends the FRC certify that the city of Detroit has met all of the statutory conditions required in Sec. 8(2) and grant the city of Detroit the year-seven waiver.

The FRC, during waiver, plays a more limited role in the city's day-to-day finances and operations. The commission's waiver responsibilities are listed Sec. 8 (2) and (3) of Act 181. The commission's primary role is to ensure the city remains in compliance with statute related to maintaining a waiver, and to ensure that the city meets the statutory conditions necessary to receive a waiver extension.

Going forward, the FRC, utilizing the submissions of financial reports by the city pursuant to Resolution 2018-13, will follow the city's progress over the next fiscal year to verify, monthly, that the city remains in compliance with and does not trigger any conditions in Sec. 8(3)(a) through (h), the waiver rescission section of Act 181 of 2014.



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

RACHAEL EUBANKS  
STATE TREASURER

## DETROIT FINANCIAL REVIEW COMMISSION

### RESOLUTION 2024-02

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

WHEREAS, Public Act 181 of 2014, the Michigan Financial Review Commission Act (the “Act”), allows for the creation of the Detroit Financial Review Commission (the “Commission”) within the Michigan Department of Treasury; and

WHEREAS, the Commission granted a waiver to the City pursuant to Section 8 of the Act in Resolution 2018-13 and is currently in a period of decreased oversight; and

WHEREAS, both the Act and the conditions of waiver approved by the Commission in Resolution 2018-13 contemplate continued monitoring of the City’s financial status, even though the Commission is no longer providing day to day oversight of the City’s finances; and

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

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

WHEREAS, at the Commission meeting June 24, 2024, documentation of the City's (i) adoption and adherence to deficit free budgets for three consecutive years that comply with generally accepted accounting principles and are in accordance with the uniform budgeting and accounting act, MCL 141.421, and (ii) compliance with the Act since the adoption of Resolution 2018-13, was presented for consideration.

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

1. That the Commission hereby certifies that the City has adopted and adhered to deficit free budgets for three consecutive years that comply with generally accepted accounting principles and are in accordance with the uniform budgeting and accounting act, MCL 141.421.
2. That the Commission hereby certifies that the City is in substantial compliance with the provisions of the Act since the adoption of Resolution 2018-3.
3. That the minutes of the Detroit Financial Review Commission meeting at which this Resolution is adopted take notice of the adoption of this Resolution.
4. This Resolution shall have immediate effect.

Date: June 24, 2024  
Detroit, Michigan

4847-0807-6224 v1 [56620-1]



**OFFICE OF THE  
CHIEF FINANCIAL OFFICER**

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**TO:** Financial Review Commission  
**FROM:** Jay B. Rising, Chief Financial Officer, City of Detroit  
**SUBJECT:** Certification the City has met the Waiver Conditions in PA 181, Section 8(2)  
**DATE:** June 12, 2024

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1. AUTHORITY

1.1. State of Michigan Public Act 181, Section 8(1) states the FRC shall, by resolution, waive the oversight requirements designated in Sections 6 and 7 of PA 181 if certain conditions are met as provided in Section 8(2) of PA 181.

2. OBJECTIVE

2.1. To verify that the City has met all the waiver conditions in Section 8(2) of PA 181.

3. PURPOSE

3.1. To certify that, to the best of my knowledge, the statements in Section 5 of this Memorandum are true and accurate, and to transmit the certification to the FRC.

4. SCOPE

4.1. This Memorandum is intended solely to verify that the City has met the waiver conditions of Section 8(2) of PA 181.

5. STATEMENT

5.1. In accordance with Section 8(2) of PA 181, the City has met the following conditions:

5.1.1. Adopted and adhered to deficit-free budgets for 3 consecutive years that comply with generally accepted accounting principles and are in accordance with the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a.

5.1.2. Both of the following conditions related to municipal securities:

5.1.2.1. All municipal securities or debt obligations sold by or for the benefit of the City in the general public market during the immediately preceding fiscal year and current fiscal year satisfied the capital and other financial requirements of the City during that period.

