

CITY OF DETROIT

Office of the Chief Financial Officer

Financial Report for the Six Months ended December 31, 2017

February 26, 2018



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Executive summary

- The CFO has begun issuing key financial policies for the City under a new comprehensive system for establishing and disseminating all information regarding the authority, functions, procedures, statements, opinions, and other governance of the OCFO.
- The City is utilizing up to \$55 million of unassigned fund balance to repurchase a portion of its outstanding Financial Recovery Bonds.
- The Mayor presented his recommended FY 2019-2022 Four-Year Financial Plan to the City Council on February 23, which includes the revenue estimates approved by the City's Revenue Estimating Conference held on February 14.
- The City issued its FY 2017 Comprehensive Annual Financial Report on January 31, four months sooner than the previous year. It marks the City's third consecutive year ending with a balanced budget and operating surplus.
- FY 2018 is currently projected to end with an operating surplus of approximately \$27M.
 - Revenue projections continue to reflect the September 2017 Revenue Estimating Conference results. The results from the February 2018 Revenue Estimating Conference will be incorporated into next month's budget projection. (page 3)
 - Payroll and employee benefit expenditures are trending below budget as a result of position vacancies. (page 3)
 - The General City active employee count increased in December but remains below budget. (page 4)
- The December YTD General City property tax collection rate of 55% has improved over the prior year. Only a portion of the tax roll has come due to date. (page 7)
- Accounts Payable as of December had a net decrease of \$8.2M compared to November. Net AP not on hold had a net increase of \$4.4M. The number of open invoices not on hold increased by 705. (page 8)
- With respect to Exit Financing, four new projects were approved in December for the Mayor's Innovation Challenge.
- In December, there was a net federal/state grants increase of \$43.5M, which includes HUD FY17 funding through the Emergency Solutions Grant (ESG), Housing for People with AIDS (HOPWA) and HOME programs. Over \$900K in private funds supported City initiatives, including \$750,000 from the W.K. Kellogg Foundation to Goodwill Industries to launch "The Source" program in Detroit, which supports the employment of low and moderate income individuals. (page 10)



FY 2018 year-to-date general ledger actuals and annualized projection

GENERAL FUND <i>\$ in millions</i>	YTD ANALYSIS						ANNUALIZED PROJECTION ANALYSIS		
	BUDGET	ACTUAL + ADJUSTMENTS + ENCUMBRANCE			VARIANCE (BUDGET VS. ACTUAL)		BUDGET	PROJECTION	VARIANCE (BUDGET VS. PROJECTION)
	YTD	ACTUAL (2)	ADJUSTMENTS + ENCUMBRANCE (3)	TOTAL	YTD		ANNUAL	ANNUAL	ANNUAL
	AMENDED (1)				(F) F = E-B	(G) % G = (F/B)	AMENDED	ESTIMATED (4)	ESTIMATED
	B	C	D	E = C + D	(F) F = E-B	(G) % G = (F/B)	H	I	(J) J = I-H
REVENUE:									
Municipal Income Tax	\$ 118.7	\$ 143.0	\$ -	\$ 143.0	\$ 24.3	20.5%	\$ 283.3	\$ 292.1	\$ 8.9
Property Taxes	64.5	68.7	(2.1)	66.6	2.1	3.3%	124.0	124.0	-
Wagering Taxes	86.7	92.4	-	92.4	5.6	6.5%	177.8	179.0	1.2
Utility Users' Tax	17.5	10.5	6.3	16.8	(0.7)	(4.2%)	35.0	38.9	3.9
State Revenue Sharing	65.7	67.6	-	67.6	1.9	3.0%	196.7	198.8	2.0
Sales and Charges for Services	62.9	39.1	-	39.1	(23.9)	(37.9%)	121.1	120.6	(0.5)
Licenses, Permits, and Inspection Charges	6.6	3.1	-	3.1	(3.5)	(52.4%)	11.7	12.4	0.7
Contributions and Transfers (5)	32.1	26.3	-	26.3	(5.8)	(18.2%)	68.1	68.1	(0.0)
Grants and Other Revenues	0.7	0.3	-	0.3	(0.3)	(47.3%)	0.8	0.9	0.2
Fines, Forfeits and Penalties	12.6	10.6	-	10.6	(2.1)	(16.3%)	25.3	25.0	(0.3)
Revenues from Use of Assets	1.7	1.5	-	1.5	(0.2)	(12.5%)	3.3	3.4	0.1
Other Taxes, Assessments, and Interest	3.6	5.4	-	5.4	1.7	47.3%	7.3	6.8	(0.5)
Sales of Assets and Compensation for Losses	2.8	0.1	-	0.1	(2.7)	(95.6%)	5.6	1.9	(3.7)
Miscellaneous	6.2	4.1	-	4.1	(2.1)	(34.1%)	12.4	9.7	(2.6)
Adjust for Prior Year Carry-forward (6)	120.7	-	120.7	120.7	-		120.7	120.7	-
TOTAL (L)	\$ 603.0	\$ 472.7	\$ 124.8	\$ 597.4	\$ (5.5)	(0.9%)	\$ 1,192.9	\$ 1,202.3	\$ 9.4
EXPENDITURES:									
Salaries and Wages	\$ (213.9)	\$ (201.0)	\$ -	\$ (201.0)	\$ 12.8	6.0%	\$ (428.1)	\$ (414.6)	\$ 13.5
Employee Benefits	(182.1)	(159.1)	-	(159.1)	23.0	12.6%	(278.6)	(272.9)	5.7
Professional and Contractual Services	(41.1)	(25.1)	(35.7)	(60.7)	(19.7)	(47.9%)	(79.0)	(83.9)	(5.0)
Operating Supplies	(20.6)	(20.7)	(10.7)	(31.3)	(10.7)	(52.1%)	(40.1)	(39.8)	0.3
Operating Services	(63.2)	(35.6)	(5.7)	(41.3)	21.9	34.7%	(120.3)	(120.5)	(0.2)
Capital Equipment	(0.7)	0.4	0.4	0.8	1.5	206.1%	(0.9)	(0.9)	-
Capital Outlays	(14.7)	(3.9)	(4.3)	(8.2)	6.5	44.3%	(29.0)	(29.0)	0.0
Debt Service	(30.6)	(33.9)	-	(33.9)	(3.2)	(10.6%)	(61.3)	(61.3)	-
Other Expenses	(91.5)	(68.0)	(1.9)	(69.9)	21.5	23.6%	(155.6)	(152.2)	3.4
TOTAL (M)	\$ (658.3)	\$ (546.8)	\$ (57.9)	\$ (604.6)	\$ 53.7	8.2%	\$ (1,192.9)	\$ (1,175.2)	\$ 17.7
VARIANCE (N = L + M)	\$ (55.3)	\$ (74.1)	\$ 66.9	\$ (7.2)	\$ 48.1	N/A	\$ -	\$ 27.0	\$ 27.0

Notes

- (1) Amended monthly budget assumes pro rata as well as seasonal distribution of annual amended budget.
- (2) Year-to-date actuals reflect six months ending December 31, 2017.
- (3) Reflects encumbrances and pending adjustments.
- (4) Projected revenues are based on the City's September 2017 Revenue Estimating Conference results.
- (5) This revenue line also includes the use of fund balance totaling \$50M to support one-time spending on capital (\$20M) and blight (\$30M).
- (6) This revenue line reflects fund balance assigned to support prior year encumbrances and carry-forwards, for which equivalent amounts are captured within expenditures.



Monthly active employee count compared to budget

	MONTH-OVER-MONTH ACTUAL ⁽¹⁾			BUDGET VS. ACTUAL		
	Actual	Actual	Change	Amended	Variance	
	November 2017	December 2017	Dec. 2017 vs. Nov. 2017	Budget FY 2018 ⁽²⁾	Under/(Over) Budget vs. December 2017	
Public Safety						
Police	3,065	3,072	7	3,121	49	2%
Fire	1,143	1,173	30	1,274	101	8%
Total Public Safety	4,208	4,245	37	4,395	150	3%
Non-Public Safety						
Office of the Chief Financial Officer	423	418	(5)	482	64	
Public Works - Regular	375	379	4	419	40	
Public Works - Seasonal	17	17	0	26	9	
Health and Wellness Promotion	64	65	1	76	11	
Human Resources	95	96	1	108	12	
Housing and Revitalization	78	81	3	91	10	
Innovation and Technology	98	97	(1)	134	37	
Law	105	105	0	118	13	
Mayor's Office (includes Homeland Security)	72	72	0	72	0	
Planning and Development	31	28	(3)	41	13	
Recreation - Regular	265	266	1	326	60	
Recreation - Seasonal	0	0	0	264	264	
General Services - Regular	337	350	13	504	154	
General Services - Seasonal	25	25	0	219	194	
Legislative ⁽³⁾	247	244	(3)	259	15	
36th District Court	313	313	0	331	18	
Other ⁽⁴⁾	107	107	0	110	3	
Total Non-Public Safety	2,652	2,663	11	3,580	917	26%
Total General City	6,860	6,908	48	7,975	1,067	13%
Enterprise						
Airport	4	4	0	4	0	
BSEED	207	205	(2)	230	25	
Transportation	940	946	6	927	(19)	
Municipal Parking	77	81	4	95	14	
Water and Sewerage	510	522	12	579	57	
Library	302	304	2	332	28	
Total Enterprise	2,040	2,062	22	2,167	105	5%
Total City	8,900	8,970	70	10,142	1,172	12%

Notes:

- (1) Actuals are based on active employees only (both permanent and temporary) and include full-time, part-time, seasonal employees and PSCs if funded by vacant budgeted positions.
- (2) Amended Budget reflects amendments and other adjustments impacting approved position counts compared to the original budget. It excludes personal services contractors (PSCs).
- (3) Includes: Auditor General, Inspector General, Zoning, City Council, Ombudsperson, City Clerk, and Elections.
- (4) Includes: Civil Rights Inclusion & Opportunity, Administrative Hearings, Public Lighting Department, and Non-departmental.



FY 2018 year-to-date net cash flows

For 6 Months Ending December 31, 2017

\$ in millions

Cash Flows - General Pool Cash

	FY18 Actual 6 Months	FY17 Actual 6 Months	Variance
Property Taxes	\$ 79.2	\$ 73.4	\$ 5.8
Municipal Income Taxes	141.1	129.3	11.8 (1)
Utility Users Taxes	10.7	8.9	1.8
Wagering Taxes	91.0	90.8	0.3
State Revenue Sharing	100.9	97.8	3.1
Other / Misc.	138.9	108.9	29.9 (2)
Total Receipts	561.8	509.1	52.7
Salaries and Wages	(216.5)	(202.6)	(13.9) (3)
Employee Benefits	(55.9)	(59.4)	3.5 (4)
Materials, Contracts & Other	(192.9)	(206.7)	13.8
Total Disbursements	(465.3)	(468.7)	3.4
Operating Surplus (before Reinvestment)	96.5	40.4	56.1
Debt Service	(33.1)	(41.7)	8.6 (5)
Non-Financing Adjustments	0.0	3.4	(3.4) (6)
Total Adjustments to arrive at Net Cash Flow	(33.1)	(38.3)	5.2
Net Cash Flow	\$ 63.4	\$ 2.1	\$ 61.3
Beginning cash balance	\$ 186.3 (7) (8)		
Net Cash Flow	249.7 (7)		
Ending cash balance	62.3 (9)		
Budget Reserve Fund	\$ 312.0		
Total Cash Balance			

Notes:

This schedule represents cash inflows and outflows during the fiscal period. It is not intended to tie to actual revenues and expenditures recorded in the general ledger due to accrual accounting and non-cash transactions.

- (1) Increase is due to a reduction in the amount of refunds processed.
- (2) FY18 includes \$19.5m MDOT receipt for Gordie Howe Municipal Bridge Project and \$15m receipt from the sale of the Premier Garage which was used to redeem Cnote principal in January.
- (3) Increase in FY18 payroll attributed to salary increases and additional positions filled.
- (4) The amount of set aside for the Retiree Protection Trust Fund was \$15m in FY18 and \$30m in FY17. The additional variance due to the timing of payments.
- (5) The August 2016 refunding of the 2010 Distributable State Aid notes resulted in reduced outflow for debt service.
- (6) In FY17 the General Fund received a \$3.4m inflow of excess self-insurance dollars.
- (7) The main operating pool contains cash balances of the Risk Management Fund, Street Fund, Solid Waste Fund, General Grants and Motor Vehicle Fund.
- (8) Beginning balance has been reduced to reflect the removal of Fund 7003 (Prop Tax Distributions) and State of MI Trust Fund Balance because the balances in these accounts are not available General Fund dollars.
- (9) The Budget Reserve Fund is in excess of 5% of the annual budget and in a segregated account.



FY 2018 year-to-date cash flow to general ledger reconciliation

For 6 Months Ending December 31, 2017
\$ in millions

Cash Flows	Cash Activity				General Fund General Ledger			Difference
	General Pool	Adjustments	General Fund		Posted	To Be Posted (1)	Total	
Property Taxes	\$ 79.2	\$ (12.6)	\$ 66.6	(2)	\$ 68.7	\$ (2.1)	\$ 66.6	\$ 0.0
Municipal Income Taxes	141.1	1.9	143.0	(3)	143.0	-	143.0	0.0
Utility Users Taxes	10.7	(0.2)	10.5	(4)	10.5	-	10.5	0.0
Wagering Taxes	91.0	1.4	92.4	(5)	92.4	-	92.4	0.0
State Revenue Sharing	100.9	(33.3)	67.6	(6)	67.6	-	67.6	0.0
Other / Misc.	138.9	(48.4)	90.5	(7)	90.5	-	90.5	0.0
Total Receipts	561.8	(91.2)	470.6		472.7	(2.1)	470.6	0.0
Salaries and Wages	(216.5)	15.5	(201.0)	(8)	(201.0)	-	(201.0)	0.0
Employee Benefits	(55.9)	(103.2)	(159.1)	(9)	(159.1)	-	(159.1)	0.0
Materials, Contracts & Other	(192.9)	40.1	(152.8)	(10)	(152.8)	-	(152.8)	0.0
Total Disbursements	(465.3)	(47.6)	(512.9)		(512.9)	-	(512.9)	0.0
Operating Surplus (before Reinvestment)	96.5	(138.8)	(42.3)		(40.2)	(2.1)	(42.3)	0.0
Debt Service	(33.1)	(0.8)	(33.9)	(11)	(33.9)	-	(33.9)	0.0
Non-Financing Adjustments	-	-	-		-	-	-	-
Total Adjustments to arrive at Net Cash Flow	(33.1)	(0.8)	(33.9)		(33.9)	-	(33.9)	0.0
Net Inflows /(Outflows)	\$ 63.4	\$ (139.6)	\$ (76.2)		\$ (74.1)	\$ (2.1)	\$ (76.2)	\$ 0.0

Notes:

- (1) To be posted amounts represent collections and disbursements that were not recorded as of December 31, 2017.
- (2) \$26m pertains to FY17 offset by \$13.4m of revenue pending distribution to the General Fund.
- (3) Differences due to changes in refund liability.
- (4) \$0.2m of Utility Users Tax collected in FY2018 pertained to FY17.
- (5) \$1.0m of Wagering Taxes collected in FY2018 pertained to FY17 offset by \$2.4m of December revenue received in January.
- (6) \$33.3m State Revenue Sharing receipt pertained to FY17.
- (7) \$21.5m non-General Fund 1000 receipts, \$16.4m of collections are cash specific, and \$16.5m pertained to prior years offset by \$6m Gaming Rev accrual.
- (8) Approximately \$18.3m of the difference relates to FY17 activity and the balance is non-General Fund disbursements.
- (9) Approximately \$1.4m of Benefits is FY17 activity & \$14.3m attributed to the timing of payments offset by \$90m relating to prior years RPTF set aside & \$28.9m FY18 Pension obligation
- (10) Approx. \$36m of disbursements are non-General Fund, \$30.6m related to FY17 offset by \$2.4m in cash specific activity & \$24.1m Risk Management & insurance premium non-cash book transfers.
- (11) \$0.8m represents timing of payments for debt set aside.



FY 2018 year-to-date property tax collections

For 6 months ended December 31, 2017

\$ in millions

	FY 2018			FY 2017		
	Adjusted Tax Roll	Collections YTD (1)	Collection Rate YTD	Adjusted Tax roll	Collections YTD (1)	Collection Rate YTD
General Ad Valorem		\$ 61.6			\$ 61.3	
General Special Acts		1.9			2.0	
General Total	\$ 115.7	\$ 63.5	54.88%	\$ 120.7	\$ 63.3	52.44%
Debt Service Total	\$ 51.1	\$ 28.1	54.99%	\$ 62.0	\$ 32.6	52.58%
Solid Waste Total	\$ 52.8	\$ 21.9	41.48%	\$ 54.8	\$ 18.8	34.31%

		FY 2018	FY 2017
General City Ad Valorem Collections YTD	(2)	\$ 61.6	\$ 61.3
Delinquent Tax Revolving Fund (DTRF) Collections YTD	(3)	5.0	5.8
Total Property Tax Collections (Ad Val + DTRF)		\$ 66.6	\$ 67.1
Admin Fee, Interest, Penalty YTD	(4)	\$ 3.3	\$ 3.1

Notes:

- (1) Amounts do not include collections from Wayne County settlement checks as a result of foreclosure and auction activity.
- (2) Amounts are net of property taxes collected by the City on behalf of DPS, State Education Trust, Wayne County and other non-City taxing authorities.
- (3) Wayne County monthly DTRF settlement checks.
- (4) Special Act, Admin Fee, Interest and Penalty are recorded in Budget's Other Taxes, Assessments, and Interest category.



Accounts payable summary

- Accounts Payable as of December had a net decrease of \$8.2M compared to November. Net AP not on hold had a net increase of \$4.4M. The number of open invoices not on hold increased by 705.

All Funds
\$ in millions

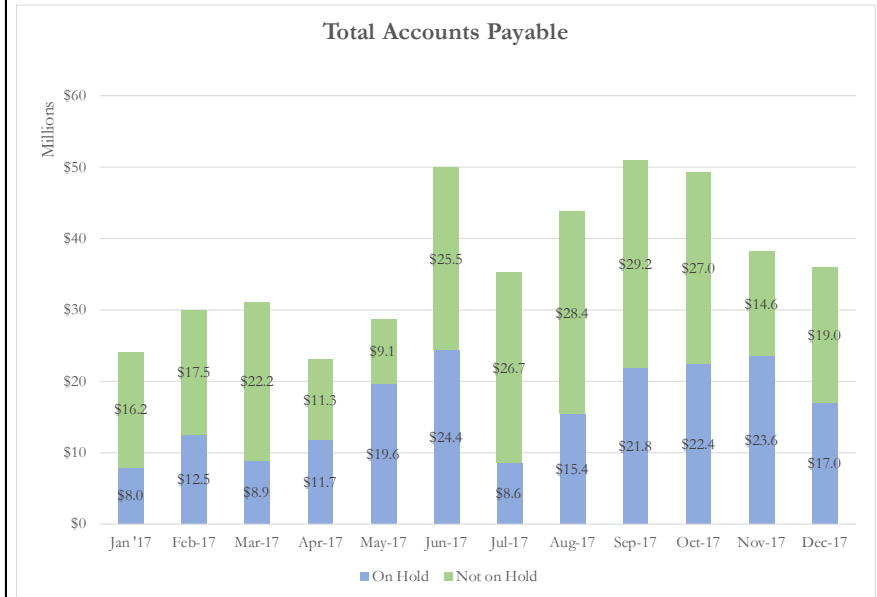
Accounts Payable (AP) as of Dec-17	
Total AP (Nov-17)	\$ 44.2
Plus: Dec-17 invoices processed	\$ 66.3
Less: Dec-17 Payments made	\$ (74.5)
Total AP month end (Dec-17)	\$ 36.0
Less: Invoices on hold (1)	\$ (16.2)
Less: Installments/Retainage Invoices(2)	(0.8)
Net AP not on hold	\$ 19.0

AP Aging (excluding invoices on hold)

	Net AP	Current	Days Past Due		
			1-30	31-60	61+
Dec-17. Total	\$ 19.0	\$ 6.3	\$ 8.2	\$ 3.4	\$ 1.2
<i>% of total</i>	100%	33%	43%	18%	6%
<i>Change vs. Nov-17</i>	\$ 4.4	\$ (4.8)	\$ 6.4	\$ 2.7	\$ 0.2
Total Count of Invoices	1,584	646	434	147	357
<i>% of total</i>	100%	41%	27%	9%	23%
<i>Change vs. Nov-17</i>	705	(28)	342	109	282
Nov-17. Total	\$ 14.6	\$ 11.2	\$ 1.8	\$ 0.6	\$ 1.0
<i>% of total</i>	100%	76%	12%	4%	7%
Total Count of Invoices	879	674	92	38	75
<i>% of total</i>	100%	77%	10%	4%	9%

Notes:

- Invoices with system holds are pending validation. Some reasons include: pending receipt, does not match purchase order quantity/price and legal holds
- Invoices on retainage are on hold until the supplier satisfies all contract obligations
- Invoices are processed and aged based on the invoice date. If the invoices were aged based on the date received the aging would show improved current category values
- DWSD amount of \$14.3M payable to Great Lakes Water Authority, which remains under negotiations is excluded above.



