

DETROIT FINANCIAL REVIEW COMMISSION
RESOLUTION 2024-1
APPROVING THE CITY'S REQUEST
TO ISSUE \$46.3 MILLION IN UTGO BONDS AND \$55 MILLION IN INSTALLMENT PURCHASE
AGREEMENTS

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 April 30, 2018 in Resolution 2018-13, which waiver was most recently continued by the FRC on June 26, 2023, in Resolution 2023-02, and therefore the Commission 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 and Resolution 2023-02 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, at the Commission meeting on May 20, 2024, the City presented its plan to issue \$46.3 million in unlimited tax general obligation bonds for public lighting, transportation, public safety, economic development and recreation capital projects (the "2024 UTGO Bonds"); and

WHEREAS, at the Commission meeting on May 20, 2024, the City presented its plan to enter into up to \$55 million in Installment Purchase Agreements (IPAs) to finance vehicle acquisitions and upfitting for vehicles (the "Vehicle IPAs"); and

WHEREAS, the City has advised the Commission that the proposed sale of the UTGO Bonds would fit within the City's strengthened debt policy and within the projected debt millage, while still allowing for future borrowing, and the City has developed processes to manage bond proceeds, ensuring they are spent timely and in tax compliance;

NOW THEREFORE, be it RESOLVED by the Commission as follows:

1. That the City's request to issue the 2024 UTGO Bonds, as presented to the Commission on May 20, 2024, is hereby approved.
2. That the City's request to enter into the Vehicle IPAs, as presented to the Commission on May 20, 2024, is hereby approved.
3. That the minutes of the Commission meeting at which this Resolution is adopted take notice of the adoption of this Resolution.
4. This Resolution shall have immediate effect.