5.1.2.2. There is a substantial likelihood that municipal securities or debt obligations can be sold by the City in the general public market during the remainder of the current fiscal year and the immediately succeeding fiscal year in amounts sufficient to substantially satisfy all of the capital and other financial requirements of the City during those periods in accordance with the City's financial plan, as applicable.

5.1.3. Financial plan projects a balanced budget for the current and succeeding 3 fiscal years using generally accepted accounting principles and in accordance with the



uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, and section 4t of the home rule city act, 1909 PA 279, MCL 117.4t.

5.1.4. Sufficient ability to borrow in the municipal securities market.

5.1.5. Did not violate the Plan of Adjustment (the "POA") in the immediately preceding fiscal year, as applicable, and is not in violation in the current fiscal year.

5.1.6. Compliance with the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a.

5.1.7. Substantial compliance with PA 181.

5.1.8. Currently only offers the retirement plans as provided in the POA, which do not include contributions to individual employee retirement accounts.

5.1.9. Implemented a program in which all contracts awarded by the City are posted on the City's public website within 30 days of the contract award, including the identity of the parties to the contract, the dollar amount of the contract, and a brief description of the goods or services provided by the contract.

## CERTIFIED



Jay B. Rising

*Chief Financial Officer, City of Detroit*



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

RACHAEL EUBANKS  
STATE TREASURER

## **DETROIT FINANCIAL REVIEW COMMISSION**

### **RESOLUTION 2024-03**

#### **EXTENDING WAIVER GRANTED PURSUANT TO SECTION 8 OF THE MICHIGAN FINANCIAL REVIEW COMMISSION ACT**

WHEREAS, Public Act 181 of 2014, as amended, the Michigan Financial Review Commission Act (the “Act”), created the Detroit Financial Review Commission (the “Commission”) to provide specified supervision of certain activities and actions of the City of Detroit (the “City”) beginning on December 10, 2014; and

WHEREAS, the Act charges the Commission with, among other things, (a) ensuring that the City is meeting certain statutory requirements, (b) reviewing and approving the City’s budgets and certain contracts, and (c) establishing processes to ensure effective prudent fiscal management; and

WHEREAS, the Commission granted a waiver to the City pursuant to Section 8 of the Act on June 26, 2023 in Resolution 2023-2 and is currently in a period of decreased oversight; and

WHEREAS, both the Act and the conditions of waiver approved by the Commission in Resolution 2018-13 contemplate continued monitoring of the City’s financial status, even though the Commission is no longer providing day to day oversight of the City’s finances; and

WHEREAS, Resolution 2018-13 also requires the City to provide the Commission certain information and reports during the period of decreased oversight; and

WHEREAS, the City has timely provided the Commission with the information and reports required by Resolution 2018-3; and

WHEREAS, at the Commission meeting on June 24, 2024, documentation that the City has satisfied the conditions enumerated in Section 8, attached as **Exhibit A** to this Resolution, was presented for consideration; and

WHEREAS, the Mayor and CFO have consulted with the Commission and support this resolution;

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

1. That the conditions set forth in Section 8(2) have been satisfied and therefore, the City's duties and obligations to the Commission under Sections 6 and 7 of the Act are waived through and including June 30, 2025, subject to the terms and conditions of the Act, including Section 8.

2. All other provisions and obligations of the City under Resolution 2018-13 remain in full force and effect.

3. That the minutes of the Detroit Financial Review Commission meeting at which this Resolution is adopted take notice of the adoption of this Resolution.

4. That this Resolution shall have immediate effect.

Date: June 24, 2024  
Detroit, Michigan

## **DETROIT FINANCIAL REVIEW COMMISSION**

Considerations for Extension of Waiver for City of Detroit (“City”)  
Michigan Financial Review Commission Act (Act 181 of 2014)