Exit financing utilized to jump start technology, neighborhoods, and public safety improvements

- In December, four new projects were approved for the Mayor's Innovation Challenge.

\$ in millions

	Open and Closed Projects		
	Number of Projects	Approved and Authorized	Total Amount Expensed
Available Exit Financing Proceeds		\$233.2	
Project Allocation:			
Department of Innovation and Technology	6	(41.7)	(39.2)
Blight	9	(29.2)	(25.4)
Police	7	(25.4)	(21.1)
Fire	11	(35.7)	(27.9)
General Services	14	(28.6)	(26.3)
Office of the Chief Financial Officer	13	(25.4)	(18.1)
Building, Safety Engineering & Environmental Department	1	(4.4)	(2.7)
Law	1	(1.1)	(1.1)
Detroit Department of Transportation	1	(1.8)	(1.8)
Recreation	1	(1.2)	(1.2)
Human Resources	2	(0.7)	(0.7)
Other	4	(0.3)	(0.3)
Subject to Reconciliation	–	–	(0.0)
Subtotal Projects	70	(\$195.6)	(\$165.9)
Post-Petition Financing Interest and Other Fees	–	(2.8)	(2.8)
Totals	70	(\$198.4)	(\$168.7)
AMOUNT RESERVED FOR PROJECTS UNDER REVIEW		\$34.8	

Note: 44 Closed Projects. Unaudited amounts subject to reconciliation.

Source: Oracle Cloud Financials, Office of Financial Planning & Analysis



The City is leveraging funding from external sources

- In December, there was a net federal/state grants increase of \$43.5M, which includes HUD FY17 funding through the Emergency Solutions Grant (ESG), Housing for People with AIDS (HOPWA) and HOME programs. Over \$900K in private funds supported City initiatives, including \$750,000 from the W.K. Kellogg Foundation to Goodwill Industries to launch "The Source" program in Detroit, which supports the employment of low and moderate income individuals.

<i>\$ in millions</i>	Amount Awarded (1)		Number of Grants
	Appropriation Approved (2)	Appropriation Pending (2)	
Department/Agency			
Transportation	397.8	-	20
Housing & Revitalization	253.5	-	21
Health	37.7	-	5
Fire	30.3	-	8
Public Works	30.6	-	20
Police	20.6	-	31
Homeland Security and Emergency Management	2.7	-	7
Recreation	1.7	-	5
Other (3)	1.6	-	6
Active Federal/State grants	\$ 776.5	\$ -	123
Active private grants and donations	98.8	-	172
Total active grants and donations (4)	\$ 875.3	\$ -	295

Notes:

(1) Reflects original amounts awarded and amendments for active grants as of December 31, 2017. Remaining amount available to be spent will be lower for most departments.

(2) The amounts awarded as of December 31 are separated between grant appropriations already approved and any that may be pending approval as of the date this report is presented.

(3) Other includes departments and agencies totaling less than \$1M.

(4) The City also partners with third-party agencies to directly pursue and implement grants aligned with the City's priorities. Such grants are included above for private funds but not federal/state grants.



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REVENUE ESTIMATING CONFERENCE

FEBRUARY 2018



JOHN W. HILL
Chief Financial Officer
City of Detroit

GEORGE A. FULTON, Ph.D.
Director Emeritus
Research Professor Emeritus
Research Seminar
in Quantitative Economics (RSQE)
Department of Economics
University of Michigan

ERIC BUSSIS
Chief Economist
Director,
Office of Revenue
and Tax Analysis
Michigan Department
of Treasury

FEBRUARY 14, 2018

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City of Detroit
REVENUE ESTIMATING CONFERENCE
February 14, 2018

State of Michigan Public Act 279 of 1909, Section 117.4t(1)(d), as amended by Public Act 182 of 2014, states the City of Detroit shall hold biannual revenue estimating conferences, which shall establish the official economic forecast and forecast of anticipated revenues of the City. The City holds its Revenue Estimating Conferences in September and February of each fiscal year. The voting conference principals are the City's Chief Financial Officer (CFO), the State Treasurer (or designee), and a person affiliated with another public entity, including a state institution of higher education, with experience in economic forecasting and revenue projection selected by the CFO and State Treasurer.

The February 2018 Revenue Estimating Conference results set the revenues anticipated in the City's FY 2019-2022 Four-Year Financial Plan. The voting principals for February 2018 are:

- John W. Hill, Chief Financial Officer, City of Detroit
- Eric Bussis, Chief Economist and Director, Office of Revenue and Tax Analysis, State of Michigan, Department of Treasury (on behalf of State Treasurer Nick A. Khouri)
- George Fulton, PhD, Director Emeritus, Research Seminar in Quantitative Economics (RSQE), Department of Economics, University of Michigan

The Office of Budget within the Office of the Chief Financial Officer (OCFO), in coordination with the City Council's Legislative Policy Division and the Auditor's General Office, is responsible for preparing the City's revenue estimates for review and consideration by the Revenue Estimating Conference principals. These internal participants met during the month of January to discuss the City's prior year actual revenues (FY 2017), current year estimated revenue (FY 2018) and projected revenues for the next four fiscal years (FY 2019-2022). Representatives from other OCFO divisions also participated to discuss revenues in their respective areas, including the Offices of the Assessor, Departmental Financial Services, Development and Grants, and the Treasury. Mr. Robert Kleine (Interim Director of Michigan State University Extension Center for Local Government Finance and Policy) presented a forecast of economic conditions that may impact the City's revenues. Jed Howbert (Group Executive for Planning, Housing and Development, Mayor's Office) presented an update on the City's economic development projects.

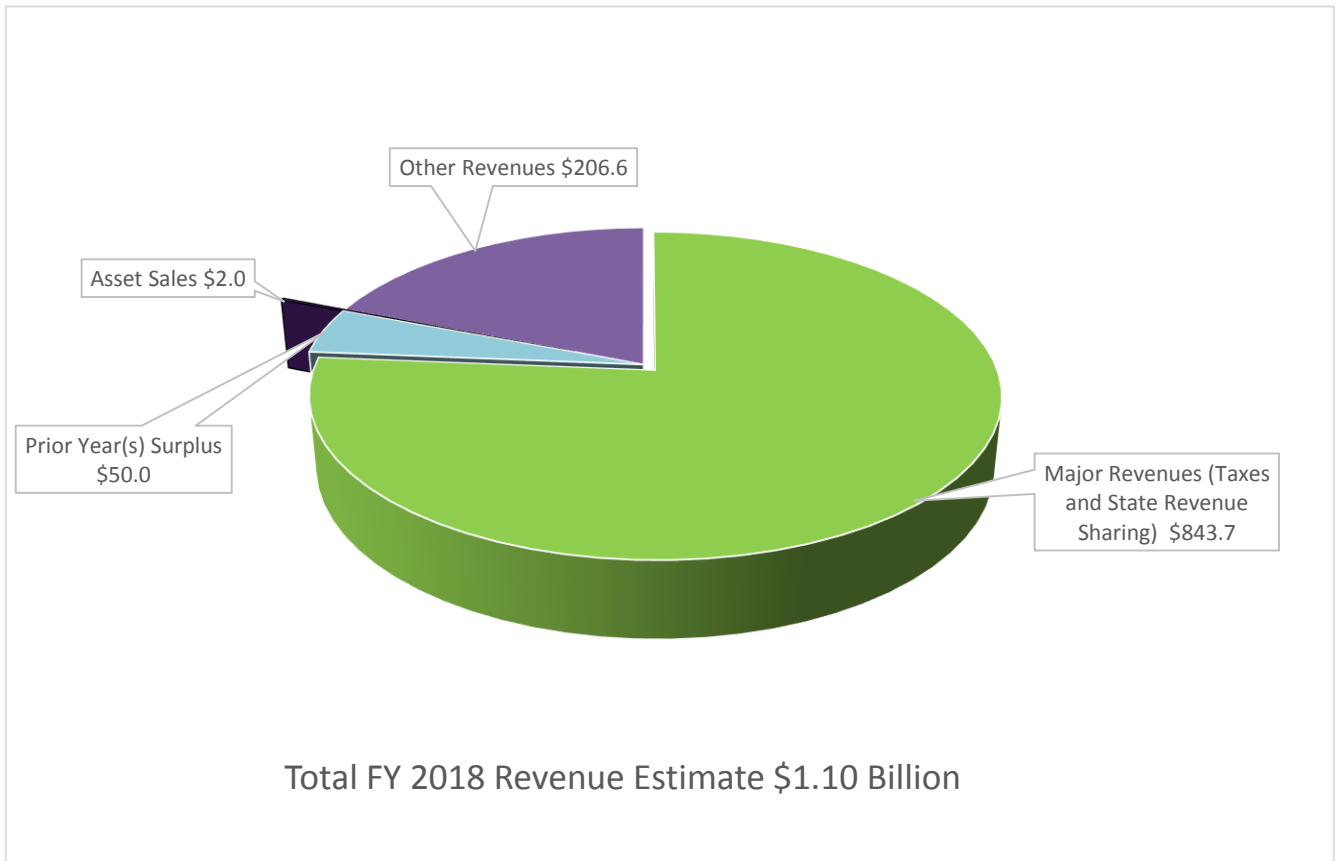
This year, the City's internal participants began the process with an in-depth review of departmental revenues followed by a discussion of the City's major revenues and current economic climate. The task was to review General Fund major revenues and department revenues final year-end results for FY 2017, estimate current fiscal year-end activity for 2018, and project revenues for the forecast period FY 2019 through FY 2022. Using financial system reports, department sub-ledger reports, current operational analysis and local economic data, the participants individually determined their forecasts. Department- "Other revenues" of the General Fund were discussed in terms of on-going/recurring revenues, one-time activity/and initiatives. Revenues from all City funds were also considered as required by Public Act 182 of 2014.

OVERVIEW OF CONFERENCE RESULTS

Participants reviewed actual collections through December 2017 and year-end collections for FY 2017 as a basis to project revenues for the forecast period. Preliminary fiscal year-end 2018 results for General Fund revenues are \$1.10 billion which consist of \$1.05 billion from recurring revenues and \$50 million from one time revenue sources. FY

2018 estimate includes \$50 million from prior year(s) surpluses to fund capital projects, blight remediation and technology initiatives.

The vast majority of the General Fund revenues, 76%, are from the Major Revenues, which include Taxes and State Revenue Sharing.



The FY 2018 General Fund Adopted Budget is \$1.07 billion. The September 2017 estimate of \$1.08 billion has been adjusted by \$27.8 million to reflect two accounting policy changes. Major Revenues have been adjusted by \$9.1 million to net property taxes against certain distributions and Other Departmental revenue estimates have been adjusted by \$18.7 million to account for Grand Bargain pension contributions. The primary difference between the February 2018 estimate of \$1,102.3 million and the adjusted September 2017 estimate of \$1,109.3 million is the \$2.4 million increase in Major Revenues and the \$9.6 million reduction in Other Departmental revenues.

FY2018 BUDGET
General Fund
(in millions)

	FY 2018 Baseline Budget	One-time Investments	FY 2018 Total Adopted Budget	2017 September Estimate	2017 September Estimate (Adjusted)	2018 February Estimate	Variance (February 2018 to September 2017 Estimate)	Variance (February to Adopted Budget)
<i>Major Revenues (Taxes and State Revenue Sharing)</i>	\$816.20		\$816.20	\$832.2	\$841.3	\$843.7	\$2.4	\$ 27.50
<i>Reinvestment Initiatives</i>	13.2		13.2	7.9	7.9	7.9	0.0	(5.3)
<i>Use of surplus funds</i>		\$50.0	50.0	50.0	50.0	50.0	0.0	0.0
<i>Asset Sales (real and equipment)</i>	5.1		5.1	1.8	1.8	2.0	0.2	(3.1)
<i>Other Departmental revenues (less asset sales)</i>	189.4		189.4	189.6	208.3	198.7	(9.6)	9.3
Total	\$1,023.9	\$50.0	\$1,073.9	\$1,081.5	\$1,109.3	\$1,102.3	(\$7.0)	\$28.4

FEBRUARY 2018 REVENUE ESTIMATES RESULTS

The February 2018 conference includes estimates for FY 2018 and revenue projections for FY 2019 and 2020. The conference developed a trend line forecast of General Fund Revenues for FY 2021 and 2022.

General Fund <i>(in millions)</i>	Income Tax	Property Tax	Utility Users Tax	Wagering Tax	State Revenue Sharing	Other Revenues	Total General Fund Revenues
FY 2018							
Feb 2018 Estimate	\$ 292.1	\$ 133.1	\$ 40.0	\$ 179.0	\$ 199.5	\$ 208.6	\$ 1,052.3
*Sept 2017 Estimate	292.1	133.1	38.9	179.0	198.2	218.0	**1,059.3
Variance Feb over Sept	0.0%	0.0%	2.8%	0.0%	0.7%	(4.3%)	(0.7%)
FY 2019							
Feb 2018 Projection	\$ 299.4	\$ 133.8	\$ 40.0	\$ 180.8	\$ 200.7	\$ 216.4	\$ 1,071.1
*Sept 2017 Projection	299.4	133.1	39.1	180.8	199.2	219.2	1,070.8
Variance Feb over Sept	0.0%	0.5%	2.3%	0.0%	0.8%	(1.3%)	0.03%
FY 2020							
Feb 2018 Projection	\$ 306.9	\$ 135.8	\$ 40.0	\$ 182.6	\$ 201.7	\$ 218.1	\$ 1,085.1
*Sept 2017 Projection	306.9	135.0	39.3	182.6	200.2	220.3	1,084.3
Variance Feb over Sept	0.0%	0.6%	1.8%	0.0%	0.7%	(1.0%)	0.07%
Long Term Trend							
FY 2021	\$ 314.6	\$ 137.8	\$ 40.0	\$ 184.4	\$ 202.7	\$ 220.5	\$ 1,100.1
	2.5%	1.5%	0.0%	1.0%	0.5%	1.1%	1.4%
FY 2022	\$ 322.5	\$ 139.9	\$ 40.0	\$ 186.3	\$ 203.7	\$ 220.9	\$ 1,113.3
	2.5%	1.5%	0.0%	1.0%	0.5%	0.2%	1.2%
* September 2017 Estimate revised to include TIFA \$9.1M and \$18.7M for Grand Bargain. ** (General Fund Total excludes budget surplus of \$50.0 million)							

MAJOR REVENUES DISCUSSION

The City of Detroit has five major revenues: Income Tax, Property Tax, Utility Users' Tax, Wagering Tax (Casinos) and State Revenue Sharing. These revenues represent 83% of the General Fund year-end FY 2017 results of \$988 million (excluding one-time activity).

Varying methodologies were utilized by the internal participants, including analysis of historical collection patterns, trend line fitting,

moving averages, major revenue category analysis, individual agency revenue account analyses, and the utilization of run rates. All participants considered and accounted for other known items that impact collections. Participants used a conservative approach in projecting future revenues; speculative revenues were not considered in the numbers, but outlined as potential upward adjustments to revenues discussed later in this report.

MUNICIPAL INCOME TAX

Income Tax revenue includes corporate, withholding and individual payments. More than 85% of income tax actual collections are derived from withholdings. The current Municipal Income tax rate is 2.4% for residents, 1.2% for non-residents and 2.0% for corporations, which are set by State law. Public Act 394 of 2012 designated income tax revenues of 0.2% of resident individual tax collections and 0.1% of non-resident individual tax collections for Police operations.

As authorized under Public Act 284 of 1964, as amended by PA 56 of 2011 and again in 2012, the City of Detroit levies an Income Tax on income from all sources with minimum exemptions.

In 2015, the City contracted with the State of Michigan to process its income tax on its behalf. In January 2016, the State began phasing that in, as follows:

	Calendar Year 2016	Calendar Year 2017 and 2018
Individual returns: resident and non-resident	MI Processing Start 1/1/2016; estimated 100,000 new returns filed, 304,000 returns in total. Total refunds processed \$17.2 million	Refunds of approximately \$28 million for FY 2017; in the range of \$23 million for FY 2018
Corporate returns		MI Processing started 1/1/2017
Withholdings	725 new entities are now withholding: 80% voluntary registered, 20% city compliance efforts	MI Processing started 1/1/2017
Electronic Filing, Pay and Refunds	1/1/2016 began e-filing; 77% e-filed in 2016	MI Processing started 1/1/2017 for e-pay MI Processing started 1/1/2018 for e-refunds

Income Tax Collections Five Year History					
(In millions)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Actuals (per CAFR)	\$248.0	\$253.8	\$263.4	\$263.2	\$284.5
% change	2.3%	2.3%	3.8%	0.0%	8.1%

Municipal Income Tax collections for FY 2017 were \$284.5 million up from FY 2016 collections of \$263.2 million. Increased refund activity from the State tempered net collections in FY 2016. Municipal Income Taxes continue to trend upward for the forecast period driven by modest increases in salary and wages.

Income tax collections for FY 2018 continue an upward trend with growth estimated at 2.7%. Projections for FY 2019 through FY 2022 maintain a growth rate of 2.5%.

The September 2017 and February 2018 estimate includes enforcement activity to increase delinquent income tax collections: outside collection agency; city staff to perform field audits; and enhanced taxpayer outreach and communications.

The February 2018 conference considered improved local economic conditions based upon blue chip economic forecasts as presented by Mr. Robert Kleine, Michigan State University.

CURRENT PROPERTY TAXES

Article IX of the State Constitution, Sections 3 and 6 (General Property Tax) authorize the levy of taxes on real and personal property not otherwise exempt. The City currently levies the maximum tax permitted by law.

Property Tax Collections Five Year History					
(In millions)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Actuals (per CAFR)	\$132.8	\$129.4	\$126.4	\$147.4	\$129.5
Add: CAFR Adjustments-TIFA					8.2
Total Gross Collections					\$137.7
% change	(10.1%)	(2.6%)	(2.3%)	16.6%	(6.6%)

Property Tax Collections consist of assessments for the current tax year; delinquent real and personal property remittance from the Wayne County Delinquent Tax Revolving Fund; auction proceeds from the County; and Personal Property Tax reimbursements from the State.

Final FY 2017 year-end result for property tax collection was \$129.5 million. Beginning with the FY 2017 financial audit, property tax collections are recorded in the CAFR at net of Tax Incremental Financing Authority (TIFA) payments of \$8.2 million.

The FY 2018 Adopted Budget of \$124 million assumed a smaller decline in collections than previous budgets due to higher than estimated taxable valuations. Previous estimates were based on continued declines in the City’s property taxable values due to required citywide reassessments and foreclosure activity. Actual taxable value declines were lower than originally anticipated. Improvement in the City’s collection rate from 50% to over 70% also factored into increased collections for FY 2017.

The City received \$9.1 million from the State in personal property tax reimbursements, authorized under the Local Community Stabilization Authority (LCSA) Public Act 86 of 2014. The General Fund received approximately \$4 million of this reimbursement in FY 2017. Lower reimbursement levels are expected for the forecast period.

The City of Detroit partnered with DTE and Wayne County in providing for payment of current and delinquent city of Detroit property taxes, DWSD bills, and DTE bills at DivDat Kiosks conveniently located throughout the city (located in participating Rite-Aid stores, DTE Payment Centers, supermarkets /other retail establishments and in various City of Detroit buildings). The city is also experiencing increased collections through mobile apps.

The City Assessor’s outlook on the Ad Valorem valuations for FY 2019 anticipate future growth in all property classes. The completion of citywide reassessments of residential properties in 2016 along with improved property data availability highlighted increased assessed values across the city and across property classes. Residential property values have increased across the city for the first time in 17 years. Most noteworthy is the increase in market rate sales for the period. Industrial property reassessments were completed in January 2018. Industrial values rose more than 64% over the previous year; this increase was attributed to a significant amount of under-valued industrial land on the city’s tax rolls. Commercial property reassessments are expected to be completed in FY 2019. For the 2018 tax year commercial property values also increased by \$0.2 billion.

Current Property Tax, continued:

One concern is the abnormally low residential property class share, account for only 37% of the city’s total property classes.

