



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

CITY RESOLUTION 2016-14

**RECONSIDERING AND APPROVING THE CITY'S AUGUST 2016 BUDGET
AMENDMENT (DWSD) REQUESTS**

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

WHEREAS, Section 6(1) of the Act empowers the Commission to provide oversight for the City of Detroit (the "City") beginning on the Effective Date of the Plan of Adjustment; and

WHEREAS, Section 7(c) of the Act provides that during the period of oversight, the Commission review, modify, and approve the City's proposed and amended operational budgets and that a proposed budget or budget amendment does not take effect unless approved by the Commission; and

WHEREAS, Section 6(3) of the Act further requires the Commission to ensure that the City complies with the requirements of the Uniform Budgeting and Accounting Act; and

WHEREAS, the Uniform Budgeting and Accounting Act prevents the City from deviating from its original general appropriations act without amending it and requires the City to amend its general appropriations act as soon as it becomes apparent that a deviation from the original general appropriations act is necessary and the amount of the deviation can be determined; and

WHEREAS, at the Commission meeting on August 29, 2016, the City presented a Budget amendment (DWSD) requests, attached as **Exhibit A** to this Resolution, and the Commission did not approve those requests pending receipt of an opinion from Corporation Counsel; and

WHEREAS, the Commission received from Corporation Counsel a legal opinion, dated April 7, 2016, addressed to Council President Jones, stating among other things, that DWSD-R budget amendments that are approved by the Board of Water Commissioners do not have to be approved by City Council.

WHEREAS, Amanda Van Dusen, of Miller Canfield, outside Counsel to the City, also opined during the meeting that the City Council's approval was not required to approve DWSD budget amendments, which opinion was based on orders issued by US District Court Judge Cox.

WHEREAS, the City has requested the Commission reconsider those requests at the Commission meeting on September 16, 2016.

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

1. That the City's August 2016 budget amendment (DWSD) requests, attached as **Exhibit A** to this Resolution but excluding any budget amendments a majority of Commission members present has agreed to exclude as noted in the minutes, are hereby approved.
2. That the minutes of the Detroit Financial Review Commission meeting at which this Resolution is adopted take notice of the adoption of this Resolution.
3. This Resolution shall have immediate effect.