Review Period July 1, 2023 through June 30, 2024

Presented on June 24, 2024

<b>Requirement</b>	<b>FRC Act Sec. No.</b>	<b>Compliance</b>
Commission certifies the City has adopted and adhered to deficit-free budgets for 3 consecutive years that comply with generally accepted accounting principles and are in accordance with the uniform budgeting and accounting act, MCL 141.421	8(2)(a)	See FRC resolution 2024-2 for the FRC’s certification. FY23 marked the 9 <sup>th</sup> consecutive year of audited, balanced budgets and operating surpluses.
The State Treasurer and the City’s CFO certify that (a) all municipal securities or debt obligations sold by or for the benefit of the City in the general public market during the immediately preceding fiscal year and current fiscal year satisfied the capital and other financial requirements of the City, and (b) there is a substantial likelihood that municipal securities or debt obligations can be sold by the City in the general public market during the remainder of the current fiscal year.	8(2)(b)	See Treasurer’s attached certification and City’s attached certification.
The City’s financial plan projects a balanced budget for the current and succeeding 3 fiscal years using general accepted accounting principles and in accordance with the Uniform Budgeting and Accounting Act	8(2)(c)	The City submitted on April 30, 2024 the requisite four-year financial plan with balanced budgets.
The City has demonstrated to the FRC’s satisfaction the City has sufficient ability to borrow in the municipal securities market.	8(2)(d)	See City’s attached certification.
The City did not violate the Plan of Adjustment (“POA”) in the immediately preceding fiscal year and is not in violation in the current fiscal year.	8(2)(e)	See City’s attached certification.
The State Treasurer certifies that the City is in compliance with the Uniform Budgeting and Accounting Act.	8(2)(f)	See Treasurer’s attached certification.
The FRC certifies that the City is in substantial compliance with the Act.	8(2)(g)	See FRC Resolution 2024-2
The City has established a system of compensation for employees retirement plans in which the City contributes no	8(2)(h)	See City’s attached certification.

more than 7% of an individuals' base pay, excluding payment for overtime services, 1-time lump sum payments and the costs of fringe benefits, to an employee's retirement account.		
The City has implemented a program in which all contracts awarded by the City are posted on the City's public website within 30 days of the contract award including the identity of the parties to the contract, the dollar amount of the contract and a brief description of the foods or services provided by the contract.	8(2)(i)	See City's attached certification.



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY

GRETCHEN WHITMER  
GOVERNOR

RACHAEL EUBANKS  
STATE TREASURER

**DATE:** June 24, 2024  
**TO:** Financial Review Commission  
**CC:**  
**FROM:** Kevin A. Smith, Deputy Treasurer  
**SUBJECT:** FRC Certifications on the City of Detroit

Public Act 181 of 2014, the Financial Review Commission Act (the “Act”) requires certain certifications of the State Treasurer as conditions for the Financial Review Commission (FRC) to waive the requirements described in sections 6 and 7 of the Act.

I certify that to the best of my knowledge the following statements are true and accurate of the City of Detroit and transmit this certification to the FRC:

- 1) All municipal securities or debt obligations sold by or for the benefit of the City in the general public market during the immediately preceding fiscal year and current fiscal year satisfied the capital and other financial requirements of the City during that period.
- 2) There is substantial likelihood that municipal securities or debt obligations can be sold by the City in the general public market during the remainder of the current fiscal year and the immediately succeeding fiscal year in amounts sufficient to substantially satisfy all of the capital and other financial requirements of the City during those periods in accordance with the City’s financial plan, as applicable.
- 3) The City is in compliance with the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a.



**OFFICE OF THE  
CHIEF FINANCIAL OFFICER**

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June 14, 2024

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

Re: Financial Report for the Ten Months ended April 30, 2024

Dear Commissioners:

The Office of the Chief Financial Officer (OCFO) respectfully submits its City of Detroit Financial Report for the Ten Months ended April 30, 2024.

This report is provided in accordance with the requirements included in Detroit Financial Review Commission (FRC) Resolution 2023-02, which granted the City its waiver of active FRC oversight through June 30, 2024. 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 the Ten Months ended April 30, 2024

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



# **FY2023-24 Financial Report**

*Office of the Chief Financial*

**For the 10 Months ended April 30, 2024**

**Submitted on June 14, 2024**



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The financial information in this report is unaudited and represents the General Fund only (unless otherwise stated).  
For audited financial statements, visit the [OCFO Financial Reports page](#).