A personal property taxable valuations appraisal was completed in 2016, and values increased by 6.3% for tax year 2018.

Property tax revenue estimate for FY 2018 is expected to remain flat with slight growth of one-half percent projected for the forecast period. This is a conservative forecast given the anticipated growth in the city’s valuations in the near future. Assessed values are expected to increase by 6.1% for tax year 2018. However, this increase will not fully impact the city property tax collections, as taxable valuation growth will continue to be capped at a lower level per state law.

The City of Detroit levies a Utility Users’ Tax as permitted under Public Act 100 of 1990 and as amended in 2012. The tax is based on consumption of electricity, gas, steam and telephone (land lines) in the city of Detroit. The City currently levies the maximum tax rate of 5%. Revenues are budgeted in the Police Department per the public act and have a restricted purpose to retain or hire police officers. In 2012, the law was amended to provide \$12.5 million annually for the Public Lighting Authority for the repayment of debt proceeds used for street lighting infrastructure improvements in the city. To offset the loss of Utility Users’ tax revenue to the Police Department, state law (Public Act 394 of 2012) authorized the payment of income tax revenues for police officers (to hire/retain).

UTILITY USERS TAX

The September 2017 and the February FY 2018 estimate for Utility Users’ Taxes differed by 2.8% for FY 2018. This increase was based on an overall 8.5% increase in collections over the previous fiscal year. Utility Users’ Tax collections continue to move within a small range of \$35 to \$42 million, down significantly from historical highs of \$60 million.

Utility Users’ Tax Collections Five Year History					
(In millions)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Actuals (per CAFR)	\$35.3	\$42.4	\$37.9	\$24.0	\$27.1
Add: CAFR Adjustment- PLA				\$12.5	\$12.5
Gross Collections	\$35.3	\$42.4	\$37.9	\$36.5	\$39.6
% change	(10.8%)	20.1%	(10.6%)	(3.7%)	8.5%

The FY 2019 through FY 2022 forecast continues a conservative approach in projecting this revenue source. Projections for the forecast period remain flat with no growth. Factors considered were anticipated rate cuts from DTE Energy; a gradual rise in utility consumption; and prior year’s actual collections.

Estimates/projections were determined on a gross basis, inclusive of the \$12.5 million Public Lighting Authority payment. Beginning with the June 30, 2016 Comprehensive Annual Financial Report (CAFR), Utility Users Tax revenues are presented net of the Public Lighting Authority (PLA) payment, as the PLA is considered a blended component unit of the city.

WAGERING TAXES

The City is authorized to levy a tax on the adjusted gross receipts of a gaming licensee under Initiated Law 1 of 1996, as Amended by Public Act 306 of 2004. The current tax rate in effect is 10.9% for the three casinos operating in Detroit. The City receives additional revenues from the casinos as specified in the casinos' operating agreements that increases the total percentage to 11.9%. The city is also permitted to assess a municipal service fee of 1.25% of adjusted gross receipts for public safety services provided to the casinos.

Wagering-Casino Tax Collections Five Year History					
(In millions)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Actuals (per CAFR)	\$174.6	\$167.9	\$172.5	\$180.2	\$177.2
% change	(3.7%)	(3.8%)	2.7%	4.5%	(1.7%)

The September 2017 and the February 2018 conference maintained Wagering Tax revenues at the same level. FY 2017 year-end results recorded a 1.7% decline in this revenue source over the previous fiscal year. This decline preceded two

years of revenue growth as the city's revenues rebounded following declines due to the opening of casinos in Ohio.

The forecast for the four year period FY 2019 through FY 2022 include a growth factor of 1.0%.

Detroit casinos have rebounded from declining revenues which occurred with the opening of casinos in Ohio. At risk to this forecast is new casinos/gaming operations located within a 50 to 150 mile radius of the city that will exert negative pressure on Detroit casino revenues, as shown with the opening of the Ohio casinos. It is not known what the impact of major renovations to competing casino establishments will have on Detroit casino revenues.

STATE REVENUE SHARING

Revenue Sharing payments from the State are derived from two components: constitutional and statutory. Constitutional payments are guaranteed under the State Constitution and are calculated as 15% of 4% of the State Sales Tax gross collections. Statutory payments are based upon municipalities meeting the requirements of the City, Village and Township Revenue Sharing (CVTRS) program.

For FY 2017 and FY 2018, the maximum amount available is 78.51044% of the FY 2010 total statutory payment (if a municipality complies with all requirements of the City, Village, and Township Revenue Sharing (CVTRS) program).

State Revenue Sharing Collections Five Year History					
(In millions)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Actuals (per CAFR)	\$182.4	\$189.8	\$194.8	\$194.7	\$197.8
% change	5.9%	4.1%	2.6%	0%	1.6%

Estimates are based on the current State Revenue Sharing payments projected by the Michigan Department of Treasury and revised Sales Tax revenue projections. Treasury payments are based on the State of Michigan January 2018 Revenue Estimates and the FY 2019 Executive Budget.

The February 2018 estimate for the current fiscal year is \$199.5; \$3.4 million higher than the FY

2018 Adopted Budget of \$196.1 million and 0.8% higher than FY 2017 actuals.

Total revenue sharing increases by 0.6% in FY 2019 and 0.5% for FY 2020 through FY 2022 Statutory share-CVTRS remains flat for the forecast period. The constitutional share based on sales tax revenues is projected to grow by 3.1% in FY 2019 and 1.7% in FY 2020 through FY 2022. The City received a one-time supplemental CVTRS payment of \$578,606 in FY 2018. Each eligible city, village or township received a payment equal to their population multiplied by 0.81198.

Potential risks to this forecast include economic risks from changes in federal fiscal policies that negatively impacts state/local finances; lower sales tax revenues/lower auto sales; and challenges to the state budget due to crises in local finances.

OTHER GENERAL FUND DEPARTMENTAL REVENUES

Other Departmental Revenues collections for FY 2017 total \$356.81 million, which included \$238.9 million from on-going/recurring sources and \$117.9 million from one-time sources. Revenues from one-time sources included \$67.9 million of prior years' surplus used to fund capital projects and blight remediation. It also included \$50 million in General Fund unassigned balances allocated to fund the Retiree Protection Fund.

Projections for recurring revenues grow by less than 1% for FY 2019 through FY 2021. Revenues projections for FY 2022 remain flat.

Noteworthy changes to Departmental Revenues:

1. Estimates for real property sales and sales of equipment were reduced based on prior years' actual collections and lower than expected revenues estimated for FY 2018. Reduced estimates for this activity were included in the forecast for FY 2019 through 2022.
2. Interagency billings for services to other Non-General Fund City departments were reduced as a result of lower volume of reimbursable activity.
3. Fire Department EMS and cost recovery revenues are expected to increase as result of on-going initiatives.
4. Revenues generated by the Civil Rights Inclusion and Opportunity Agency (formerly known as Human Rights), resulting from non-compliance fines, are recorded in a separate Special Revenue Fund as the use of these funds are restricted for workforce employment training activity.
5. State of Michigan reimbursement for the 2016 Presidential Primary Election was received in FY 2017 by the Elections Department. The September 2017 and the February 2018 estimate also included this revenue in FY 2021 for the next election cycle.

GENERAL FUND REVENUES BY MAJOR CATEGORIES

The following is a brief description of the types and sources of revenue that are included in each category shown in departmental budgets:

1. **Other Taxes, Assessments, and Interest** - Special assessments, Industrial Facilities Taxes, other miscellaneous property taxes and interest paid on delinquent property taxes.
2. **Sales and Charges for Services** - Inter-fund revenue generated from maintenance and construction, Casino Municipal Service fees, Cable Franchise fees, recreation fees, property tax administrative fees, inter-fund reimbursements including personal services reimbursements, , and other minor sales and service fees.
3. **Licenses, Permits and Inspection Charges** - Various permits and licenses, safety inspection charges, and business licenses charges.
4. **Contributions, Transfers, and Miscellaneous** - Various revenues and contributions due to/or due from one fund resulting in revenues to one fund and an expenditure for another, and other miscellaneous revenues and receipts.
5. **Intergovernmental Revenues**- Reimbursements from other governmental entities (Federal, State, and County) for services provided by the city; includes revenues from Emergency Medical Services billings, 36 District Court reimbursements from the State, Health grants from the State.
6. **Fines, Forfeits, and Penalties** - Ordinance, court and parking fines, property tax penalties, and various fines, forfeits, and penalties.

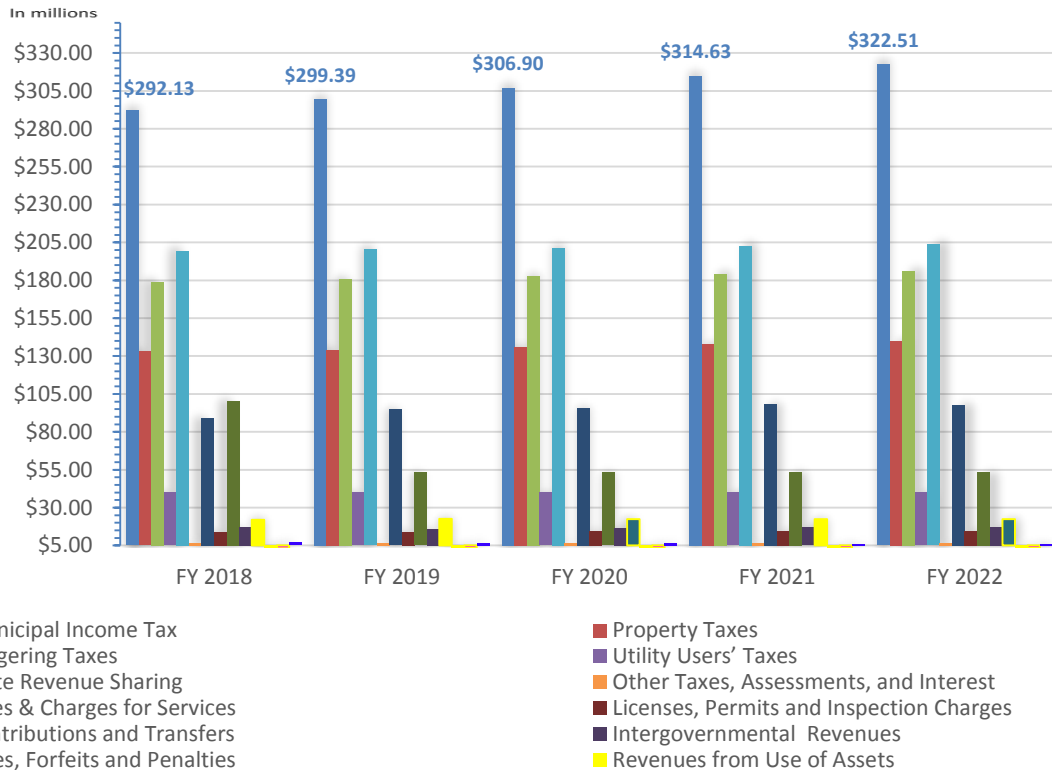
7. **Revenue from Use of Assets** - Earnings on investments, various interest earnings, building rentals, marina rentals, concessions, equipment rentals and sales of real property.

8. **Sale of Assets and Compensation for Losses** – Sale of real property, equipment, tools, and other city assets. Compensation for losses include reimbursement for damages or loss.

FEBRUARY 2018 ESTIMATES & PROJECTIONS										
GENERAL FUND REVENUES BY CATEGORY										
	FY 2018 Adopted Budget	FY 2018	FY 2019	% change	FY 2020	% change	FY 2021	% change	FY 2022	% change
Municipal Income Tax	283.25	292.13	299.39	2.5%	306.90	2.5%	314.63	2.5%	322.51	2.5%
Property Taxes	124.00	133.10	133.81	0.5%	135.81	1.5%	137.85	1.5%	139.92	1.5%
Wagering Taxes	177.78	178.99	180.78	1.0%	182.59	1.0%	184.41	1.0%	186.26	1.0%
Utility Users' Taxes	35.00	40.00	40.00	0.0%	40.00	0.0%	40.00	0.0%	40.00	0.0%
State Revenue Sharing	196.14	199.45	200.66	0.6%	201.67	0.5%	202.68	0.5%	203.70	0.5%
TOTAL MAJOR REVENUES	816.17	843.67	854.64	1.3%	866.97	1.4%	879.57	1.5%	892.39	1.5%
Other Taxes, Assessments, and Interest	7.27	6.85	6.85	0.0%	6.85	0.0%	6.85	0.0%	6.85	0.0%
Sales & Charges for Services	106.07	85.78	91.33	6.5%	92.36	1.1%	94.72	2.6%	94.52	-0.2%
Licenses, Permits and Inspection Charges	10.14	14.10	14.23	1.0%	14.44	1.5%	14.63	1.3%	14.77	1.0%
Contributions and Transfers	72.05	100.43	53.21	-47.0%	53.33	0.2%	53.46	0.2%	53.58	0.2%
Intergovernmental Revenues	14.97	17.14	15.82	-7.7%	16.78	6.1%	17.00	1.3%	17.22	1.3%
Fines, Forfeits and Penalties	24.81	21.90	22.63	3.3%	22.38	-1.1%	22.38	0.0%	22.38	0.0%
Revenues from Use of Assets	3.30	2.26	2.15	-4.9%	2.16	0.5%	2.17	0.5%	2.17	0.0%
Sales of Assets and Compensation for Losses	5.90	3.19	3.31	3.8%	3.34	0.9%	3.38	1.0%	3.45	2.2%
Miscellaneous	13.24	6.99	6.87	-1.8%	6.48	-5.6%	5.90	-8.9%	5.92	0.0%
TOTAL OTHER REVENUES	257.75	258.65	216.41	-16.3%	218.13	0.8%	220.48	1.1%	220.88	0.2%
TOTAL GENERAL FUND REVENUES	\$ 1,073.92	\$ 1,102.32	\$ 1,071.04	-2.8%	\$ 1,085.10	1.3%	\$ 1,100.06	1.4%	\$ 1,113.27	1.2%

NOTE: Numbers may not add due to rounding.

GENERAL FUND REVENUES BY MAJOR CATEGORY



OTHER GENERAL FUND ACTIVITY

Risk Management Fund

The City is exposed to various types of risk of loss including torts; theft of, damage to, or destruction of assets; loss due to errors or omissions; job-related illnesses or injuries to employees; natural disasters; and environmental occurrences. The City is self-insured against certain third-party claims.

The City currently reports the risk management activities (excluding health and dental) of non-Enterprise Funds and the Transportation Fund (an Enterprise Fund) in its General Fund. The General

Fund and DDOT pay insurance premiums into the Risk Management Fund based on past claim activities. Because the Transportation Fund is included in the General Fund's risk management activities, it does not record a liability in its financial statements. Risk management activities for the other Enterprise Funds are recorded and reported separately in those funds. Contributions to the Risk Management Fund in the form of insurance payments total \$24.1 to \$49 million for fiscal years 2018 through FY 2022.

Budget Reserve Fund and PLD Decommissioning Fund

The City also has a Budget Reserve Fund and a Public Lighting Department (PLD) Decommissioning Fund recorded in the General Fund Class. Per statutory requirements, the Budget Reserve Fund must maintain a balance of 5% of budgeted

expenditures. Currently, the fund has a balance of \$62.3 million, which exceeds the minimum balance requirement. The PLD Decommissioning Fund records the proceeds from scrap material sales, which will be used for decommissioning purposes.

OTHER CITY FUNDS (NON-GENERAL FUND)

Public Act 279 of 1909, as amended by PA 182 of 2014, requires the City to establish a forecast of anticipated revenues of the City for the fiscal year in which the revenue conference is being held and the succeeding two fiscal years. The

chart shown below lists all of the City's Special Revenue Funds and Enterprise Funds. The revenue projections presented for these funds were based on historical data, trend lines and/or current department estimates.

CITY OF DETROIT FUNDS (EXCLUDES GENERAL FUND CLASS)					
(in millions)	FY 2018				
FUND NAME	Adopted Budget	FY 2017 September Projection	FY 2018 February Projection	FY 2019 Projection	FY 2020 Projection
Community Development Block Grant	\$ 32.612	\$ 32.600	\$ 29.727	\$ 29.727	\$ 29.727
Emergency Solution Grants	2.696	2.700	2.683	2.683	2.683
Bridging Neighborhoods Fund	0.000	32.600	32.600	0.000	0.000
Department Grant Funds (Note 1):					
- Fire SAFER -Other Fire Grants	2.000	2.000	3.055	1.084	.084
- Health Grants (Note 2)	21.700	28.100	25.590	26.357	27.148
- Homeland Security Grants	0.800	0.800	0.800	0.800	0.800
- Mayor's Office Grants	0.110	0.090	0.127	0.085	0.0400
- Police Grants	4.813	4.810	4.813	6.533	6.533
- Dept. of Public Works (General) Grants	0.050	0.050	0.050	0.050	0.050
- Recreation	0.400	0.400	.005	1.105	.005
- Elections Grants (Voter Ed) (\$2,500 annually)	0.002	0.002	0.002	0.002	0.002
Construction Code Fund	25.000	25.000	25.000	26.739	26.739
Drug Law Enforcement Fund	1.987	2.010	1.987	2.010	2.010
Library Funds	33.000	33.00	31.876	31.846	32.442
Civil Rights, Inclusion & Opportunity Revolving Fund (Note 2)	0.4500	4.500	3.000	3.000	3.000
Major and Local Streets Fund	77.210	77.210	215.914	85.124	88.625
PA 48 2002 Fund	2.894	2.900	2.900	2.900	2.900
Solid Waste Management	44.035	44.000	50.441	45.426	44.032
Sinking Interest & Redemption (Debt Service)	59.735	53.650	53.650	51.200	50.500
Special Housing Rehab programs (HRD Dept)	4.013	4.010	4.013	4.013	4.013
Airport Funds	1.668	1.900	2.613	2.213	2.213
Municipal Parking Funds	8.133	10.500	35.400	8.238	8.238
Transportation Funds (DDOT)	133.000	133.000	136.590	135.073	136.104
Detroit Water & Sewerage Department-Water Retail	119.848	119.850	134.944	139.332	143.930
Detroit Water & Sewerage Department-Sewerage Retail	278.632	278.630	297.205	331.939	345.518
Total Other Funds	\$854.788	\$894.312	\$1,094.985	\$937.479	\$957.336

Note 1: City Departments Grant Funds represent the reorganization of grants previously consolidated under one fund. Not all departments receive annual grant awards; the budget will be amended to reflect any additional grant awards received during the fiscal year. The projections for FY 2019 and FY 2020 assume receipt of recurring departmental grants.

Note 2: In conjunction with the Gordie Howe International Bridge Project, the city will receive funds from the State of Michigan, the Windsor Detroit Bridge Authority and from the sale of land. These funds are restricted for specific purposes, such as health, job training, and neighborhood development.

FUNDS WITH GENERAL FUND IMPACT

Airport

The [Coleman A. Young International Airport](#) is an Enterprise Agency of the City of Detroit. Revenues from landing fees, rentals, fuel concessions and Federal/State grants maintain the operations of the Airport. In addition, the Airport FY 2018 Budget include a General Fund contribution of \$1.8 million which is expected to

be paid. Projections for FY 2019 and FY 2020 decreases this contribution to \$1.4 million. Higher General Fund contribution amounts are necessary to meet rising utility costs (lighting and drainage fees). Enterprise revenues of \$2.2 million are expected for FY 2019 through FY 2022.

Buildings & Safety - Construction Code Fund

The [Buildings & Safety Engineering & Environmental Department \(BSEED\)](#) is an Enterprise Agency of the City of Detroit as mandated by State law. BSEED's mission is to safeguard public health, safety and welfare by enforcing construction, property maintenance, environmental compliance and zoning codes. Revenues from the Construction Code Fund include civil infraction fines, safety inspection charges, construction inspections and other licenses, permits and inspection charges. Revenues generated in support of the General

Fund operations are from the business licensing activity.

Revenues from the enterprise activity are estimated to increase to \$25 million in FY 2018, a 2.9% increase over the previous fiscal year-end total of \$24.3 million. Revenue growth of 6.9% is expected for the forecast period. The implementation of new electronic ticketing and new development/construction activity within the city is expected to contribute to revenue growth for the forecast period.

Transportation

The [Detroit Department of Transportation \(DDOT\)](#) is an Enterprise Agency that provides transit services to the city of Detroit. Revenues are generated from fare boxes, State operating assistance, State and Federal grants, contribution from the General Fund and other miscellaneous revenues. The General Fund contribution for DDOT for FY 2018 is \$61.5 million; this amount remains unchanged for the forecast period. Additional restructuring efforts, including the expansion of routes, should allow this level of General Fund support to continue for the

foreseeable future. Increased Transportation funding is included in the road funding bills passed by the State Legislature in 2014-2015. This legislation provides additional funding for DDOT, at the discretion of the City's Administration, by authorizing a city that meets specific criteria to allocate some of its Michigan Transportation Fund (MTF) revenues for public transit purposes. DDOT revenues continues at \$133 million for FY 2018. FY 2019 revenues are expected to decline slightly by 1.1%. Revenue growth of 0.8% is projected for FY 2020.

