



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

CITY RESOLUTION 2017-21

**CERTIFYING THE CITY OF DETROIT'S COMPLIANCE WITH THE
MICHIGAN FINANCIAL REVIEW COMMISSION ACT**

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

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

WHEREAS, Section 6(2) of the Act requires the Commission to ensure that the City is complying with the terms and conditions of the Act and of the plan for adjustment, if applicable; and

WHEREAS, Section 6(2) of the Act further requires the Commission, except as otherwise provided in Section 8 of the Act, to certify by October 1 each year that the City is in substantial compliance with the provisions of the Act; and

WHEREAS, at the Commission meeting on September 25, 2017, documentation of the City's compliance with the Act from September 1, 2016 through August 31, 2017, attached as **Exhibit A** to this Resolution, 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 is in substantial compliance with the provisions of the Act for the period from September 1, 2016 through August 31, 2017.
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.



CFO MEMORANDUM
No. 2017-101-008

TO: Financial Review Commission
FROM: John W. Hill, Chief Financial Officer *John W. Hill*
SUBJECT: Certification of the City's Compliance with Public Act 181 of 2014, Section 6(3)
ISSUANCE DATE: September 21, 2017

1. AUTHORITY

1.1. State of Michigan Public Act 181 of 2014 ("PA 181"), Section 6(3) states the Financial Review Commission ("FRC") shall ensure, where applicable, a qualified city of qualified school district complies with the provisions of all of the following, as applicable, and may request verification of compliance: (a) Section 8 of the publicly funded health insurance contribution act; (b) Sections 4i, 4p, 4s, and 4t of the home rule city act; (c) The revised municipal finance act; and (d) The uniform budgeting and accounting act.

2. PURPOSE

2.1. The FRC has requested the Chief Financial Officer of the City of Detroit to verify compliance with the provisions in PA 181, Section 6(3).

3. OBJECTIVE

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

4. SCOPE

4.1. This Memorandum is intended solely to satisfy the FRC's request for verification of compliance with the provisions in PA 181, Section 6(3).

5. STATEMENT

5.1. The City of Detroit is in compliance with Section 8 of the publicly funded health insurance contribution act, 2011 PA 152, MCL 15.568.

5.2. The City of Detroit is in compliance with Sections 4i, 4p, and 4s of the home rule city act, 1909 PA 279, MCL 117.4i, 117.4p, and 117.4s.

5.3. The City of Detroit is in compliance with Section 4t of the home rule city act, 1909 PA 279, MCL 117.4t, notwithstanding Section 4t(1)(g). The City has implemented a new website (link copied below) and procedure to post its contracts online, but it does not yet capture all contract categories. The City is in the process of implementing the technical changes necessary to capture the additional categories.

<https://data.detroitmi.gov/Government/City-of-Detroit-Contracts/itv9-b6jk/>



CITY OF DETROIT
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- 5.4. The City of Detroit is in compliance with the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.
- 5.5. The City of Detroit is in compliance with the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, notwithstanding Section 18(3). In fiscal year 2016, the City technically incurred expenditures in excess of individual appropriations. This occurred because the City did not make various correcting adjustments. The City is implementing corrective actions to achieve compliance for FY 2017 and future years.

CERTIFIED

September 21, 2017

Date

John W. Hill
John W. Hill, CFO

DETROIT FINANCIAL REVIEW COMMISSION

Annual Certification of City of Detroit (“City”)
Compliance with the Michigan Financial Review Commission Act (Act 181 of 2014)
Per MCL 141.1636(2)

For the Period September 1, 2016 through August 31, 2017

Required Annually by October 1
Presented on September 25, 2017

Requirement	FRC Act Sec. No.	Compliance
Compliance with plan of adjustment	6(2)	The City is implementing programs consistent with the plan of adjustment.
Statutory compliance: City cannot exempt itself from publicly funded health insurance contributions act requirements, 2011 PA 152, MCL 15.568	6(3)(a)	See City’s attached verification of compliance.
Statutory compliance: Retirement benefits, CFO appointment, and four-year financial plan home rule city act requirements, 1909 PA 279, MCL 117.4i, 117.4p, 117.4s, and 117.4t	6(3)(b)	See City’s attached verification of compliance.
Statutory compliance: revised municipal finance act requirements, 2001 PA 34, MCL 141.2101 to 141.2821	6(3)(c)	See City’s attached verification of compliance.
Statutory compliance: uniform budget and accounting act requirements, 1968 PA 2, MCL 141.421 to 141.440a	6(3)(d)	See City’s attached verification of compliance.
FRC review and approval of four-year financial plan	6(4) and 7(b)	City submitted the FY 2018 – FY 2021 plan to the FRC on 3/27/2017. FRC approved it on 4/17/2017.
FRC review and approval of all applicable contracts	6(6)	City has submitted 205 applicable contracts since 9/1/2016. FRC has approved all of them.
City and its CFO provide needed information and documents to FRC and attend FRC meetings when needed	6(7), 7(d), and 7(o)	City and CFO have been responsive to requests for information and documents and have attended meetings when requested.
FRC review and approval of collective bargaining agreements (CBAs)	6(9)	City has submitted 1 CBA amendment since 9/1/2016. FRC has approved it.
Quarterly debt service certifications	6(11)	City has provided all quarterly certifications.
FRC review of City revenue estimates	7(a)	City has held its required consensus revenue estimating conferences and provided its revenue estimates to the FRC for review.
FRC review and approval of budget amendments	7(c)	City has submitted 93 FY 2017 and 27 FY 2018 budget amendments since 9/1/2016. FRC has approved all of them.
FRC review and approval of requests to issue debt	7(e)	City has not requested to issue debt since 9/1/2016.
FRC reviews compliance with a deficit elimination plan	7(f)	City has not been required to submit a deficit elimination plan.
FRC approval of Chief Financial Officer appointment	7(g)	The incumbent CFO’s appointment was approved by the FRC on January 26, 2015.