- In June, the City will resume making actuarially determined annual contributions to its legacy pension plans. This year totals \$170.8 million (\$89.1 million for the Police and Fire Retirement System and \$81.7 million for the General Retirement System). The contributions will be funded by \$79.1 million from the Retiree Protection Fund, \$73 million from General Fund revenues, and \$18.7 million from the Foundation for Detroit's Future and DIA.
- The Budget reports are updated this month to reflect supplemental General Fund appropriations totaling \$123 million approved by City Council in April 2024, the largest being \$50 million for the Risk Management Fund and an additional \$21.9 million from the Retiree Protection Fund for the switch to an accelerated legacy pension amortization schedule. The Amended Budget is revised across all months based on the anticipated spread of activity, including previously reported months.
- The Annualized Projection for FY 2024 is revised this month with an estimated \$50 million surplus. Revenues are projected \$28 million higher, driven by income tax, wagering tax, and investment earnings. Expenditures are projected lower by \$22 million, driven by personnel savings across various non-Public Safety departments. The February 2024 Revenue Estimating Conference results remain the City's official revenue estimates for appropriations purposes.

\$ in millions

	APRIL 2024			
	BUDGET	ACTUAL	VARIANCE	
	A	B	(\$ C = B-A	% D= (C/A)
<b>REVENUE:</b>				
Municipal Income Tax	\$ 49.7	\$ 60.8	\$ 11.1	22.3%
Property Taxes	1.7	0.5	(1.2)	(70.6%)
Wagering Taxes	21.0	23.5	2.5	11.9%
Utility Users' Tax	5.2	5.0	(0.2)	(3.8%)
State Revenue Sharing	39.3	38.1	(1.2)	(3.1%)
Other Revenues	15.0	19.4	4.4	29.3%
<b>TOTAL (I)</b>	<b>\$ 131.9</b>	<b>\$ 147.3</b>	<b>\$ 15.4</b>	<b>11.7%</b>
<b>EXPENDITURES:</b>				
Salaries and Wages	\$ 45.4	\$ 42.5	\$ 2.9	6.4%
Employee Benefits	11.5	10.7	0.8	7.0%
Professional and Contractual Services	9.6	7.5	2.1	21.9%
Operating Supplies	5.0	3.8	1.2	24.0%
Operating Services	6.7	5.7	1.0	14.9%
Capital Equipment and Outlays	1.0	-	1.0	100.0%
Debt Service	2.5	2.5	-	-
Other Expenses	30.9	30.1	0.8	2.6%
<b>TOTAL (J)</b>	<b>\$ 112.6</b>	<b>\$ 102.8</b>	<b>\$ 9.8</b>	<b>8.7%</b>
<b>SURPLUS/(DEFICIT) (K= I + J)</b>	<b>\$ 19.3</b>	<b>\$ 44.5</b>	<b>\$ 25.2</b>	<b>130.6%</b>

YEAR TO DATE			
BUDGET	ACTUAL	VARIANCE	
E	F	(\$ ) G = F-E	% H = (G/E)
\$ 333.2	\$ 364.5	\$ 31.3	9.4%
112.6	109.4	(3.2)	(2.8%)
201.0	207.1	6.1	3.0%
35.0	30.0	(5.0)	(14.3%)
157.2	156.7	(0.5)	(0.3%)
164.5	206.3	41.8	25.4%
\$ 1,003.5	\$ 1,074.0	\$ 70.5	7.0%
\$ 462.1	\$ 462.2	\$ (0.1)	(0.0%)
125.7	116.2	9.5	7.6%
102.2	64.0	38.2	37.4%
43.6	31.8	11.8	27.1%
80.0	69.9	10.1	12.6%
2.1	1.3	0.8	38.1%
64.5	64.5	-	-
148.1	133.2	14.9	10.1%
\$ 1,028.3	\$ 943.1	\$ 85.2	8.3%
\$ (24.8)	\$ 130.9	\$ 155.7	627.8%

**Note:** Represents General Fund operating (Fund 1000) only.

**Budget** columns reflect budget amendments approved by City Council through April 2024.

**Revenues:** Budget excludes Prior Year Surplus resources shown as revenue in adopted budget. Other revenues positive variance driven by investment earnings, including unrealized gains non-cash accounting entries.