Municipal Parking

The **Municipal Parking Department** is organized into two operations: the Parking Violation Bureau and the Automobile Parking and Area System. The Parking Violations Bureau is a General Fund operation responsible for enforcing on-street and off-street ordinances in Detroit and the processing and collection of parking violation notices. The Auto Parking and Area System revenues are currently assigned to pay debt service for post-bankruptcy loans. In addition, certain parking structures have been transferred

or optioned for future purchase under terms of the bankruptcy settlement. Revenues from the Enterprise operations for FY 2017 resulted in a surplus of \$5.6 million due to revenues from garages, expected to be sold, but not sold during the fiscal year. Revenue estimates for FY 2018 total \$35.4 million due to the sale of the Premiere Garage and an inflow of funds utilized to pay debt service. Projected revenues for the forecast period decline to \$8.2 million in anticipation of a further reduction in city-owned garage(s).

Solid Waste Fund

The **Solid Waste Management Fund** is a Special Revenue Fund. The City of Detroit uses the Solid Waste Management Fund to account for local revenue collected for curbside rubbish pick-up and discard. The majority of Solid Waste Management Fund revenues comes from a residential Solid Waste Fee that is assessed to every home whether or not currently occupied. The solid waste service fee replaced a 3-mill tax for solid waste collection that was eliminated in 2006. The solid waste fee is assessed annually at \$240 for single family homes, and an additional \$100 for multi-family dwellings. Commercial fees are \$1,000.

The City privatized the solid waste activity in FY 2014. Contracts were awarded to two companies to service the east and west side of the City.

A change in processing of delinquent tax bills in FY 2016 resulted in improved collections of solid waste fees. Fiscal Year-end 2017 collections were \$54.6 million due to delinquent collections. For FY 2018 revenues are estimated at \$50.4 million, inclusive of delinquent collections. Collections are projected to decrease to \$44.0 - \$45 million for the forecast period.

OTHER CITY FUNDS

Grants

The City receives various Federal and State Grants for various activities administered by city departments. Some of the city's largest programs are noted below.

The Fire Department received revenues from the Staffing for Adequate Fire & Emergency Response (SAFER) grant, a Federal grant sponsored by Federal Emergency Management Agency (FEMA).

The Health Department administers grants from Federal and State sources for HIV/AIDS, Housing Opportunities for Persons with Aids (HOPWA)

grants, Immunization, Women, Infants and Children (WIC) and Essential Local Public Health Services (ELPHS) grants.

The Housing and Revitalization Department administers programs and contracts funded by the Community Development Block Grant (CDBG), the Emergency Solutions Grant and HOME funds.

The Police Department receives grants from various State and Federal sources including the Department of Justice-Justice Assistance grants (JAG), Community Oriented Policing (COPS) grants, Auto Theft and Victim's Assistance grants.

Bridging Neighborhoods Fund

The City of Detroit has designated \$32 million for the Bridging Neighborhoods Program. The program will provide funds and services for the optional relocation of households and optional retrofits of homes in Del Ray and parts of Southwest Detroit that are most impacted by the Gordie Howe International Bridge Project. In

addition, under this project, the city will also receive \$1.5 million for job training and \$2.4 million for health assessments and long-term emissions monitoring programs. The city has received \$20 million to date from this revenue source.

Library

The Library Fund records the operations of the Detroit Public Library (DPL). DPL is an enterprise agency of the City of Detroit. It is Michigan's largest public library system consisting of a Main Library and 21 neighborhood branches. DPL has a collection of 6.6 million items that includes books, journals, photographs, government documents, and DVDs. A bookmobile makes

weekly visits to schools and community centers, and the Library for the Blind & Physically Handicapped serves those with various physical challenges. The February 2018 conference project lower revenues of \$31.9 million for this fund for the forecast period; a decline of \$1.1 million over the previous forecast.

Major and Local Street Funds

Activity recorded in Major and Local Street Funds provide for the construction and maintenance of streets, bridges, traffic signals and non-motorized improvements. These funds record the city's share of State Gas and Weight Tax revenue that support various projects and accounts for State and Federal grants on a project basis. The Department of Public Works staff manages the Street Fund. The following three divisions are wholly or partially funded through the Street Fund: Street Maintenance Division, City Engineering Division and the Traffic Engineering Division. Increased road funding was enacted with the passage of state legislation amending various public acts in 2014- 2015. The

City expects to receive \$10- \$15 million in additional Gas & Weight Taxes for the forecast period as result of these legislative changes. Revenues from this source are projected to range from \$77.2 million in FY 2018 to \$88.6 million in fiscal year FY 2020.

The City sold \$124.5 million in bonds in November 2017 in order to expedite road improvements projects. These Michigan Transportation Fund Bonds will be repaid from the incremental increases in Gas & Weight Taxes noted above. The funds will be periodically drawn-down as road projects progress.

Sinking and Interest Fund (Debt Service)

The Sinking (bond) and Interest Redemption Fund provides for the scheduled retirement of principal and interest on long-term City debt. This debt derives from the issuance of Unlimited Tax

General Obligation Bonds. Debt service on Limited Tax General Obligation Bonds are recorded in the General Fund. The debt service for enterprise funds appears in the Enterprise

Agency sections. The revenues for the Sinking and Interest (Debt Service) Fund are generated from a separate debt service millage on real and personal property located in the city of Detroit. Debt service schedules has funding declining from

\$53.6 to \$50.5 million in FY 2018 and further declining to \$44 million in FY 2020 due to the August 2016 refinancing transaction that lowered principal and interest obligations for this fund.

Detroit Water & Sewerage - Retail

The Department was reorganized into two separate entities: the regional Great Lakes Water Authority (GLWA) and the Detroit Department of Water and Sewage Disposal-Retail (DWSD-Retail), effective January 1, 2016. Projections presented for the forecast period are for DWSD-Retail only. The February 2018 conference estimated revenues of \$134.9 million and \$297.2 million for water and sewerage operations respectively for FY 2018. Revenues are projected to increase by approximately 4% for each of the forecast years. The September 2017 estimate reflects the amount included in the current Four Year Financial Plan.

Under the reorganization, Detroit maintains its own local system. The city keeps exclusive control of the local water and sewer system in DWSD – under authority of the Mayor and City Council. The Detroit local system is made up of approximately 3,000 miles of local sewer pipe and 3,400 miles of local water mains serving the neighborhoods of Detroit. The City has full authority to repair and rebuild the local system.

Great Lakes Water Authority (GLWA) is an authority formed to operate the regional system. GLWA operates the regional water and sewer assets. The GLWA Board is made up of 6 members: 2 appointed by the Mayor of Detroit, 1 each by Wayne, Oakland and Macomb Counties, and 1 by the Governor from the service area outside the three counties. The Authority provides services to communities in Oakland, Wayne and Macomb counties, estimated as 4 million customers from 127 communities.

The Authority sets the rates for all water and sewerage services. Rate increases are capped at 4% annually per agreement. GLWA entered into a long-term 40-year lease of the water and sewer assets owned by the Detroit Water and Sewerage Department. Lease terms provide for the payment of \$50 million per year for the next 40 years to the City of Detroit for water and sewer infrastructure improvements. This will allow Detroit to finance up to \$500-\$800 million in bonds to rebuild the city's aged water and sewer system.

SET ASIDES

The FY 2018 Budget included \$50 million from prior years' budget surplus for capital, technology and blight spending. An additional \$50 million in unassigned General Fund Balance

was appropriated for the Retiree Protection Fund, for a total of \$105 million plus interest contributed by the city to the fund to date.

RISKS TO FORECAST

- Changes to federal fiscal policy may negatively impact federal entitlement programs resulting in a loss of funds to state and local municipalities.
- Increased uncertainty in federal government monetary and trade policy. Failure to raise debt ceiling would have a negative impact on the economy.
- Challenges to State budget from declining local finances and other critical issues may unfavorably impact the Statutory State Revenue Sharing distribution to local municipalities. Lower Sales Tax revenues/slowing auto sales directly impact local share.
- Risks to estimated property tax collections due to the impact of Wayne County chargebacks netted against the delinquent accounts revolving fund payment.
- Loss to personal property tax collections not fully reimbursed by the state.
- Lower consumer confidence depresses spending and reduces sales tax revenues.
- Rising interest rates resulting in lower consumer spending/housing activity. Uncertainty in fed actions on when/how much Fed Fund Rate will rise.
- Rising inflation adversely impacts economic performance.
- Lower census numbers result in loss of federal/state funds tied to population.
- Potential recession in the near future.

POTENTIAL UPWARD ADJUSTMENTS TO FORECAST

- Major development projects, announced or in process, are not included in revenue estimates until revenue stream to the city materializes. The potential for increased economic development to increase the city's tax base and generate additional revenues for the city.
- Ongoing improvements to collection efforts in FY 2018 results in additional tax revenues not currently reflected in the estimates.
- State of Michigan processing of the City's income tax and subsequent withholding collections results in increased compliance and generate additional revenues for the city. E-pay payment option should improve collection activity.
- Passage of State legislation requiring non-Detroit businesses to withhold income taxes of employees residing in Detroit should significantly increase income tax collections.
- Revenue initiatives in the Four-Year Financial Plan, but not included in the estimates/projections may result in additional revenues if timely and successfully implemented.
- Sales tax on internet purchases may increase state local share distributions to city/villages/townships.

CONFERENCE PARTICIPANTS

John W. Hill, Chief Financial Officer
John Naglick, Jr., Chief Deputy Chief Financial Officer / Finance Director
Dexter Lockamy, Office of the Chief Financial Officer
Tanya Stoudemire, OCFO-Deputy CFO, Budget Director
Tina Tolliver, OCFO-Office of Budget, Deputy Budget Director
John H. Hageman, Chief of Staff to the Chief Financial Officer
Steve Watson, OCFO, Director of Special Projects
Irvin Corley, Jr., City Council Legislative Policy Division, Executive Policy Manager
Anne Marie Langan, City Council Legislative Policy Division, Fiscal Analyst
Richard Drumb, City Council Legislative Policy Division, Fiscal Analyst
Mark Lockridge, Auditor General
Jill Kilbourn, Office of the Auditor General
Delores Bills-Jallow, Office of Auditor General
Renee Short, OCFO-Office of Budget
Janice Butler, OCFO-Office of Budget
Sneha Patel, OCFO-Office of Budget
Donnie Johnson, OCFO-Office of Budget
Valeria Wiggins, OCFO-Office of Budget
Pamela Scales, OCFO-Deputy CFO, Office of Departmental Services (ODFS)
Michael Jamison, OCFO-Deputy CFO, Financial Planning and Analysis
Lucy Synder, OCFO, Financial Planning and Analysis
Alvin Horhn, OCFO-Deputy CFO, Office of the Assessor
Christa McLellan, OCFO-Deputy CFO-Treasurer
Justin Bahri, OCFO-Deputy Treasurer-Tax
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Shavi Sarna, Ernst & Young



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

CITY RESOLUTION 2018-4

**APPROVING THE CITY'S FEBRUARY 2018 BUDGET AMENDMENT
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 February 26, 2018 the City presented budget amendment requests, attached as **Exhibit A** to this Resolution, for the Commission's review and approval.

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

1. That the City's February 2018 budget amendment 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.

CITY OF DETROIT BUDGET AMENDMENTS

THE FOLLOWING BUDGET AMENDMENTS ARE BEING SENT TO THE FRC FOR REVIEW AND APPROVAL PURSUANT TO
THE MICHIGAN FINANCIAL REVIEW COMMISSION ACT
For February 26, 2018 Meeting

FY 2017 - 2018 Non-Grant Budget Amendments

No.	Department	Brief Description	Budget Amendment Amount		
			Revenue	Expense	Appr. #
This budget amendment will allow the department to appropriate excess honorarium proceeds. Funds are obtained from private donations and will be used to support Planning activities.					
1	Planning	Increase Planning Honorarium Appropriation	24,440.20	24,440.20	20270
		Net Change	24,440.20	24,440.20	
To accept and appropriate a donation to support the Copper Theft Initiative.					
2	DTE Energy	Increase Criminal Investigation Bureau Appropriation	100,000.00	100,000.00	00118
		Net Change	100,000.00	100,000.00	

CITY OF DETROIT BUDGET AMENDMENTS

THE FOLLOWING BUDGET AMENDMENTS ARE BEING SENT TO THE FRC FOR REVIEW AND APPROVAL PURSUANT TO
THE MICHIGAN FINANCIAL REVIEW COMMISSION ACT
For February 26, 2018 Meeting

FY 2017 - 2018 Housing & Revitalization Grant Budget Amendments

No.	Department	Brief Description	Budget Amendment Amount		Appr. #
			Revenue	Expense	
To reprogram unused Community Development Block Grant (CDBG) funds in order to meet the CDBG Timeliness Test					
1	Housing & Revitalization	Increase Housing Pre-Development Rehabilitation Appropriation	0.00	918,202.00	20342
		Increase Park Improvement Appropriation	0.00	635,000.00	13635
		Decrease Administration - Direct	0.00	(72,014.00)	13594
		Decrease Planning - Direct / Indirect Appropriation	0.00	(500,000.00)	13169
		Decrease HAND Appropriation	0.00	(56,406.00)	11552
		Decrease Section 108 Loan Appropriation	0.00	(304,626.00)	13529
		Decrease Peoples Housing Community Development Appropriation	0.00	(1,924.00)	10849
		Decrease Boysville Appropriation	0.00	(250.00)	12432
		Decrease Riverbend Community Association Appropriation	0.00	(35,920.00)	11291
		Decrease Fitzgerald Community Council Appropriation	0.00	(3,574.00)	05653
		Decrease Neighborhood Support Services Appropriation	0.00	(5,501.00)	11494
		Decrease Eastern Market Advanced Coalition Appropriation	0.00	(2,405.00)	11551
		Decrease Focus Hope Appropriation	0.00	(100,000.00)	06698
		Decrease West Grand Blvd. Coalition Appropriation	0.00	(7,431.00)	13041
		Decrease Jefferson East Business Assoc. Appropriation	0.00	(4,059.00)	10620
		Decrease Warren Conner Development Coalition Appropriation	0.00	(27,466.00)	06186
		Decrease St. Christine Services Appropriation	0.00	(22,722.00)	12194
		Decrease Michigan Metro Girls Scout Appropriation	0.00	(22,877.00)	07131
		Decrease U Snap Bac Appropriation	0.00	(7,886.00)	07113
		Decrease LASED Appropriation	0.00	(4,325.00)	05662
		Decrease Matrix Walter & Mary Ruether Senior Appropriation	0.00	(6,253.00)	11893
Decrease Sphinx Organization Appropriation	0.00	(10,515.00)	11875		
Decrease Accounting Aid Society Appropriation	0.00	(48.00)	07523		
Decrease Housing Pre-Development Construction	0.00	(357,000.00)	20343		
Net Change			0.00	0.00	
To amend the Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), HOME Investment Partnerships Grant and the Housing Opportunities for Persons With Aids (HOPWA) grant to reflect final HUD allocations.					
2	Housing & Revitalization	Decrease Plan Planning Appropriation	(1,546,577.00)	(1,546,577.00)	14027
		Increase Park Improvements Appropriation	0.00	1,546,578.00	13635
		Decrease Section 108 Loan Appropriation	0.00	(1,320,477.00)	13529
		Decrease PDD Administration	(1,300,000.00)	0.00	06040
		Increase Letter of Credit Appropriation	1,526,101.00	0.00	06102
		Increase Emergency Solutions Grant (ESG) Appropriation	127,958.00	127,958.00	13340
		Decrease HOME Appropriation	(401,315.00)	0.00	05537
		Increase HOME Appropriation	504,289.00	102,974.00	13171
		Increase HOME Projects Appropriation	926,770.00	926,770.00	10821
		Increase HOPWA Aids Housing Appropriation	493,421.00	493,421.00	20372
Net Change			330,647.00	330,647.00	

CITY OF DETROIT BUDGET AMENDMENTS

THE FOLLOWING BUDGET AMENDMENTS ARE BEING SENT TO THE FRC FOR REVIEW AND APPROVAL PURSUANT TO
THE MICHIGAN FINANCIAL REVIEW COMMISSION ACT
For February 26, 2018 Meeting

FY 2017 - 2018 Grant Budget Amendments (Correction to Appr. #)

No.	Department	Grantor	Grant / Program	Brief Description	Amount		
					Revenue	Expense	Appr. #
This item was shown as this on December 2017 report:							
	Mayor's Office (Department of Neighborhoods)	Various Corporations / Donors	Volunteer Coordinator Program	To appropriate donations for the Department of Neighborhoods for the purpose of funding a Volunteer Coordinator position.	90,000.00	90,000.00	20249
Mayor's Office Total					90,000.00	90,000.00	
This item should have been shown as this on December 2017 report:							
	Mayor's Office (Department of Neighborhoods)	Various Corporations / Donors	Volunteer Coordinator Program	To appropriate donations for the Department of Neighborhoods for the purpose of funding a Volunteer Coordinator position.	90,000.00	90,000.00	20452
Mayor's Office Total					90,000.00	90,000.00	



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER

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City of Detroit Comprehensive Annual Financial Report (CAFR) For the Fiscal Year Ended June 30, 2017

- Third consecutive year with a balanced budget and operating surplus
- FY 2017 CAFR was finished 4 months earlier than the FY 2016 CAFR
 - Demonstrates improvements in the City’s financial operations and reporting
 - Provides a base ahead of the City’s budget development process for the FY 2019-FY 2022 Four-Year Financial Plan
 - Identifies internal control issues sooner to mitigate them before the current year ends
- General Fund operating surplus of \$53.8 million.
 - General Fund revenues in FY 2017 were less than in FY 2016 primarily due to a one-time acceleration of “Grand Bargain” pension contributions from the Detroit Institute of Arts in FY 2016
- General Fund unassigned fund balance of \$169 million at June 30, 2017, a \$26 million increase from FY 2016
- General Fund total fund balance of \$592.8 million at June 30, 2017, most of which is assigned for reinvestment, future liabilities, and potential risks:
 - Budget Reserve maintained at \$62.8M
 - Risk Management Fund totaling \$67.9M
 - Retiree Protection Fund at \$90M, which together with another \$15M from the FY 2018 budget, has since been placed in an irrevocable trust for legacy pension obligations (total of \$105M)
- FY 2018 current year General Fund operating surplus projected at approximately \$25M