**Expenditures:** Contractual Services positive variance due to difference in timing of expenses vs. budget spread and difference in timing for housing and Covid response balance forward spending, which can span multiple fiscal years.

Budget excludes \$23 million in PLD decommissioning reserve not yet expected to be spent.

	ANNUAL			
	BUDGET	PROJECTION	VARIANCE	
	A	B	(\$ C = B-A	% D= (C/A)
<i>\$ in millions</i>				
<b>REVENUE:</b>				
Municipal Income Tax	\$ 417.5	\$ 427.6	\$ 10.1	2.4%
Property Taxes	147.1	148.5	1.4	1.0%
Wagering Taxes	248.7	259.4	10.7	4.3%
Utility Users' Tax	46.3	38.2	(8.1)	(17.5%)
State Revenue Sharing	235.8	234.8	(1.0)	(0.4%)
Other Revenues	230.8	245.8	15.0	6.5%
<b>TOTAL (I)</b>	<b>\$ 1,326.2</b>	<b>\$ 1,354.3</b>	<b>\$ 28.1</b>	<b>2.1%</b>
<b>EXPENDITURES:</b>				
Salaries and Wages	\$ 586.9	\$ 574.4	\$ 12.5	2.1%
Employee Benefits	298.1	293.1	5.0	1.7%
Professional and Contractual Services	123.4	123.4	-	-
Operating Supplies	50.9	50.9	-	-
Operating Services	143.2	145.2	(2.0)	(1.4%)
Capital Equipment and Outlays	1.4	1.4	-	-
Debt Service	73.3	73.3	-	-
Other Expenses	193.0	186.3	6.7	3.5%
<b>TOTAL (J)</b>	<b>\$ 1,470.2</b>	<b>\$ 1,448.0</b>	<b>\$ 22.2</b>	<b>1.5%</b>
<b>REVENUES LESS EXPENDITURES (K= I + J)</b>	<b>\$ (144.0)</b>	<b>\$ (93.7)</b>	<b>\$ 50.3</b>	<b>(34.9%)</b>
Budgeted Use of Retiree Protection Fund	79.1	79.1	-	-
Budgeted Use of Prior Year Surplus	38.5	38.5	-	-
Prior Year Continuing Appropriations	26.4	26.4	-	-
<b>SURPLUS/(DEFICIT)</b>	<b>\$ -</b>	<b>\$ 50.3</b>	<b>\$ 50.3</b>	<b>-</b>

**Note:** Represents General Fund operating (Fund 1000) only.

**Budget** column reflects budget amendments approved by City Council through April 2024.

**Revenues:** Revenue Projection is updated based on May 2024 Revenue Review, reflecting anticipated gains vs. Feb 2024 Revenue Conference in Income Tax, Wagering Tax, and Investment Earnings. Excludes Prior Year Surplus resource shown as revenue in adopted budget.

**Expenditures:** Amended expenditure budget includes supplemental appropriations itemized on the following page, which resolved negative projected variances from prior months. Projections reflect: \$20 million in personnel surpluses across various City departments, offset by an additional \$2.5 million overage in Police and Fire; \$2 million overage for PLD utilities; and \$6.7 million surplus in Workforce Investments Fund, a portion of which will be transferred for Fire overage driven by increase in EMS wage rates approved in Jan 2024.

Budget excludes \$23 million in PLD decommissioning reserve not yet expected to be spent.

**Budgeted Use of Prior Year Surplus:** Unspent budget resource from prior year used to support one-time expenditures included in the FY24 Amended Budget.

**Prior Year Continuing Appropriations:** Unspent budget resource from prior year used to support one-time expenditure budgets that carried over from prior fiscal year to current fiscal year. Itemized on the following page.