June 30, 2017

	General Fund	Other Governmental Funds	Totals
Assets			
Cash and cash equivalents	\$ 517,113,529	\$ 201,223,022	\$ 718,336,551
Investments	-	10,360,636	10,360,636
Accounts and contracts receivable:			
Estimated withheld income taxes receivable	23,468,899	54,555	23,523,454
Utility users' taxes receivable	3,906,981	-	3,906,981
Income tax assessments	74,268,869	-	74,268,869
Special assessments	24,669,919	541,890	25,211,809
DIA and foundation receivable	186,046,059	-	186,046,059
Property tax receivable	80,277,933	10,036,778	90,314,711
Loans receivable	-	100,841,010	100,841,010
Trade receivables	197,922,006	36,699,041	234,621,047
Total accounts and contracts receivable	590,560,666	148,173,274	738,733,940
Allowance for uncollectible accounts	(276,958,316)	(140,104,494)	(417,062,810)
Total accounts and contracts receivable - Net	313,602,350	8,068,780	321,671,130
Due from other funds	59,386,882	53,598,816	112,985,698
Due from fiduciary funds	2,381,066	-	2,381,066
Due from component units	-	-	-
Due from other governmental agencies	44,548,590	41,825,906	86,374,496
Advances to component units	10,000,000	-	10,000,000
Prepaid expenditures	1,072,987	51,696	1,124,683
Restricted cash	130,527,277	45,333,691	175,860,968
Other restricted assets	9,227,868	-	9,227,868
Other assets	5,107,950	-	5,107,950
Total assets	\$ 1,092,968,499	\$ 360,462,547	\$ 1,453,431,046
Liabilities			
Accounts and contracts payable	\$ 38,745,405	\$ 38,706,173	\$ 77,451,578
Accrued liabilities	434,195	1,799,040	2,233,235
Accrued salaries and wages	21,713,994	1,145,919	22,859,913
Due to other funds	96,303,233	39,779,736	136,082,969
Due to fiduciary funds	3,745,203	-	3,745,203
Due to other governmental agencies	18,436,914	23,960,957	42,397,871
Due to component units	2,673,088	-	2,673,088
Income tax refunds payable	15,440,330	-	15,440,330
Deposits from vendors and customers	6,766,607	2,151,180	8,917,787
Unearned revenue	-	3,196,357	3,196,357
Other liabilities	31,432,918	7,467,781	38,900,699
Accrued interest payable	3,681,905	-	3,681,905
Total liabilities	239,373,792	118,207,143	357,580,935
Deferred Inflows of Resources	260,802,179	7,639,208	268,441,387
Fund Balances			
Nonspendable:			
Prepaid expenditures and advances	11,072,987	51,696	11,124,683
Permanent fund principal - Nonexpendable	-	1,005,096	1,005,096
Restricted for:			
Highway and street improvements	-	54,444,951	54,444,951
Police	-	10,735,208	10,735,208
Endowments and trusts - Expendable	-	687,258	687,258
Local business growth	-	478,084	478,084
Rubbish collection and disposal	-	52,174,570	52,174,570
Construction code	-	18,509,391	18,509,391
Grants	-	14,772,891	14,772,891
Capital acquisitions	-	13,714,763	13,714,763
QOL program	54,675,178	-	54,675,178
Debt service	27,500,000	31,905,618	59,405,618
Committed for risk management operations	20,000,000	-	20,000,000
Assigned for:			
Budget reserve	62,280,192	-	62,280,192
Subsequent appropriations	60,253,830	-	60,253,830
Capital acquisitions	-	37,810,881	37,810,881
Blight and capital	50,000,000	-	50,000,000
Pension	90,148,163	-	90,148,163
Risk management operations	47,895,504	-	47,895,504
Unassigned (deficit)	168,966,674	(1,674,211)	167,292,463
Total fund balances	592,792,528	234,616,196	827,408,724
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,092,968,499	\$ 360,462,547	\$ 1,453,431,046

City of Detroit, Michigan

Statement of Revenue, Expenditures, and Changes in Fund Balances Governmental Funds

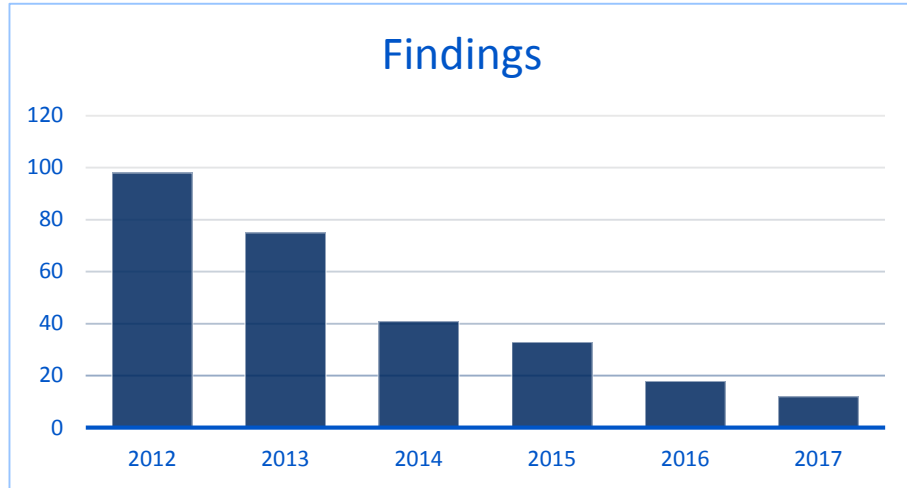
Year Ended June 30, 2017

	General Fund	Other Governmental Funds	Totals
Revenue			
Taxes:			
Property taxes	\$ 129,532,472	\$ 62,633,915	\$ 192,166,387
Municipal income tax	284,467,414	-	284,467,414
Utility users' tax	27,068,555	-	27,068,555
Wagering tax	177,217,497	-	177,217,497
Gas and weight tax	-	66,767,719	66,767,719
Other taxes and assessments	10,362,346	-	10,362,346
Interest and penalties on taxes	3,482,208	126,907	3,609,115
Licenses, permits, and inspection charges	11,350,678	26,434,675	37,785,353
Intergovernmental:			
Federal	162,389	97,440,426	97,602,815
State:			
State-shared revenue	197,831,755	-	197,831,755
State and local sources	799,306	13,361,512	14,160,818
Sales and charges for services	78,092,332	55,170,662	133,262,994
Ordinance fines and forfeitures	23,448,184	2,321,571	25,769,755
Revenue from use of assets	1,176,838	-	1,176,838
Investment earnings	15,248,604	601,318	15,849,922
DIA and foundation revenue	5,730,109	-	5,730,109
Other revenue	22,967,535	20,677,867	43,645,402
Total revenue	988,938,222	345,536,572	1,334,474,794
Expenditures			
Current:			
Public protection	412,024,531	37,552,510	449,577,041
Health	5,023,683	24,743,138	29,766,821
Recreation and culture	17,791,620	491,810	18,283,430
Economic development	-	39,439,847	39,439,847
Housing supply and conditions	7,714,818	-	7,714,818
Physical environment	9,613,796	51,477,545	61,091,341
Transportation facilitation	-	47,701,015	47,701,015
Development and management	318,517,678	923,130	319,440,808
Debt service:			
Principal	16,614,797	60,464,000	77,078,797
Interest	68,126,894	28,982,405	97,109,299
Bond issuance costs (refund)	2,526,983	1,636,431	4,163,414
Capital outlay	22,355,467	48,719,424	71,074,891
Total expenditures	880,310,267	342,131,255	1,222,441,522
Excess of Revenue Over Expenditures	108,627,955	3,405,317	112,033,272
Other Financing Sources (Uses)			
Transfers in	-	8,015	8,015
Proceeds from sale of capital assets	2,345,315	-	2,345,315
Proceeds from bonds and notes issued	364,140,000	242,040,000	606,180,000
Premium on debt issuance	2,327,744	28,234,922	30,562,666
Transfers out	(78,144,758)	-	(78,144,758)
Principal paid to bond agents for refunded bonds	(345,455,000)	(262,195,000)	(607,650,000)
Total other financing (uses) sources	(54,786,699)	8,087,937	(46,698,762)
Net Change in Fund Balances	53,841,256	11,493,254	65,334,510
Fund Balances - Beginning of year (as restated, Note 1)	538,951,272	223,122,942	762,074,214
Fund Balances - End of year	<u>\$ 592,792,528</u>	<u>\$ 234,616,196</u>	<u>\$ 827,408,724</u>

Single Audit - 6 Year Comparison (2012-2017)

Year	2012	2013	2014	2015	2016	2017
Federal Award Spend	\$ 293,393,583.00	\$ 200,166,706.00	\$ 129,869,289.00	\$ 202,630,590.00	\$ 157,676,621.00	\$ 101,588,163.00
Number of Findings	98	75	41	33	18	12
Amount of Questioned Costs	\$ 7,305,027.00	\$ 18,512,118.00	\$ 11,918.00	\$ 214,100.00	\$ -	\$ -
Number of Indeterminable Questioned Costs	8	4	13	8	1	0

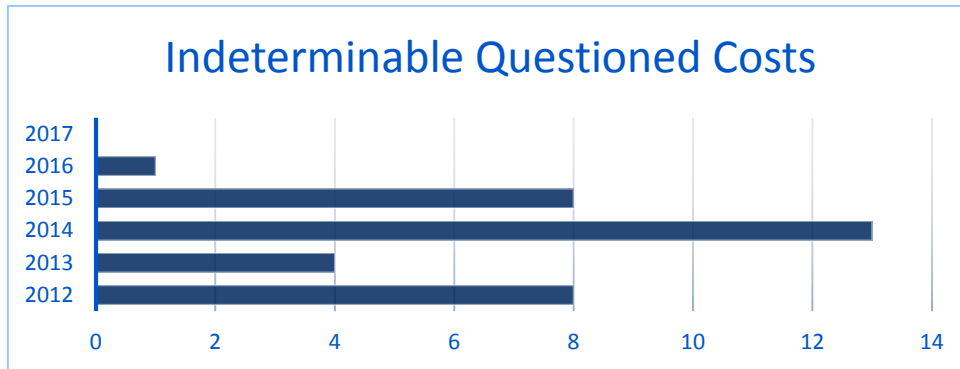
Findings



Questioned Costs



Indeterminable Questioned Costs



Summary:

- Reduced the number of audit findings by 33.3% from 2016 to 2017; consistent and continual reduction since 2012
- Second year in a row of zero questioned costs
- The significant decrease in spend reflects the transition of EPA Revolving Loan Funds to GLWA, and the successful completion of pre-bankruptcy grant awards including:
 - HOME 2009-2011
 - EDI 2008
 - ESG 2013-2014
 - CDBG 2013



TRUE COPY CERTIFICATE

Form C of D—16-CE

STATE OF MICHIGAN, }
City of Detroit } ss.

CITY CLERK'S OFFICE, DETROIT

I, **Janice M. Winfrey**, City Clerk of the City of Detroit, in said

State, do hereby certify that the annexed paper is a TRUE COPY OF RESOLUTION

adopted (passed) by the City Council at session of

February 13, 2018

and approved by Mayor

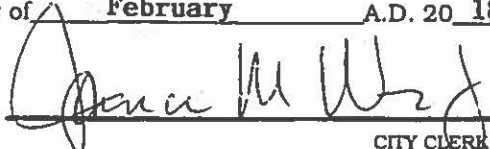
February 14, 2018

as appears from the Journal of said City Council in the office of the City Clerk of Detroit, aforesaid; that I have compared the same with the original, and the same is a correct transcript therefrom, and of the whole of such original.

In Witness Whereof, I have hereunto set my hand and affixed the corporate seal of said City, at

Detroit, this 14th

day of February A.D. 20 18


CITY CLERK



RESOLUTION

BY COUNCIL MEMBER

Ayers

RESOLVED, that the City of Detroit Debt Service Requirements and Certification for Fiscal Year 2018, Quarter 2 report, be and is hereby approved.



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER

2 WOODWARD AVE., SUITE 1100
DETROIT, MICHIGAN 48226
PHONE: 313-224-1219
FAX: 313-224-2135
WWW.DETROITMI.GOV

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January 26, 2018

Detroit Financial Review Commission
3062 W. Grand Blvd
Detroit, Michigan 48202

Re: City of Detroit Debt Service Requirements and Certification
Fiscal Year 2018, Quarter 2

Dear Commissioners:

Enclosed with this letter you will find the debt service requirements due on all bonds, leases, and other municipal debt of the City of Detroit in compliance with section 6 of the Michigan Financial Review Commission Act, Act 181, Public Acts of Michigan, 2014.

We hereby certify as of the date of this letter: (1) that the amounts specified herein are accurate statements of the City's debt service requirements; and (2) that the City of Detroit is financially able to meet the debt service requirements through the end of the current fiscal year.

With regards,

M C U

Mayor, City of Detroit

[Signature]

Chief Financial Officer, City of Detroit

Detroit Council President, on behalf of the Honorable Detroit City Council

CITY CLERK 2018 FEB 1 PM 1:34

ENTERED FEB 07 2018 - Mbx to Formal - MS (3,0)

City of Detroit
Debt Obligation Summary

Debt Obligation	# of Series	December 31, 2017 Principal Balance	FY18			At Trustee	Balance Requirement
			Debt Service	Amount Paid	Balance Due		
LTGO DSA First Lien Bonds	1	\$240,965,000	\$7,745,446	\$3,872,723	\$3,872,723	\$2,581,815	\$2,581,815
UTGO DSA Second Lien Bonds	1	91,785,000	9,828,302	6,069,638	\$3,758,664	12,481,985	4,956,164
LTGO DSA Third Lien Bonds	1	119,485,000	7,325,368	5,520,507	\$1,804,861	2,449,908	2,449,908
UTGO DSA Fourth Lien Bonds	2	205,530,000	39,824,410	4,131,303	\$35,693,107	36,436,924	28,224,803
LTGO (Exit Financing, Remarketed)	2	245,000,000	10,903,756	5,451,878	\$5,451,878	6,139,399	4,115,989
LTGO (B-Notes)	2	631,964,145	25,278,566	–	\$25,278,566	–	–
LTGO (C-Notes) ²	1	67,342,844	9,741,957	6,374,815	\$3,367,142	561	–
MTF Bonds ³	1	124,500,000	8,925	–	\$8,925	2,975	2,975
HUD Notes ¹	11	50,579,000	1,123,133	258,802	\$864,331	8,598,832	–
	22	\$1,777,150,989	\$111,779,863	\$31,679,666	\$80,100,197	\$68,692,399	\$42,331,654

¹Included in amounts held with HUD Note Trustee is \$5,442,000 plus interest to cover all future debt service on the New Amterdam notes, which will be paid to note holders on annual maturity dates and \$2,742,000 plus interest to cover the debt service for certain maturities for the Book Cadillac II and Mexitown Welcome Center Notes. Amounts placed at Trustee for both the Book Cadillac II and Mexicantown notes will be fully repaid on August 1, 2018. All amounts defeased are excluded from the principal and debt service balances above.

²LTGO C-Note principal of \$6,295,250 and accrued interest of \$79,564.97 was prepaid on September 28, 2017 versus the scheduled June 30, 2018 payment date. The prepayment resulted in a \$235,198 interest savings.

³MTF Bonds - On November 16, 2017 the Michigan Finance Authority issued revenue bonds on behalf of the City for Major and Local Street improvements. A draw of \$1,000,000 was initiated at closing. Additional draws will be made bi-annually with final draw on 10/1/2020.

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		
PURPOSE:	Restructuring of prior indebtedness (whole or in part)		
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
2018	\$ -	\$7,745,446	\$7,745,446
2019	-	7,745,446	7,745,446
2020	6,480,000	7,583,446	14,063,446
2021	11,720,000	7,128,446	18,848,446
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		
OUTSTANDING AT 7/1/2017:	\$ 240,965,000	\$ 89,791,408	\$ 312,241,408
PAID DURING FISCAL YEAR	-	3,872,723	3,872,723
OUTSTANDING AT 12/31/2017:	\$ 240,965,000	\$ 85,918,685	\$ 308,368,685

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		
PURPOSE:	Financing capital improvements		
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
2018	\$ 2,240,000	\$ 7,588,302	\$ 9,828,302
2019	2,395,000	7,431,251	9,826,251
2020	2,575,000	7,252,630	9,827,630
2021	2,765,000	7,060,710	9,825,710
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 7/1/2017:	\$ 94,025,000	\$ 92,679,038	\$ 186,704,038
PAID DURING FISCAL YEAR	\$2,240,000	3,829,638	6,069,638
OUTSTANDING AT 12/31/2017:	\$ 91,785,000	\$ 88,849,400	\$ 180,634,400

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 Thirds 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		
PURPOSE:	Restructing of prior indebtedness (whole or in part)		
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
2018	\$3,690,000	\$3,635,368	\$7,325,368
2019	3,740,000	3,579,672	7,319,672
2020	6,870,000	3,487,207	10,357,207
2021	7,015,000	3,351,451	10,366,451
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 7/1/2017:	\$ 123,175,000	\$ 36,509,771	\$ 159,684,771
PAID DURING FISCAL YEAR	3,690,000	1,830,507	5,520,507
OUTSTANDING AT 12/31/2017:	\$ 119,485,000	\$ 34,679,264	\$ 154,164,264

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

ISSUE NAME:
ISSUE NAME(2):
REPAYMENT SOURCE:
PURPOSE:
ORIGINAL PAR:
DATED DATE:
PRINCIPAL DUE:
INTEREST DUE:
INTEREST RATE:
MATURITY DATE:
INSURANCE:
CALL PROVISIONS:
Fiscal Year Ending June 30,
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028

Distributable State Aid Fourth Lien Bonds (Unlimited Tax General Obligation), Series 2016A-1 (Tax-Exempt - Refunding Local Project Bonds)			
UTGO DSA 4th Lien			
Full faith and credit and resources of the City & State Shared Revenue payments			
Ad valorem taxes levied annually on all property			
Refunding of prior indebtedness			
\$222,185,000			
August 11, 2016			
Annual: April			
Semi-Annual: October/April			
4.00% to 5.00%			
April 1, 2028			
None			
October 1, 2026 @ 100%			
Principal	Interest	Total	
\$27,340,000	\$9,407,250	\$36,747,250	
27,610,000	8,040,250	35,650,250	
28,280,000	6,659,750	34,939,750	
28,950,000	5,245,750	34,195,750	
22,185,000	3,798,250	25,983,250	
19,465,000	2,689,000	22,154,000	
15,695,000	1,715,750	17,410,750	
8,160,000	931,000	9,091,000	
3,320,000	523,000	3,843,000	
3,485,000	357,000	3,842,000	
3,655,000	182,750	3,837,750	
\$ 188,145,000	\$ 39,549,750	\$ 227,694,750	
-	3,872,723	3,872,723	
\$ 188,145,000	\$ 35,677,027	\$ 223,822,027	

Distributable State Aid Fourth Lien Bonds (Unlimited Tax General Obligation), Series 2016A-2 (Taxable - Refunding Local Project Bonds)			
UTGO DSA 4th Lien			
Full faith and credit and resources of the City & State Shared Revenue payments			
Ad valorem taxes levied annually on all property			
Refunding of prior indebtedness			
\$19,855,000			
August 11, 2016			
Annual: April			
Semi-Annual: October/April			
1.69% to 3.66%			
April 1, 2028			
None			
Make Whole			
Principal	Interest	Total	
\$2,560,000	\$517,160	\$3,077,160	
1,260,000	464,501	1,724,501	
1,290,000	435,937	1,725,937	
1,320,000	403,803	1,723,803	
1,420,000	367,621	1,787,621	
1,465,000	325,817	1,790,817	
1,510,000	279,757	1,789,757	
1,560,000	230,531	1,790,531	
1,610,000	178,115	1,788,115	
1,665,000	122,409	1,787,409	
1,725,000	63,135	1,788,135	
\$ 17,385,000	\$ 3,388,786	\$ 20,773,786	
-	258,580	258,580	
\$ 17,385,000	\$ 3,130,206	\$ 20,515,206	

ALL		
Principal	Interest	Total
\$29,900,000	\$9,924,410	\$39,824,410
28,870,000	8,504,751	37,374,751
29,570,000	7,095,687	36,665,687
30,270,000	5,649,553	35,919,553
23,605,000	4,165,871	27,770,871
20,930,000	3,014,817	23,944,817
17,205,000	1,995,507	19,200,507
9,720,000	1,161,531	10,881,531
4,930,000	701,115	5,631,115
5,150,000	479,409	5,629,409
5,380,000	245,885	5,625,885
\$ 205,530,000	\$ 42,938,536	\$ 248,468,536
-	4,131,303	4,131,303
\$ 205,530,000	\$ 38,807,233	\$ 244,337,233

CALLABLE: \$7,140,000

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

ISSUE NAME: ISSUE NAME(2): REPAYMENT SOURCE: PURPOSE: ORIGINAL PAR: DATED DATE: PRINCIPAL DUE: INTEREST DUE: INTEREST RATE: MATURITY DATE: INSURANCE: CALL PROVISIONS:	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		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
Fiscal Year Ending June 30,									
2018	\$ -	\$5,831,106	\$5,831,106	\$ -	\$5,072,650	\$5,072,650	\$ -	\$10,903,756	\$10,903,756
2019	-	5,831,106	5,831,106	13,425,000	4,763,875	18,188,875	13,425,000	10,594,981	24,019,981
2020	-	5,831,106	5,831,106	23,605,000	3,912,185	27,517,185	23,605,000	9,743,291	33,348,291
2021	2,000,000	5,797,106	7,797,106	22,950,000	2,841,420	25,791,420	24,950,000	8,638,526	33,588,526
2022	2,000,000	5,727,106	7,727,106	24,390,000	1,752,600	26,142,600	26,390,000	7,479,706	33,869,706
2023	2,000,000	5,653,106	7,653,106	25,905,000	595,815	26,500,815	27,905,000	6,248,921	34,153,921
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 7/1/2017:	\$ 134,725,000	\$ 56,103,491	\$ 190,828,491	\$ 110,275,000	\$ 18,938,545	\$ 129,213,545	\$ 245,000,000	\$ 75,042,036	\$ 320,042,036
PAID DURING FISCAL YEAR	-	2,997,977	2,997,977	-	2,453,901	2,453,901	-	5,451,878	5,451,878
OUTSTANDING AT 12/31/2017:	\$ 134,725,000	\$ 53,105,514	\$ 187,830,514	\$ 110,275,000	\$ 16,484,644	\$ 126,759,644	\$ 245,000,000	\$ 69,590,158	\$ 314,590,158