Amended Budget Reconciliation			
		Revenue	Expense
Dept	Total Adopted Budget	\$ 1,319,487,321	\$ 1,319,487,321
DSLPL	Exclude Adopted Budget Use of Retiree Protection Fund	(57,225,000)	-
Non-Dept	Exclude Adopted Budget Use of Prior Year Surplus	(8,736,804)	-
Various	Continuing Appropriations (see list)	-	26,352,055
Health	Prenatal Care Transportation Services	-	1,200,000
City Council	Legislative Administration	-	125,000
Various	February 2024 Revenue Estimating Conference	72,742,823	-
CDD	Facilities Repair and Maintenance	-	3,000,000
DSLPL	Legacy Pension Contribution - Level Principal Amortization	-	21,900,000
DSLPL	Vehicle Installment Purchase Agreement Delay to FY25	-	(8,250,000)
Fire	Fire/EMS Overtime and Ambulance Unit Expansion	-	11,000,000
HRD	Affordable Housing Development and Preservation Fund	-	350,000
Law	Outside Counsel Legal Services	-	1,800,000
Non-Dept	Risk Management Fund Contribution	-	50,000,000
Non-Dept	Solid Waste Fund Contribution	-	7,800,000
Non-Dept	DDOT and Airport Long-Term Advances Prepayment	-	15,393,549
Police	Police Overtime and Current Services Hiring Trend	-	17,000,000
Police	Detroit Detention Center - State of MI Cost Increase	-	3,000,000
	<b>Total Amended Budget per report</b>	<b>\$ 1,326,268,340</b>	<b>\$ 1,470,157,925</b>

Dept	Continuing Appropriations (Fund 1000)	Amount
BSEED	Public Health Fund	\$ 88,967
CRIO	Homegrown Detroit	3,256,682
Non-Dept	Covid-19 Response	5,000,000
Non-Dept	Over-Assessment Program	6,000,000
HRD	Affordable Housing Development and Preservation Fund	7,525,262
HRD	Senior Home Repair	2,500,000
HRD	Neighborhood Improvement Fund	1,465,786
GSD	Wayne County Park Millage	190,391
GSD	Pistons Basketball Court Improvements	324,967
	<b>Total</b>	<b>\$ 26,352,055</b>

**Note:** Represents General Fund operating (Fund 1000) only. Continuing appropriations (i.e., “balance forwards”) represent unexpended balances from certain appropriations authorized to be re-appropriated in the FY24 Adopted Budget resolution. Amounts are subject to change as year-end FY23 accruals, adjustments, and lapses are completed during the close-out period.



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, and interns.

Public Safety

Police  
 Fire  
 Total Public Safety

Non-Public Safety

Office of the Chief Financial Officer  
 Public Works - Full Time  
 Health  
 Human Resources  
 Housing and Revitalization  
 Innovation and Technology  
 Law  
 Mayor's Office  
 Municipal Parking  
 Planning and Development  
 General Services - Full Time  
 Legislative<sup>(3)</sup>  
 36th District Court  
 Other<sup>(4)</sup>  
 Total Non-Public Safety

Total General City (Full -Time)

Enterprise (Full-Time)

Airport  
 BSEED  
 Transportation  
 Water and Sewerage  
 Library

Total Enterprise (Full-Time)

Total (Full-time)

ARPA / COVID Response

Seasonal / Part Time<sup>(5)</sup>

Grand Total

MONTH-OVER-MONTH ACTUAL <sup>(1)</sup>			BUDGET VS. ACTUAL		
Actual March 2024	Actual April 2024	Change April 2024 vs. March 2024	Adjusted Budget FY 2024 <sup>(2)</sup>	Variance (Under)/Over Budget vs. April 2024	
3,275	3,262	(13)	3,469	(207)	(6%)
1,230	1,221	(9)	1,235	(14)	(1%)
4,505	4,483	(22)	4,704	(221)	(5%)
382	388	6	428	(40)	
384	407	23	531	(124)	
192	197	5	281	(84)	
97	99	2	106	(7)	
141	147	6	205	(58)	
134	135	1	144	(9)	
115	114	(1)	112	2	
86	86	0	92	(6)	
80	77	(3)	97	(20)	
32	34	2	39	(5)	
537	548	11	738	(190)	
270	266	(4)	311	(45)	
318	321	3	325	(4)	
274	275	1	369	(94)	
3,036	3,094	52	3,778	(684)	(18%)
7,541	7,577	30	8,482	(905)	(11%)
10	10	0	12	(2)	
298	298	0	357	(59)	
933	926	(7)	975	(49)	
624	615	(9)	678	(63)	
235	242	7	341	(99)	
2,105	2,091	(9)	2,363	(272)	(12%)
9,646	9,668	21	10,845	(1,177)	(11%)
577	609	32	609	0	0%
223	223	0	519	(296)	(57%)
10,446	10,500	53	11,973	(1,473)	(12%)