City of Detroit - LTGO B-Notes Debt Service Requirements

ISSUE NAME:	Financial Recovery Bonds, Series 2014-B1 (Federally Taxable)
ISSUE NAME(2):	B-Notes
REPAYMENT SOURCE:	Full faith and credit and resources of the City
PURPOSE:	Financial Recovery
ORIGINAL PAR:	\$616,560,047
DATED DATE:	December 10, 2014
PRINCIPAL DUE:	Annual: April
INTEREST DUE:	Semi Annual: April/October
INTEREST RATE:	4.00% to 6.00%
MATURITY DATE:	April 1, 2044
INSURANCE:	Noninsured
CALL PROVISIONS:	None

Fiscal Year Ending June 30,	Principal	Interest	Total
2018	\$ -	\$24,662,402	\$24,662,402
2019	-	24,662,402	24,662,402
2020	-	24,662,402	24,662,402
2021	-	24,662,402	24,662,402
2022	-	24,662,402	24,662,402
2023	-	24,662,402	24,662,402
2024	-	24,662,402	24,662,402
2025	30,828,003	24,662,402	55,490,405
2026	30,828,003	23,429,282	54,257,285
2027	30,828,003	22,196,162	53,024,165
2028	30,828,003	20,963,042	51,791,045
2029	30,828,003	19,729,921	50,557,924
2030	30,828,003	18,496,801	49,324,804
2031	30,828,003	17,263,681	48,091,684
2032	30,828,003	16,030,561	46,858,564
2033	30,828,003	14,797,441	45,625,444
2034	30,828,003	13,564,321	44,392,324
2035	30,828,003	18,496,801	49,324,804
2036	30,828,003	16,647,121	47,475,124
2037	30,828,003	14,797,441	45,625,444
2038	30,828,003	12,947,760	43,775,763
2039	30,828,003	11,098,080	41,926,083
2040	30,828,003	9,248,400	40,076,403
2041	30,828,003	7,398,720	38,226,723
2042	30,828,003	5,549,040	36,377,043
2043	30,828,003	3,699,360	34,527,363
2044	30,827,990	1,849,679	32,677,669
OUTSTANDING AT 7/1/2017:	\$ 616,560,047	\$ 465,502,829	\$ 1,082,062,876
PAID DURING FISCAL YEAR	-	-	-
OUTSTANDING AT 12/31/2017:	\$ 616,560,047	\$ 465,502,829	\$ 1,082,062,876

Fiscal Year Ending June 30,	Principal	Interest	Total
2018	\$ -	\$616,164	\$616,164
2019	-	616,164	616,164
2020	-	616,164	616,164
2021	-	616,164	616,164
2022	-	616,164	616,164
2023	-	616,164	616,164
2024	-	616,164	616,164
2025	770,205	616,164	1,386,369
2026	770,205	585,356	1,355,561
2027	770,205	554,548	1,324,753
2028	770,205	523,739	1,293,944
2029	770,205	492,931	1,263,136
2030	770,205	462,123	1,232,328
2031	770,205	431,315	1,201,520
2032	770,205	400,507	1,170,712
2033	770,205	369,698	1,139,903
2034	770,205	338,890	1,109,095
2035	770,205	462,123	1,232,328
2036	770,205	415,911	1,186,116
2037	770,205	369,698	1,139,903
2038	770,205	323,486	1,093,691
2039	770,205	277,274	1,047,479
2040	770,205	231,061	1,001,266
2041	770,205	184,849	955,054
2042	770,205	138,637	908,842
2043	770,205	92,424	862,629
2044	770,203	46,212	816,415
OUTSTANDING AT 7/1/2017:	\$ 15,404,098	\$ 11,630,093	\$ 27,034,191
PAID DURING FISCAL YEAR	-	-	-
OUTSTANDING AT 12/31/2017:	\$ 15,404,098	\$ 11,630,093	\$ 27,034,191

Fiscal Year Ending June 30,	Principal	Interest	Total
2018	\$ -	\$25,278,566	\$25,278,566
2019	-	25,278,566	25,278,566
2020	-	25,278,566	25,278,566
2021	-	25,278,566	25,278,566
2022	-	25,278,566	25,278,566
2023	-	25,278,566	25,278,566
2024	-	25,278,566	25,278,566
2025	31,598,208	25,278,566	56,876,774
2026	31,598,208	24,014,637	55,612,845
2027	31,598,208	22,750,709	54,348,917
2028	31,598,208	21,486,781	53,084,989
2029	31,598,208	20,222,853	51,821,061
2030	31,598,208	18,958,924	50,557,132
2031	31,598,208	17,694,996	49,293,204
2032	31,598,208	16,431,068	48,029,276
2033	31,598,208	15,167,139	46,765,347
2034	31,598,208	13,903,211	45,501,419
2035	31,598,208	18,958,924	50,557,132
2036	31,598,208	17,063,031	48,661,239
2037	31,598,208	15,167,139	46,765,347
2038	31,598,208	13,271,246	44,869,454
2039	31,598,208	11,375,354	42,973,562
2040	31,598,208	9,479,462	41,077,670
2041	31,598,208	7,583,569	39,181,777
2042	31,598,208	5,687,677	37,285,885
2043	31,598,208	3,791,784	35,389,992
2044	31,598,193	1,895,892	33,494,085
OUTSTANDING AT 7/1/2017:	\$ 631,964,145	\$ 477,132,922	\$ 1,109,097,067
PAID DURING FISCAL YEAR	-	-	-
OUTSTANDING AT 12/31/2017:	\$ 631,964,145	\$ 477,132,922	\$ 1,109,097,067

City of Detroit - LTGO C-Notes Debt Service Requirements

ISSUE NAME:	
ISSUE NAME(2):	
REPAYMENT	
SOURCE:	
PURPOSE:	
ORIGINAL PAR:	
DATED DATE:	
PRINCIPAL DUE:	
INTEREST DUE:	
INTEREST RATE:	
MATURITY DATE:	
INSURANCE:	
CALL PROVISIONS:	
Fiscal Year Ending June 30,	
2018	
2019	
2020	
2021	
2022	
2023	
2024	
2025	
2026	
2027	

Financial Recovery Bonds, Series 2014-C		
C-Notes (Taxable)		
Parking Revenues & Full faith and credit of the City		
Parking Revenues		
Financial Recovery		
\$88,430,021		
December 10, 2014		
Annual :June 30th		
Annual :June 30th		
5.00%		
December 10, 2026		
Noninsured		
None		
Principal	Interest	Total
\$6,295,250	\$3,446,707	\$9,741,957
6,610,012	3,367,142	9,977,154
6,940,513	3,036,642	9,977,155
7,287,539	2,689,616	9,977,155
7,651,916	2,325,239	9,977,155
8,034,511	1,942,643	9,977,154
8,436,237	1,540,918	9,977,155
8,858,049	1,119,106	9,977,155
9,300,951	676,203	9,977,154
4,223,116	93,847	4,316,963
\$ 73,638,094	\$ 20,238,063	\$ 93,876,157
6,295,250	79,565	6,374,815
\$ 67,342,844	\$ 20,158,498	\$ 87,501,342

OUTSTANDING AT 7/1/2017:
PAID DURING FISCAL YEAR
OUTSTANDING AT 12/31/2017:

NOTES:
 Final payment due December 10, 2026
 Source: 12/10/14 Disclosure Memorandum

City of Detroit - MTF Bonds - Debt Service Requirements

ISSUE NAME:	City of Detroit Transportation Project		
ISSUE NAME(2):	MTF Bonds		
REPAYMENT 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
2018	\$ -	\$ 8,925	\$ 8,925
2019	-	992,045	992,045
2020	-	2,600,792	2,600,792
2021	9,145,000	3,853,855	12,998,855
2022	9,345,000	3,653,654	12,998,654
2023	9,585,000	3,411,618	12,996,618
2024	9,840,000	3,153,782	12,993,782
2025	10,115,000	2,880,230	12,995,230
2026	10,430,000	2,567,676	12,997,676
2027	10,765,000	2,232,873	12,997,873
2028	11,115,000	1,881,934	12,996,934
2029	11,485,000	1,511,805	12,996,805
2030	11,875,000	1,124,760	12,999,760
2031	12,275,000	721,010	12,996,010
2032	8,525,000	297,523	8,822,523
OUTSTANDING AT ISSUANCE	\$ 124,500,000	\$ 30,892,479	\$ 155,392,479
PAID DURING FISCAL YEAR	-	-	-
OUTSTANDING AT 12/31/2017:	\$ 124,500,000	\$ 30,892,479	\$ 155,392,479

City of Detroit - HUD Notes Debt Service Requirements

ISSUE NAME:	Ferry St. Project			Mexicantown Welcome Center			Book Cadillac Project Note 2		
REPAYMENT SOURCE:	HUD 108 Note			HUD 108 Note			HUD 108 Note		
PURPOSE:	Section 108 Loan Guaranty Block Grant Funds			Section 108 Loan Guaranty Block Grant Funds			Section 108 Loan Guaranty Block Grant Funds		
ORIGINAL PAR:	New Money			New Money			New Money		
DATED DATE:	\$2,900,000			\$7,789,000			\$10,700,000		
PRINCIPAL DUE:	June 12, 2008			September 14, 2006			June 12, 2008		
INTEREST DUE:	Annual: August			Annual: August			Annual: August		
INTEREST RATE:	Semi Annual: August/February			Semi Annual: August/February			Semi Annual: August/February		
MATURITY DATE:	4.33% to 4.62%			5.09% to 5.70%			4.33% to 5.38%		
INSURANCE:	August 1, 2018			August 1, 2024			August 1, 2027		
CALL PROVISIONS:	Noninsured			Noninsured			Noninsured		
	None			None			None		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
Fiscal Year Ending June 30,									
2018	\$ -	\$ 9,356	\$ 9,356	\$ -	\$ 48,182	\$ 48,182	\$ -	\$ 113,649	\$ 113,649
2019	405,000	9,356	414,356	167,000	113,299	280,299	716,000	347,113	1,063,113
2020	-	-	-	270,000	98,948	368,948	716,000	313,139	1,029,139
2021	-	-	-	280,000	83,876	363,876	716,000	277,947	993,947
2022	-	-	-	280,000	68,364	348,364	716,000	242,111	958,111
2023	-	-	-	350,000	50,731	400,731	716,000	205,667	921,667
2024	-	-	-	360,000	11,784	371,784	716,000	168,721	884,721
2025	-	-	-	28,000	798	28,798	175,000	31,523	206,523
2026	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-
OUTSTANDING AT ISSUANCE	\$ 405,000	\$ 18,712	\$ 423,712	\$ 1,735,000	\$ 475,982	\$ 2,210,982	\$ 4,471,000	\$ 1,699,870	\$ 6,170,870
PAID DURING FISCAL YEAR	-	-	-	-	-	-	-	-	-
OUTSTANDING AT 12/31/2017:	\$ 405,000	\$ 18,712	\$ 423,712	\$ 1,735,000	\$ 475,982	\$ 2,210,982	\$ 4,471,000	\$ 1,699,870	\$ 6,170,870

City of Detroit - HUD Notes Debt Service Requirements

ISSUE NAME:
REPAYMENT SOURCE:
PURPOSE:
ORIGINAL PAR:
DATED DATE:
PRINCIPAL DUE:
INTEREST DUE:
INTEREST RATE:
MATURITY DATE:
INSURANCE:
CALL PROVISIONS:
Fiscal Year Ending June 30,
2018
2019
2020
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2032

Garfield II Project Note 1		
HUD 108 Note		
Section 108 Loan Guaranty Block Grant Funds		
New Money		
\$6,522,000		
June 12, 2008		
Annual: August		
Semi Annual: August/February		
4.33% to 5.30%		
August 1, 2025		
Noninsured		
None		
Principal	Interest	Total
\$ -	\$ 140,603	\$ 140,603
440,000	271,041	711,041
480,000	249,189	729,189
520,000	224,605	744,605
620,000	196,054	816,054
720,000	161,931	881,931
780,000	123,222	903,222
950,000	78,044	1,028,044
1,002,000	26,553	1,028,553
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
\$ 5,512,000	\$ 1,471,241	\$ 6,983,241
-	-	-
\$ 5,512,000	\$ 1,471,241	\$ 6,983,241

Garfield II Project Note 2		
HUD 108 Note		
Section 108 Loan Guaranty Block Grant Funds		
New Money		
\$2,058,000		
September 14, 2006		
Annual: August		
Semi Annual: August/February		
5.09% to 5.77%		
August 1, 2026		
Noninsured		
None		
Principal	Interest	Total
\$ -	\$ 49,742	\$ 49,742
100,000	96,794	196,794
110,000	91,106	201,106
120,000	84,803	204,803
130,000	77,876	207,876
140,000	70,322	210,322
150,000	62,143	212,143
240,000	51,058	291,058
320,000	35,034	355,034
448,000	12,925	460,925
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
\$ 1,758,000	\$ 631,800	\$ 2,389,800
-	-	-
\$ 1,758,000	\$ 631,800	\$ 2,389,800

Garfield II Project Note 3		
HUD 108 Note		
Section 108 Loan Guaranty Block Grant Funds		
New Money		
\$1,393,000		
May 28, 2015 (Refunding)		
Annual: August		
Semi Annual: August/February		
.28% to 3.35%		
August 1, 2029		
Noninsured		
None		
Principal	Interest	Total
\$ -	\$ 14,999	\$ 14,999
90,000	29,400	119,400
90,000	27,955	117,955
95,000	26,169	121,169
95,000	24,112	119,112
100,000	21,771	121,771
100,000	19,146	119,146
100,000	16,321	116,321
100,000	13,421	113,421
100,000	10,396	110,396
100,000	7,271	107,271
100,000	4,071	104,071
73,000	1,223	74,223
-	-	-
-	-	-
\$ 1,143,000	\$ 216,255	\$ 1,359,255
-	-	-
\$ 1,143,000	\$ 216,255	\$ 1,359,255

City of Detroit - HUD Notes Debt Service Requirements

ISSUE NAME:
REPAYMENT SOURCE:
PURPOSE:
ORIGINAL PAR:
DATED DATE:
PRINCIPAL DUE:
INTEREST DUE:
INTEREST RATE:
MATURITY DATE:
INSURANCE:
CALL PROVISIONS:
Fiscal Year Ending June 30,
2018
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2030
2031
2032

Garfield II Project Note 4		
HUD 108 Note		
Section 108 Loan Guaranty		
Block Grant Funds		
New Money		
\$6,697,000		
May 28, 2015 (Refunding)		
Annual: August		
Semi Annual: August/February		
.93% to 3.35%		
August 1, 2029		
Noninsured		
None		
Principal	Interest	Total
\$ -	\$ 98,802	\$ 98,802
160,000	196,541	356,541
184,000	193,747	377,747
190,000	190,137	380,137
200,000	185,906	385,906
220,000	180,861	400,861
230,000	174,946	404,946
260,000	168,021	428,021
400,000	158,416	558,416
600,000	143,216	743,216
900,000	119,741	1,019,741
1,400,000	82,816	1,482,816
1,793,000	30,033	1,823,033
-	-	-
-	-	-
\$ 6,537,000	\$ 1,923,178	\$ 8,460,178
160,000	98,802	258,802
\$ 6,377,000	\$ 1,824,376	\$ 8,201,376

Fort Shelby Project		
HUD 108 Note		
Section 108 Loan Guaranty		
Block Grant Funds		
New Money		
\$18,700,000		
June 12, 2008		
Annual: August		
Semi Annual: August/February		
4.33% to 5.34%		
August 1, 2026		
Noninsured		
None		
Principal	Interest	Total
\$ -	\$ 351,362	\$ 351,362
1,250,000	673,850	1,923,850
1,250,000	614,538	1,864,538
1,250,000	553,100	1,803,100
1,500,000	484,225	1,984,225
1,500,000	407,875	1,907,875
1,500,000	330,475	1,830,475
1,500,000	252,175	1,752,175
2,000,000	159,800	2,159,800
2,000,000	53,400	2,053,400
-	-	-
-	-	-
-	-	-
-	-	-
\$ 13,750,000	\$ 3,880,800	\$ 17,630,800
-	-	-
\$ 13,750,000	\$ 3,880,800	\$ 17,630,800

Woodward Garden Project 1		
HUD 108 Note		
Section 108 Loan Guaranty		
Block Grant Funds		
New Money		
\$7,050,000		
June 12, 2008		
Annual: August		
Semi Annual: August/February		
4.48% to 5.05%		
August 1, 2021		
Noninsured		
None		
Principal	Interest	Total
\$ -	\$ 94,360	\$ 94,360
1,150,000	162,155	1,312,155
1,200,000	106,370	1,306,370
1,250,000	46,150	1,296,150
300,000	7,575	307,575
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
\$ 3,900,000	\$ 416,610	\$ 4,316,610
-	-	-
\$ 3,900,000	\$ 416,610	\$ 4,316,610

City of Detroit - HUD Notes Debt Service Requirements

ISSUE NAME:
REPAYMENT SOURCE:
PURPOSE:
ORIGINAL PAR:
DATED DATE:
PRINCIPAL DUE:
INTEREST DUE:
INTEREST RATE:
MATURITY DATE:
INSURANCE:
CALL PROVISIONS:
Fiscal Year Ending June 30,
2018
2019
2020
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2032

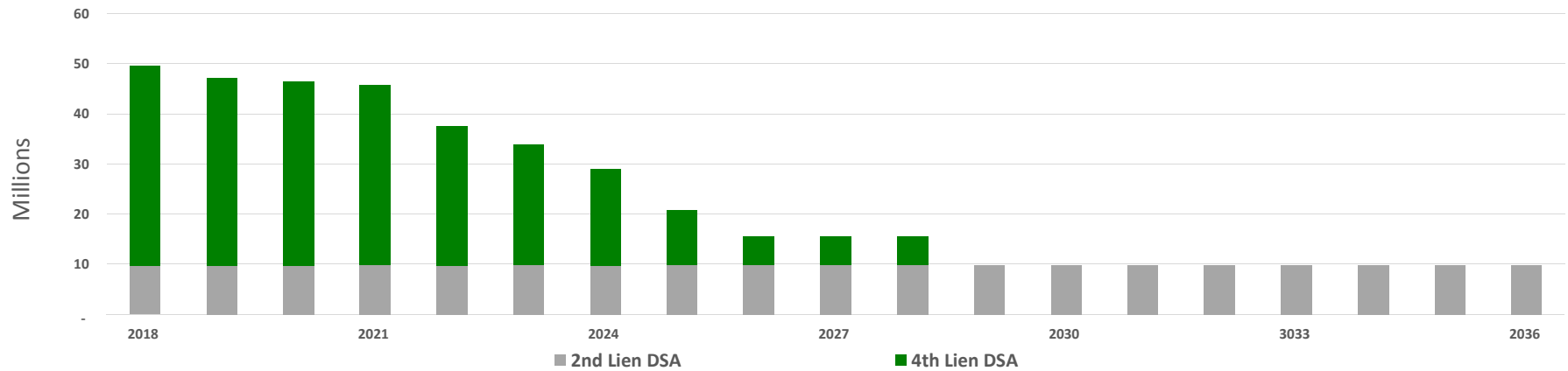
Woodward Garden Project 2		
HUD 108 Note		
Section 108 Loan Guaranty		
Block Grant Funds		
New Money		
\$6,197,000		
June 12, 2008		
Annual: August		
Semi Annual: August/February		
2.66% to 4.35%		
August 1, 2028		
Noninsured		
None		
Principal	Interest	Total
\$ -	\$ 126,674	\$ 126,674
106,000	251,694	357,694
120,000	248,060	368,060
148,000	243,542	391,542
170,000	237,833	407,833
200,000	230,833	430,833
300,000	221,108	521,108
400,000	207,153	607,153
650,000	185,670	835,670
1,100,000	149,093	1,249,093
1,360,000	96,834	1,456,834
1,557,000	33,865	1,590,865
-	-	-
-	-	-
-	-	-
\$ 6,111,000	\$ 2,232,355	\$ 8,343,355
-	-	-
\$ 6,111,000	\$ 2,232,355	\$ 8,343,355

Woodward Garden Project 3		
HUD 108 Note		
Section 108 Loan Guaranty		
Block Grant Funds		
New Money		
\$5,753,000		
May 28, 2015 (Refunding)		
Annual: August		
Semi Annual: August/February		
.83% to 3.55%		
August 1, 2031		
Noninsured		
None		
Principal	Interest	Total
\$ -	\$ 75,406	\$ 75,406
267,000	149,036	416,036
281,000	144,619	425,619
295,000	139,057	434,057
310,000	132,494	442,494
325,000	124,870	449,870
342,000	116,101	458,101
359,000	106,197	465,197
377,000	95,521	472,521
396,000	83,822	479,822
417,000	71,116	488,116
438,000	57,431	495,431
460,000	42,609	502,609
483,000	26,451	509,451
507,000	8,999	515,999
\$ 5,257,000	\$ 1,373,729	\$ 6,630,729
-	-	-
\$ 5,257,000	\$ 1,373,729	\$ 6,630,729

ALL		
Principal	Interest	Total
\$ -	\$ 1,123,133	\$ 1,123,133
4,851,000	2,300,278	7,151,278
4,701,000	2,087,670	6,788,670
4,864,000	1,869,385	6,733,385
4,321,000	1,656,550	5,977,550
4,271,000	1,454,860	5,725,860
4,478,000	1,227,645	5,705,645
4,012,000	911,288	4,923,288
4,849,000	674,414	5,523,414
4,644,000	452,851	5,096,851
2,777,000	294,961	3,071,961
3,495,000	178,182	3,673,182
2,326,000	73,865	2,399,865
483,000	26,451	509,451
507,000	8,999	515,999
\$ 50,579,000	\$ 14,340,531	\$ 64,919,531
160,000	98,802	258,802
\$ 50,419,000	\$ 14,241,729	\$ 64,660,729

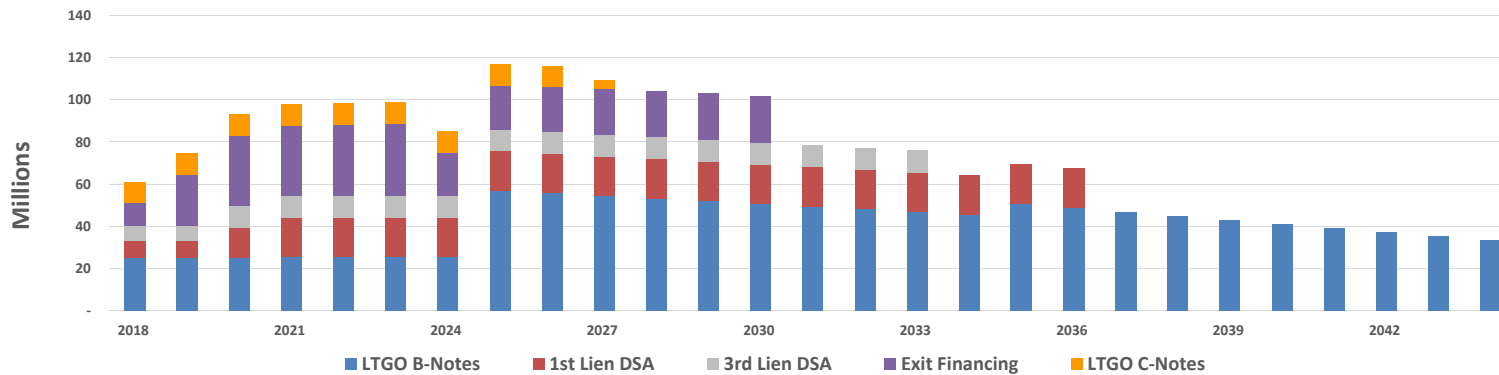
City of Detroit - UTGO Debt Service Requirements

Fiscal Year Ending June 30	2nd Lien DSA	4th Lien DSA	UTGO Obligations
2018	9,828,302	39,824,410	49,652,712
2019	9,826,251	37,374,751	47,201,002
2020	9,827,630	36,665,687	46,493,317
2021	9,825,710	35,919,553	45,745,263
2022	9,824,594	27,770,871	37,595,465
2023	9,828,024	23,944,817	33,772,841
2024	9,828,621	19,200,507	29,029,128
2025	9,826,919	10,881,531	20,708,450
2026	9,828,854	5,631,115	15,459,969
2027	9,827,125	5,629,409	15,456,534
2028	9,824,431	5,625,885	15,450,316
2029	9,827,843	-	9,827,843
2030	9,824,431	-	9,824,431
2031	9,826,057	-	9,826,057
3032	9,828,955	-	9,828,955
3033	9,824,568	-	9,824,568
2034	9,823,921	-	9,823,921
2035	9,827,202	-	9,827,202
2036	9,824,598	-	9,824,598
Total	\$ 186,704,038	\$ 248,468,536	\$ 435,172,574



City of Detroit - LTGO Debt Service Requirements

Fiscal Year Ending June 30	LTGO <u>B-Notes</u>	1st Lien <u>DSA</u>	3rd Lien <u>DSA</u>	Exit <u>Financing</u>	LTGO <u>C-Notes</u>	LTGO <u>Obligations</u>
2018	25,278,566	7,745,446	7,325,368	10,903,756	9,741,957	60,995,093
2019	25,278,566	7,745,446	7,319,672	24,019,981	9,977,154	74,340,819
2020	25,278,566	14,063,446	10,357,207	33,348,291	9,977,155	93,024,665
2021	25,278,566	18,848,446	10,366,451	33,588,526	9,977,155	98,059,144
2022	25,278,566	18,847,724	10,357,882	33,869,706	9,977,155	98,331,033
2023	25,278,566	18,846,043	10,359,353	34,153,921	9,977,154	98,615,037
2024	25,278,566	18,845,364	10,362,671	20,692,216	9,977,155	85,155,971
2025	56,876,774	18,845,619	10,358,538	20,978,625	9,977,155	117,036,710
2026	55,612,845	18,848,638	10,359,754	21,224,913	9,977,154	116,023,304
2027	54,348,917	18,849,182	10,357,267	21,445,938	4,316,963	109,318,267
2028	53,084,989	18,843,853	10,359,475	21,684,600	-	103,972,917
2029	51,821,061	18,841,613	10,362,120	21,933,088	-	102,957,881
2030	50,557,132	18,843,889	10,358,303	22,198,475	-	101,957,799
2031	49,293,204	18,845,109	10,362,573	-	-	78,500,886
2032	48,029,276	18,844,784	10,359,478	-	-	77,233,538
2033	46,765,347	18,844,922	10,358,659	-	-	75,968,928
2034	45,501,419	18,847,981	-	-	-	64,349,400
2035	50,557,132	18,843,903	-	-	-	69,401,035
2036	48,661,239	18,515,000	-	-	-	67,176,239
2037	46,765,347	-	-	-	-	46,765,347
2038	44,869,454	-	-	-	-	44,869,454
2039	42,973,562	-	-	-	-	42,973,562
2040	41,077,670	-	-	-	-	41,077,670
2041	39,181,777	-	-	-	-	39,181,777
2042	37,285,885	-	-	-	-	37,285,885
2043	35,389,992	-	-	-	-	35,389,992
2044	33,494,085	-	-	-	-	33,494,085
Total	\$ 1,109,097,067	\$ 330,756,408	\$ 159,684,771	\$ 320,042,036	\$ 93,876,156	\$ 2,013,456,438





STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

CITY RESOLUTION 2018-5

APPROVING THE CITY'S FEBRUARY 2018 CONTRACT 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 6(6) of the Act provides that during the period of oversight, the Commission review and approve the City's applicable contracts, as defined by Section 3(a) of the Act, and that an applicable contract does not take effect unless approved by the Commission; and

WHEREAS, at the Commission meeting on February 26, 2018 the City presented applicable contracts, attached as **Exhibit A** to this Resolution, for the Commission's review and approval.

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

1. That the City's February 2018, contract requests, attached as **Exhibit A** to this Resolution but excluding any contracts 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.

CITY OF DETROIT CONTRACT SUBMISSION TO FINANCIAL REVIEW COMMISSION
THE FOLLOWING CONTRACTS ARE BEING SENT TO THE FRC FOR REVIEW AND APPROVAL PURSUANT TO
SECTION 6, SUBSECTION 6 OF THE MICHIGAN FINANCIAL REVIEW COMMISSION ACT
For February 26, 2018

Prepared By: Boysie Jackson, Chief Procurement Officer

City Council and Water Board Approvals Through February 20, 2018

	Department	Contract Number	Description	Contract Request Type	Competitively Bid? If not a New contract, was the original contract competitively bid?	Highest Ranked or Lowest Bid? If not a New contract, was the original contract the lowest bid?	BOWC or City Council Approval Date	Office of the Chief Financial Officer Approval Date	Comments
CONTRACTS GREATER THAN \$750K (Yes = Lowest Bid Unless Specified)									
1	PUBLIC WORKS	6001138	Contract Amount: \$6,000,000.00 Contract Period: Upon City Council Approval through February 28, 2023 Source: 100% Street Funding Purpose: To Provide Program Management Services to Capital Projects Contractor: WSP Michigan, Inc. Location: 500 Griswold Street, Suite 2600, Detroit, MI 48226	New	Yes	Highest Ranked	2/20/2018	2/26/2018	Program Management Consultant to Provide Project Management, Design and Construction Support For Street Improvements, Including Sidewalks and New Construction.
2	PUBLIC WORKS	6001188	Contract Amount: \$6,000,000.00 Contract Period: Upon City Council Approval through February 28, 2023 Source: 100% Street Funding Purpose: To Provide Program Management Services to Capital Projects Contractor: Fishbeck, Thompson, Carr and Huber Location: 1515 Arboretum Drive SE, Grand Rapids, MI 49546	New	Yes	Highest Ranked	2/20/2018	2/26/2018	Second of Two Program Management Consultant Contracts.
3	PUBLIC WORKS	6000672	Contract Amount: \$4,411,175.03 Contract Period: Upon City Council Approval through December 31, 2019 Source: 100% Street Funding Purpose: To Provide Bituminous Surface Removal and Miscellaneous Construction (Milling) Contractor: Giorgi Concrete, LLC / Major Cement (A Joint Venture) Location: 20450 Sherwood St., Detroit, MI 48234	Amendment	Yes	Yes	2/6/2018	2/26/2018	Contract to Add Additional Sidewalk Repair Work Near Ramps throughout the City.
4	DoIT	6001120	Contract Amount: \$2,250,000.00 Contract Period: Upon City Council Approval through January 1, 2020 Source: 100% City Funding Purpose: To Provide City-Wide Hardware and Software Equipment and Services Contractor: SEHI Computer Products, Inc. Location: 2930 Bond St., Rochester Hills, MI 48309	New	Yes	Highest Ranked	2/13/2018	2/26/2018	1 of 4 Vendors Selected to Provide IT Software and Equipment throughout the City.
5	DoIT	6001135	Contract Amount: \$2,250,000.00 Contract Period: February 27, 2018 through January 1, 2021 Source: 100% City Funding Purpose: To Provide Computer Hardware and Software Contractor: Security Solution Service Location: 22811 Greater Mack Ave., Suite 203, St. Clair Shores, MI 48080	New	Yes	Highest Ranked	2/6/2018	2/26/2018	1 of 4 Vendors Selected to Provide IT Software and Equipment throughout the City.
6	GENERAL SERVICES	6000740	Contract Amount: \$1,575,018.00 Contract Period: 2/1/18 through 6/30/22 Source: 100% City Funding Purpose: To Provide Citywide Janitorial Services Contractor: Kristel Group, Inc. Location: 136 S. Rochester Road, Clawson, MI 48017	Amendment	Yes	Yes	1/30/2018	2/26/2018	Contract Adds the Public Safety Headquarters and Health Department Clinics on Kercheval and E. Seven Mile Road.

	Department	Contract Number	Description	Contract Request Type	Competitively Bid? If not a New contract, was the original contract competitively bid?	Highest Ranked or Lowest Bid? If not a New contract, was the original contract the lowest bid?	BOWC or City Council Approval Date	Office of the Chief Financial Officer Approval Date	Comments
7	PUBLIC WORKS	6001130	Contract Amount: \$1,420,055.00 Contract Period: February 27, 2018 through August 31, 2018 Source: 100% Street Funding Purpose: To Provide Salt, Bulk Salt for 2017/2018 Season Contractor: Detroit Salt Company Location: 12841 Sanders Street, Detroit, MI 48217	New	Use of State's MiDeal Contract	Use of State's MiDeal Contract	2/6/2018	2/26/2018	Annual Salt Contract With State of Michigan.
8	PUBLIC WORKS	6000621	Contract Amount: \$1,134,859.53 Contract Period: Upon City Council Approval through April 30, 2018 Source: 100% Street Funding Purpose: To Provide Manufactured and Delivered Bituminous Aggregate Paving Materials Contractor: Cadillac Asphalt LLC Location: 2575 S. Haggerty Road, Suite 100, Canton, MI 48188	Amendment	Yes	Yes	2/6/2018	2/26/2018	Contract To Add Additional Paving Materials and Resurfacing To City Streets.
9	FIRE	3020142	Contract Amount: \$1,108,800.00 Contract Period: Upon City Council Approval through January 31, 2020 Source: 100% City Funding Purpose: To Provide Fire Fighting Protective Turnout Gear for the Detroit Fire Department Contractor: Apollo Fire Equipment Company Location: 12584 Lakeshore Drive, Romeo, MI 48065	New	Yes	Yes	2/6/2018	2/26/2018	Contract Includes Personal Protection Gear for Firefighters - Hoods, Gloves, Boots, Gear, etc...
10	HOUSING AND REVITALIZATION	3019857	Contract Amount: \$1,065,000.00 Contract Period: Upon City Council Approval through July 31, 2018 Source: 100% City Funding Purpose: To Provide Commercial Demolition at the following (7) Properties: 12115 Dexter, 12141 Dexter, 12814 Linwood, 12822 Linwood, 5200 Chicago, 5260 Chicago, and 840 Dragoon Contractor: Den-Man Contractors Inc. Location: 14700 Barber Ave., Warren, MI 48088	New	Yes	Yes	2/13/2018	2/26/2018	Work Includes Backfill, Topfill, Grading, Seeding and Site Finishing Along With Asbestos and Hazardous Material Removal.
11	PUBLIC WORKS	3019504	Contract Amount: \$1,030,673.50 Contract Period: One Time Purchase Source: 100% Solid Waste Management Fund Purpose: To Provide Five (5) 3-Wheel Mechanical Street Sweeper for Solid Waste Russell Ferry Contractor: Bell Equipment Company Location: 78 Northpointe Drive, Lake Orion, MI 48359	New	Use of State's MiDeal Contract	Use of State's MiDeal Contract	2/20/2018	2/26/2018	
12	TRANSPORTATION	6001006	Contract Amount: \$900,000 Contract Period: February 9, 2018 through February 8, 2020 Source: 100% Federal Funding Purpose: To Provide Body Repair for DDOT Coaches Involved in Accidents Contractor: New Flyer of America Location: 106 National Drive, Anniston, AL 36207	New	Yes	Yes	2/13/2018	2/26/2018	Second of Two Contracts For Bus Repair. FRC Approved First Contract In January.

	Department	Contract Number	Description	Contract Request Type	Competitively Bid? If not a New contract, was the original contract competitively bid?	Highest Ranked or Lowest Bid? If not a New contract, was the original contract the lowest bid?	BOWC or City Council Approval Date	Office of the Chief Financial Officer Approval Date	Comments
13	HUMAN RESOURCES	6001149	Contract Amount: \$808,940.00 Contract Period: Upon City Council Approval through December 31, 2018 Source: 100% City Funding (Employee Benefit Fund) Purpose: To Provide Employee Benefit Services and Online Eligibility and Enrollment Systems Service Contractor: Benefit Express Services, LLC Location: 1700 E. Gold Road, Suite 1000, Schaumburg, IL 60173	New	No	No	1/30/2018	2/26/2018	Emergency Manager Approved Contract with MMSA in 2013. Benefits Express was chosen by MMSA to perform work. MMSA Opted Not To Continue Providing Benefit Coverage, Wherein The City Chose Sub-contractor to Insure Open Enrollment Period was Covered.

CONTRACTS GREATER THAN 2 YEARS

14	DoIT	6001090	Contract Amount: \$700,000.00 Contract Period: Upon City Council Approval through December 31, 2020 Source: 100% City Funding Purpose: To Provide City-Wide Copiers and Printers. Contractor: Canon Solutions America, Inc. Location: 15004 Collections Center Drive, Chicago, IL 60693	New	Use of National Intergovernmental Purchasing Alliance Cooperative	Use of National Intergovernmental Purchasing Alliance Cooperative	2/20/2018	2/26/2018	
15	GENERAL SERVICES	6001140	Contract Amount: \$301,045.50 Contract Period: Upon city Council Approval through December 18, 2020 Source: 100% City Funding Purpose: To Furnish Motorcycle Fleet Upfitting Services to Include Upfitting of Information Technology, Software Systems, Aftermarket Customization, Warranties and Ancillary Services. Contractor: Canfield Equipment Service Co., Inc. Location: 48545 Grand River Ave., Novi, MI 48374	New	Yes	Highest Ranked	1/23/2018	2/26/2018	Company To Dedicate Technicians to the Project and will Acquire Any Required Hardware and Mounting Materials.
16	AIRPORT	6001242	Contract Amount: \$391,000 Contract Period: Upon City Council Approval through September 25, 2020 Source: 100% City Funding (Bond Fund) Purpose: To Provide Capital Facility Improvements of the Runway at Coleman A. Young International Airport Contractor: Detroit Building Authority Location: 1301 Third St., Suite 328, Detroit, MI 48226	New	Intergovernmental Agreement	Yes	2/20/2018	2/26/2018	
17	RECREATION	6001212	Contract Amount: \$77,757.48 Contract Period: Upon City Council Approval through January 29, 2021 Source: 100% City Funding Purpose: To Provide Sodium Hypochlorite - Pool Chemicals Contractor: PVS Nolwood Location: 10900 Harper Ave., Detroit, MI 48213	New	Yes	Yes	1/23/2018	2/26/2018	Contract To Purchase Over 28K Gallons of Swimming Pool Chemicals Over (3) Years.
18	RECREATION	6001213	Contract Amount: \$17,280.00 Contract Period: January 30, 2018 through January 29, 2021 Source: 100% City Funding Purpose: To Provide Bulk Liquid Cleach Chlorine Contractor: PVS Nolwood Location: 10900 Harper Ave., Detroit, MI 48213	New	Yes	Yes	1/23/2018	2/26/2018	Contract To Purchase 9K Gallons of Chlorine For Brennan Pool In Rouge Park over (3) Years.