## Fiscal Years 2023 - 2024

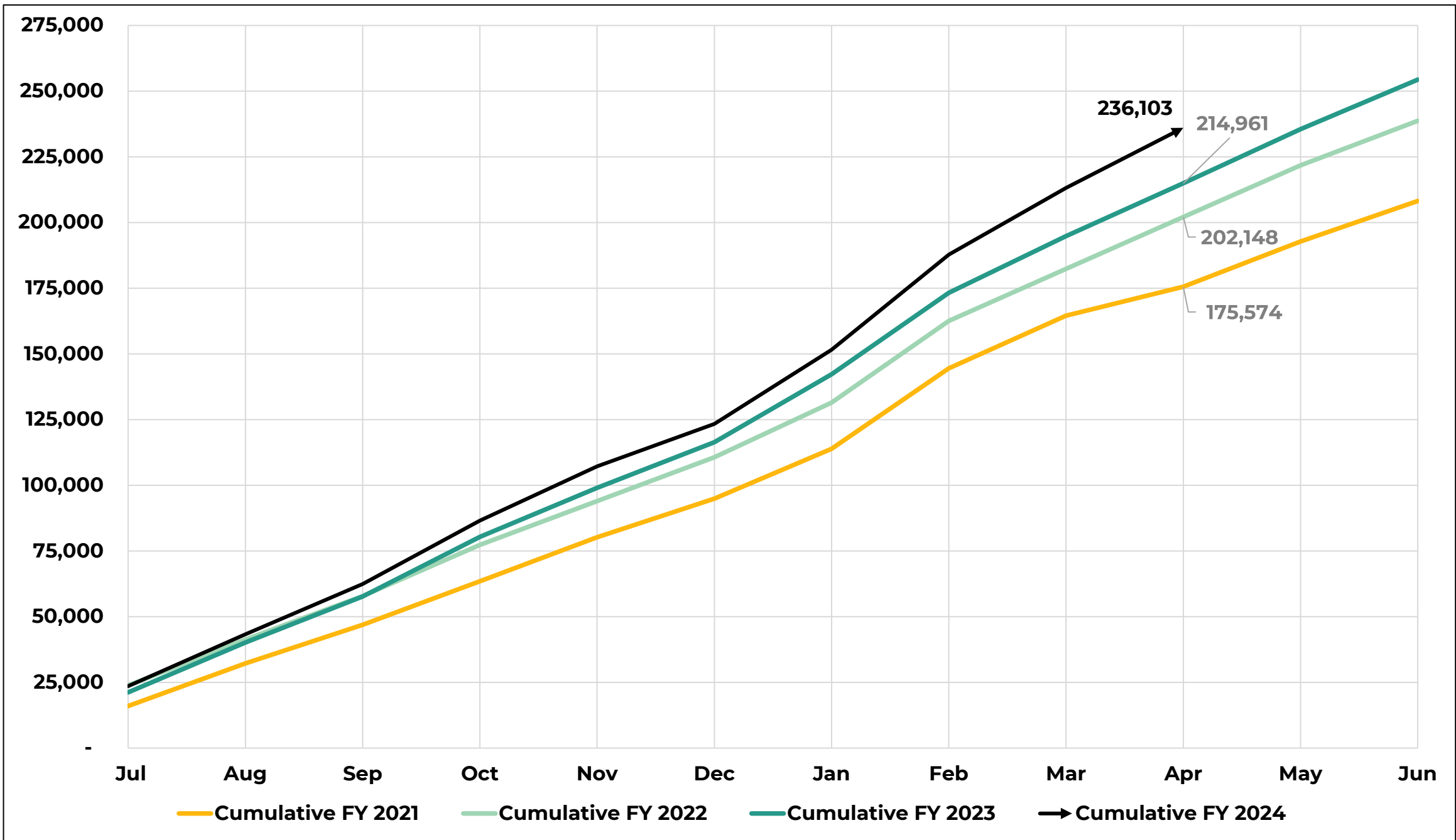
FY24 YTD

FY23 YTD

### Income Tax Collections

April 2024

Withholding	\$ 301,232,444	\$ 274,551,255
Individual	54,453,391	54,040,214
Corporate	48,858,722	50,747,468
Partnerships	5,244,740	7,960,802
<b>Total Collections</b>	<b>\$ 409,789,297</b>	<b>\$ 387,299,739</b>
<b>Refunds claimed, disbursed and accrued</b>	<b>(45,287,541)</b>	<b>(53,760,998)</b>
<b>Collections Net of Refunds/Disbursements</b>	<b>\$ 364,501,756</b>	<b>\$ 333,538,741</b>





(in millions)	Unrestricted	Restricted	April 2024 Total	Prior Year April 2023 Total
<b>General Fund</b>				
General Accounts	\$ 373.0	\$ 208.9	\$ 581.9	\$ 503.1
Self Insurance	44.2	10.4	54.6	78.0
Quality of Life Fund	0.6	2.0	2.6	3.5
Retiree Protection Trust Fund	-	476.3	476.3	465.7
A/P and Payroll Clearing	0.1	-	0.1	0.5
<b>Other Governmental Funds</b>				
Capital Projects	3.3	145.0	148.3	167.1
Streets	89.8	-	89.8	79.5
Grants	86.9	2.2	89.0	111.6
Covid 19	-	-	-	-
ARPA	568.5	-	568.5	752.8
Solid Waste Management	0.7	-	0.7	6.8
Debt Service	-	56.7	56.7	36.7
Gordie Howe Bridge	7.2	-	7.2	8.7
Other	37.2	-	37.2	41.6
<b>Enterprise Funds</b>				
Enterprise Funds	89.7	-	89.7	37.0
<b>Fiduciary Funds</b>				
Undistributed Property Taxes	98.4	-	98.4	90.6
Fire Insurance Escrow	10.7	-	10.7	11.7
Other	70.4	-	70.4	57.2
<b>Component Units</b>				
Component Units	29.2	-	29.2	23.6
<b>Total General Ledger Cash Balance</b>	<b>\$ 1,509.8</b>	<b>\$ 901.4</b>	<b>\$ 2,411.2</b>	<b>\$ 2,475.8</b>

Note: This schedule reports total City of Detroit (excludes DSWD) cash as recorded in the General Ledger. This report does not represent cash available for spending, liabilities and fund balance must be considered when determining excess cash.



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Accounts Payable (AP) as of Apr-24 [Millions]					
Total AP (Mar-24)			\$	38.5	
Plus: Apr-24 invoices processed			\$	98.7	
Less: Apr-24 Payments made			\$	(92.8)	
Total AP month end (Apr-24)			\$	44.4	
Less: Invoices on hold <sup>(1)</sup>			\$	(21.6)	
Total AP not on Validation hold (Apr-24)			\$	22.8	
Less: Installments/Retainage Invoices <sup>(2)</sup>			\$	(3.3)	
Net AP not on hold			\$	19.3	
Net AP not on hold includes \$10.6m of invoices that are due after Apr-24					
(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 satisfies all contract obligations.					
All invoices are processed and aged based on the <u>creation</u> date					
AP Aging [Millions]					
(excludes invoices on hold & retainage)					
		Net AP	Current 0-30	31-60	61+
Invoice \$ Value	Current Month	\$19.6	18.7	0.0	0.9
	% of Total	100%	95%	0%	5%
	Previous Month	\$10.5	9.7	0.0	0.8
	% of Total	100%	92%	0%	8%
	Vs Previous Month	\$9.1	9.0	0.0	0.1
Invoice Count	Current Month	1,620	1,588	13	19
	% of Total	100%	98%	1%	1%
	Previous Month	1,197	1,172	7	18
	% of Total	100%	98%	1%	2%
	Vs Previous Month	423	416	6	1