	Department	Contract Number	Description	Contract Request Type	Competitively Bid? If not a New contract, was the original contract competitively bid?	Highest Ranked or Lowest Bid? If not a New contract, was the original contract the lowest bid?	BOWC or City Council Approval Date	Office of the Chief Financial Officer Approval Date	Comments
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PREVIOUS CONTRACTS WITH 1 ENTITY, WITHIN 1 YEAR, GREATER THAN \$750K

19	TRANSPORTATION	6001071	Contract Amount: \$476,935.00 Contract Period: Upon City Council Approval through October 19, 2018 Source: 100% City Funding Purpose: To Provide Pickup/Delivery Armored Car Services Contractor: Total Armored Car Service, Inc. Location: 2950 Rosa Park Blvd., Detroit, MI 48216	New	Yes	Yes	2/6/2018	2/26/2018	
20	PUBLIC WORKS	6001267	Contract Amount: \$466,800.00 Contract Period: Upon City Council Approval through February 6, 2019 Source: 100% Street Funding Purpose: To Provide Delivery of Cold Patch Asphalt Material Contractor: Cadillac Asphalt LLC Location: 2575 S. Haggerty Road, Suite 100, Canton, MI 48188	New	Yes	Yes	2/20/2018	2/26/2018	
21	FIRE	6001186	Contract Amount: \$346,393.76 Contract Period: One Time Purchase Source: 100% Quality of Life Funding Purpose: To Provide (73) Mobile Radios for the Detroit Fire Department Contractor: Motorola Solutions Inc. Location: 2465 Riverside Drive, #308, Trenton, MI 48182	New	Use of State's MiDeal Contract	Use of State's MiDeal Contract	2/6/2018	2/26/2018	
22	PUBLIC WORKS	6000617	Contract Amount: \$274,353.34 Contract Period: Upon City Council Approval through March 31, 2018 Source: 100% Street Funding Purpose: To Provide Liquid Emulsified Asphalt For Paving Streets Contractor: Cadillac Asphalt LLC Location: 2575 S. Haggerty Road, Suite 100, Canton, MI 48188	Amendment	Yes	Yes	2/6/2018	2/26/2018	Contract for city crews to apply Asphalt directly to city roads. Higher usage than planned.
23	HOUSING AND REVITALIZATION	3017599	Contract Amount: \$274,700.00 Contract Period: Upon City Council approval to 4/27/18 Source: 100% City Funding Purpose: To Provide Emergency Demolition to the following locations: 2722 Richton and 2740 Richton Contractor: Adamo Demolition Company Location: 320 East Seven Mile Road, Detroit, MI 48203	New	Yes	Yes	1/30/2018	2/26/2018	
24	TRANSPORTATION	6001216	Contract Amount: \$110,000.00 Contract Period: Upon City Council Approval through October 31, 2019 Source: 100% Transportation Operation Fund Purpose: To Provide Uniforms for the Department of Transportation Contractor: Enterprise Uniform Location: 2862 East Grad Blvd., Detroit, MI 59202	New	Yes	Yes	2/6/2018	2/26/2018	
25	HOUSING AND REVITALIZATION	3019229	Contract Amount: \$81,770 Contract Period: Upon City Council Approval through 11/20/18 Source: 100% City Funding Purpose: To Provide Emergency Demolition to the following locations: 3697-99 Medbury, 6336 Charlevoix, 7042 Frederick, and 7024 Frederick Contractor: Den-Man Contractors Location: 14700 Barber Ave., Warren, MI 48088	New	Yes	Yes	1/30/2018	2/26/2018	

	Department	Contract Number	Description	Contract Request Type	Competitively Bid? If not a New contract, was the original contract competitively bid?	Highest Ranked or Lowest Bid? If not a New contract, was the original contract the lowest bid?	BOWC or City Council Approval Date	Office of the Chief Financial Officer Approval Date	Comments
26	FIRE	3019841	Contract Amount: \$67,318.00 Contract Period: December 14, 2017 through January 14, 2019 Source: 100% Federal Funding Purpose: To Provide Night Imaging System for DPD Fire Boat Contractor: R & R Fire Truck Repair, Inc. Location: 751 Doheny, Northville, MI 48167	New	Yes	Yes	1/23/2018	2/26/2018	
27	GENERAL SERVICES	6000774	Contract Amount: \$62,699.00 Contract Period: Upon City Council Approval through June 25, 2019 Source: 100% City Funding Purpose: To Provide Additional Renovation Service to the City of Detroit, Department of Human Resources 3rd Floor Office Suite to Include a Retractable Wall, Additional Chairs and Cubicles Contractor: Cross Renovation Location: 34133 Schoolcraft Rd., Livonia, MI 48150	Amendment	Yes	Yes	1/30/2018	2/26/2018	
28	FIRE	6001225	Contract Amount: \$59,058.64 Contract Period: Upon City Council Approval through January 12, 2019 Source: 100% City Funding Purpose: To Provide Digital Fire Extinguisher Training System for Community Relations Contractor: Bullex Inc. Location: 30 Corporate Circle, Albany, NY 12203	New	Yes	Yes	1/30/2018	2/26/2018	
29	POLICE	6001226	Contract Amount: \$56,475.25 Contract Period: One Time Purchase Source: 100% Federal Funding Purpose: To Provide HP Server Contractor: Civitas IT LLC Location: 625 Kenmoor Ave., SE, Suite 301, Grand Rapids, MI 49546	New	Yes	Yes	2/6/2018	2/26/2018	
30	PUBLIC WORKS	2913189	Contract Amount: \$55,142.40 Contract Period: Upon City Council Approval through December 31, 2018 Source: 100% Street Funding Purpose: To Provide Resurfacing and Miscellaneous Construction on W. Grand Blvd and W. Vernor Contractor: Fort Wayne Contracting, Inc. / Ajax Paving Industries, Inc. (A Joint Venture) Location: 12584 Lakeshore Drive, Romeo, MI 48065	Amendment	Yes	Yes	2/6/2018	2/26/2018	Increase in work due to underground construction activities exceeding original estimated quantities.
31	HOUSING AND REVITALIZATION	3019456	Contract Amount: \$31,672 Contract Period: Upon City Council Approval through April 30, 2018 Source: 100% City Funding Purpose: To Provide Emergency Demolition for 7032 Frederick and 7036 Frederick Contractor: Den-Man Contractors Location: 14700 Barber Ave., Warren, MI 48088	New	Yes	Yes	2/13/2018	2/26/2018	
32	TRANSPORTATION	6001131	Contract Amount: \$24,968.00 Contract Period: February 27, 2018 through August 31, 2018 Source: 100% Transportation Operation Fund Purpose: To Provide Salt, Bulk Salt for 2017/2018 Season for Transportation Department Contractor: Detroit Salt Company Location: 12841 Sanders Street, Detroit, MI 48217	New	Use of State's MiDeal Contract	Use of State's MiDeal Contract	2/13/2018	2/26/2018	

	Department	Contract Number	Description	Contract Request Type	Competitively Bid? If not a New contract, was the original contract competitively bid?	Highest Ranked or Lowest Bid? If not a New contract, was the original contract the lowest bid?	BOWC or City Council Approval Date	Office of the Chief Financial Officer Approval Date	Comments
33	HOUSING AND REVITALIZATION	3019228	Contract Amount: \$24,750.00 Contract Period: One Time Purchase Source: 100% City Funding Purpose: To Provide Emergency Demolition at 4958 Ivanhoe Contractor: Homrich Wrecking Inc. Location: Cadillac Tower, 65 Cadillac Square, Suite 2701, Detroit, MI 48226	New	Yes	Yes	2/13/2018	2/26/2018	
34	HOUSING AND REVITALIZATION	3019763	Contract Amount: \$13,622.73 Contract Period: Upon City Council Approval through February 6, 2019 Source: 100% City Funding Purpose: To Provide Additional Asbestos Removal at the Following Address: 12703 Payton, 1193 W. Grand Blvd., and 15403 Patton Contractor: Adamo Demolition Company Location: 320 E. Seven Mile Rd., Detroit, MI 48203	New	Yes	Yes	2/13/2018	2/26/2018	



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DATE: February 22, 2017
TO: Financial Review Commission Members
FROM: Kevin Kubacki, Executive Director – City of Detroit FRC

SUBJECT: Contract Summary - February 2018 City of Detroit FRC Meeting

The City has submitted 34 contracts for review/approval at the February 26, 2018 commission meeting. These contracts have been vetted by the FRC Advisory Subcommittee on Contracts and Procurement. Additionally, all of these contracts have been approved by the Office of the Chief Financial Officer, and where required, City Council. Each contract is summarized below:

Contract 1 – New Contract for Program Management Services to Capital Projects

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
WSP Michigan, Inc.	New	2/20/2018	\$6,000,000	Yes	Highest Ranked	Street Fund

This contract is subject to FRC review because it exceeds the statutory threshold of \$750,000 and because the terms exceed two years. This contract provides for program management consulting services for 23 road reconstruction efforts over the next five years. This contract was competitively bid and six vendors responded. The RFP will be reward to the two highest ranked vendors. The decision to select the highest ranked vendors was made based on the firms' capabilities and capacity. During the call, it was noted that total administrative costs for the 23 road reconstruction projects was determined to be \$12 million. This reflects 15% of the anticipated administrative costs for all 23 projects. It was also noted that the decision to use 15% was made based on historical project management costs of similar nature. Total costs of the 23 projects is anticipated to be \$80 million. The firm being recommended for approval will receive half of the 7.5% administrative cost. Please see contract #2 for the second vendor's contract recommendation.

Contract 2 – New Contract for Program Management Services to Capital Projects

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Fishbeck, Thompson, Carr and Huber	New	2/20/2018	\$ 6,000,000	Yes	Highest Ranked	Street Fund

This contract is subject to FRC review because it exceeds the statutory threshold of \$750,000 and because the terms exceed two years. This contract provides for program management consulting services for 23 road reconstruction efforts over the next five years. This contract was competitively bid and six vendors responded. The RFP will be reward to the two highest ranked vendors. The decision to select the highest ranked vendors was made based on the firms' capabilities and capacity. During the call, it was noted that total administrative costs for the 23 road reconstruction projects was determined to be \$12 million. This reflects 15% of the anticipated administrative costs for all 23 projects. It was also noted that the decision to use 15% was made based on historical project management costs of similar nature. Total costs of the 23 projects is anticipated to be \$80 million. The firm being recommended for approval will receive half of the 7.5% administrative cost. Please see contract #1 for the other vendor's contract recommendation.

Contract 3 – Contract Amendment for Bituminous Surface Removal and Miscellaneous Construction

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Giorgi Concrete, LLC / Major Cement (A Joint Venture)	Amendment	2/6/18	\$4,411,175 Increase; \$13,053,613 Total Value	Yes	Yes	Street Fund

This contract Amendment is subject to FRC review because it exceeds the statutory threshold of \$750,000. This contract provides for street and sidewalk surface removal and repaving throughout the City. This amendment increases the cost of the contract by \$4,411,175 for an increase in additional scope. The additional scope is the result of the Mayor's initiative to replace all damaged sidewalks within the City. Historically, only damaged sidewalks as a result of City trees were replaced. It was noted on the subcommittee call that work associated with the amendment had already been completed. The City noted it did evaluate the pricing of additional scope and found it to be appropriate. Further, the City felt that it would incur significant time delays as a result of waiting on the FRC's approval to move forward.

Contract 4 – New Contract for City-Wide Hardware and Software Equipment and Services

Contractor	Nature of Contract	BOWC Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
SEHI Computer Products, Inc.	New	2/13/2018	\$2,250,000	Yes	Highest Rank	General Fund

This contract is subject to FRC review because it exceeds the statutory threshold of \$750,000 and because the terms exceed two years. This contract provides for the purchase of laptops and other various computer related accessories. This contract was competitively bid and seven vendors responded. The RFP will be awarded to four vendors in total. The contract being presented is the third of the four vendors. The FRC approved two of the vendors recommend under this RFP at the January meeting.

Contract 5 – New Contract for Computer Hardware, Software, Equipment, and Services

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Security Solution Service	New	2/6/2018	\$2,250,000	Yes	Highest Rank	General Fund

This contract is subject to FRC review because it exceeds the statutory threshold of \$750,000 and because the terms exceed two years. This contract provides for the purchase of laptops and other various computer related accessories. This contract was competitively bid and seven vendors responded. The RFP will be awarded to four vendors in total. The contract being presented is the fourth of the four vendors. The FRC approved two of the vendors recommend under this RFP at the January meeting and the third vendor is reflected under contract #4.

Contract 6 – Contract Amendment for City-wide Janitorial Services

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Kristel Group, Inc.	Amendment	1/30/2017	\$1,575,018 Increase; \$11,916,318 Total Value	Yes	Yes	General Fund

This contract amendment is subject to FRC review because it exceeds the statutory threshold of \$750,000 and because the terms exceed two years. This contract provides for janitorial services

at various locations throughout the City. The amendment increases the scope of the contract to include the Public Safety Headquarters facility and two health department clinics.

Contract 7 – New Contract to Provide Bulk Salk for 2017/2018 Season

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Detroit Salt Company	New	2/6/2018	\$1,420,055	MiDeal	MiDeal	Street Fund

This contract is subject to FRC review because it exceeds the statutory threshold of \$750,000. This contract, through MiDeal, is for the purchase of 45,500 tons of bulk salt for use on snow/ice covered streets. Pricing is through the contract with the State of Michigan at a price of \$31.21 per ton. This is a decrease of \$11.16 per ton from the price from last year.

Contract 8 – Contract Amendment to Provide Manufactured and Delivered Bituminous Aggregate Paving Materials

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Cadillac Asphalt LLC	Amendment	2/6/2018	\$1,134,860 Increase; \$8,886,660 Total Value	Yes	Yes	Street Fund

This contract amendment is subject to FRC review because it exceeds the statutory threshold of \$750,000. This contract provides for asphalt material that is used by the city for paving and resurfacing of roads during the construction season. The original contract called for the purchase of 142,000 tons of asphalt material. The amendment includes the purchase of an additional 21,000 tons.

Contract 9 – New Contract to Provide Fire Fighting Protective Turnout Gear

Contractor	Nature of Contract	City Council Approval Date	Contract Amendment Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Apollo Fire Equipment Company	New	2/6/2018	\$1,108,800	Yes	Yes	General Fund

This contract is subject to FRC review because it exceeds the statutory threshold of \$750,000. This contract provides for the purchase of Turnout Gear which is the equipment worn by firefighters when they are fighting fires. It was noted that this contract is necessary to bring the City's firefighters' equipment up to National Firefighters Protection Association standards. This contract was competitively bid and six vendors responded. The vendor being recommended provided the lowest bid.

Contract 10 – New Contract for Commercial Demolition at Seven Properties

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Den-Man Contractors, Inc.	New	2/13/2018	\$1,065,000	Yes	Yes	General Fund

This contract is subject to FRC review because it exceeds the statutory threshold of \$750,000. This contract provides for demolition at seven commercial locations. Each location was competitively bid and seven vendors responded. The recommendation for approval is to the lowest bid.

Contract 11 – New Contract for Five Mechanical Street Sweepers

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Bell Equipment Company	New	2/20/2018	\$1,030,674	MiDeal	MiDeal	Solid Waste Management Fund

This contract is subject to FRC review because it exceeds the statutory threshold of \$750,000. This contract is for the purchase of five mechanical street sweepers at \$206,135 each. Last summer the City reinstated its street sweeping program. During the summer the City had to lease additional street sweepers to complete all of the work. The approval of this contract will allow the City to complete the street sweeping program without leasing additional sweepers. Pricing for this contract is consistent with MiDeal.

Contract 12 – New Contract to Provide Body Repair for DDOT Coaches Involved in Accidents

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
New Flyer of America	New	2/13/2018	\$900,000	Yes	Yes	Transportation Grant Fund

This contract is subject to FRC review because it exceeds the statutory threshold of \$750,000. The contract provides services to repair damages to DDOT buses. This contract will only be used for “major” repair jobs. Currently, DDOT staff are performing this work; however, DDOT wishes to contract out “major” repair jobs to save on staff hours. This contract was competitively bid and two bids were received. Both bids are being recommended for approval and are for the same dollar amount. This contract reflects the second vendor. The first vendor was approved at the January FRC meeting.

Contract 13 – New Contract to Provide Employee Benefit Services and Online Eligibility and Enrollment Systems Service

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Benefit Express Services, LLC	New	1/30/2018	\$808,940	No	No	General Fund

This contract is subject to FRC review because it exceeds the statutory threshold of \$750,000. This contract provides for an online enrollment site for benefit eligibility and enrollment for City Employees, and includes a broad range of services related to benefits. This contract was originally put in place by the Emergency Manager. The original contractor who held this contract, decided that it no longer wanted to provide this service to the City. The vendor being recommended for approval was a subcontractor to the original contract. The City plans to complete a competitive RFP at the conclusion of this contract (12/31/18).

Contract 14 – New Contract for Copiers and Printers (City-Wide)

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Canon Solutions America, Inc.	New	02/20/2018	\$700,000	Use of National Intergovernmental Purchasing Alliance Cooperative	Use of National Intergovernmental Purchasing Alliance Cooperative	General Fund

This contract is subject to FRC review because the terms of the agreement exceed two years. This contract provides for City-wide copiers and printers. It is anticipated a total of 80 multi-functional devices will be leased for a period of three years. Pricing for this contract is based on the contract between Canon Solutions and DuPage County, Illinois; through the National Intergovernmental Purchasing Alliance, which makes pricing available to participating government entities utilizing lower prices offered through this agreement.

Contract 15 – New Contract to Furnish Motorcycle Fleet Up-Fitting Services

Contractor	Nature of Contract	City Council Approval Date	Contract Amendment Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Canfield Equipment Service Co.	New	1/23/2018	\$301,046	Yes	Highest Ranked	Capital Projects Fund

This contract is subject to FRC review because the terms of the agreement exceed two years. This contract provides up-fitting services for 30 motorcycles with information technology hardware, software systems, and other aftermarket customization. This contract was competitively bid and two vendors responded. The vendor who was ranked the highest is being recommended for approval. The vendor who provided the lowest bid did not submit the required documentation to verify its capacity for this project.

Contract 16 - New Contract to Provide Capital Facility Improvements of the Runway at the Airport

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Detroit Building Authority	New	02/20/2018	\$391,000	Intergovernmental Agreement	Intergovernmental Agreement	Bond Fund

This contract is subject to FRC review because the terms of the agreement exceed two years. This contract with the Detroit Building Authority (DBA) will allow the DBA to contract out for the rehabilitation of the City's airport runway as required by the State. Rehabilitation services include: specialty equipment purchases, electrical and lighting improvements, signage and wayfinding, pothole repairs, and asphalt replacement.

Contract 17 – New Contract for Sodium Hypochlorite (Pool Chemicals)

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
PVS Nolwood	New	1/23/2018	\$77,757	Yes	Yes	General Fund

This contract is subject to FRC review because the terms of the agreement exceed two years. This contract provides for the purchase of sodium hypochlorite. Sodium hypochlorite is a

cleaning solution for pools. This contract was competitively bid and two vendors responded. The vendor being recommended for approval provided the lowest bid.

Contract 18 – New Contract to Provide Bulk Liquid Chlorine

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
PVS Nolwood	New	1/23/2018	\$17,280	Yes	Yes	General Fund

This contract is subject to FRC review because the terms of the agreement exceed two years. This contract provides for the purchase of 9,000 gallons of liquid chlorine over the course of three years. The liquid chlorine will be used as a disinfectant for the Brennan Pool in Rouge Park. This contract was competitively bid and three vendors responded. The vendor being recommended for approval provided the lowest bid.

Contract 19 – New Contract to Provide Pickup/Delivery Armored Car Services

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Total Armored Car Service, Inc.	New	2/6/2018	\$476,935	Yes	Yes	General Fund

This contract is subject to FRC review because the aggregate sum of the City's contracts with this contractor exceeds \$750,000. This contract provides for pickup, processing, counting, and depositing of currency at various locations. This contract was competitively bid and only one vendor responded. On the subcommittee call, the City noted it is researching other competitors in preparation for a new RFP going out in the summer of 2018.

Contract 20 – New Contract to Provide Delivery of Cold Patch Asphalt Material

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Cadillac Asphalt, LLC	New	2/20/2018	\$446,800	Yes	Yes	Street Fund

This contract is subject to FRC review because the aggregate sum of the City's contracts with this contractor exceed \$750,000. This contract provides for the purchase of two different grades of bituminous paving mixtures. The City anticipates it will need a total of 8,000 tons of these mixtures. This contract was competitively bid and three vendors responded. The vendor being recommended for approval provided the lowest bid.

Contract 21 – New Contract to Provide Mobile Radios for the Fire Department

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Motorola Solutions, Inc.	New	2/6/18	\$346,394	MiDeal	MiDeal	Quality of Life Fund

This contract is subject to FRC review because the aggregate sum of the City's contracts with this contractor exceed \$750,000. This contract provides for the purchase of 73 mobile radios with accessory equipment and software. The mobile radios will be utilized by the fire department. Pricing for this contract is consistent with MiDeal.

Contract 22 – Contract Amendment to provide Liquid Emulsified Asphalt

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Cadillac Asphalt LLC	New	2/6/18	\$274,353 Increase; \$874,353 Total Value	Yes	Yes	Street Fund

This contract amendment is subject to FRC review because the aggregate sum of the City's contracts with this contractor exceed \$750,000. The original contract provides for the purchase of 125,000 gallons of slow setting emulsified asphalt. As part of the original contract, there are additional costs if the vendor is required to deliver the asphalt with its own trucks. The City noted that due to challenges with city emulsion application equipment last year, they were required utilize the more costly vendor equipment to deliver the asphalt. This amendment will allow this contract to be closed.

Contract 23 – New Contract for Emergency Residential Demolitions.

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Adamo Demolition Company	New	1/30/2018	\$274,700	Yes	Yes	Street Fund

This demolition contract is subject to FRC review because the aggregate sum of the City's contracts with this contractor exceeds \$3,000,000. This contract provides emergency demolition at two locations. An emergency demolition is ordered when a structure provides an immediate danger or could fall onto another structure. Thus, to reduce the safety hazard, this work has already been performed. Each location was competitively bid and three vendors responded to each location. The recommendation for approval is for the lowest bid at each location.

Contract 24 – New Contract to Provide Uniforms for the Department of Transportation

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Enterprise Uniform	New	2/6/2018	\$110,000	Yes	Yes	Transportation Operation Fund

This contract is subject to FRC review because the aggregate sum of the City's contracts with this contractor exceed \$750,000. This contract provides for various uniform garments that the City is required to provide as part of the agreement with the unions. This contract was competitively bid and two vendors responded. The recommendation for approval is for the lowest bid.

Contract 25 – New Contract for Emergency Residential Demolitions.

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Den-Man Contractors	New	1/30/2018	\$81,770	Yes	Yes	General Fund

This demolition contract is subject to FRC review because the aggregate sum of the City's contracts with this contractor exceeds \$3,000,000. This contract provides emergency demolition at three locations. An emergency demolition is ordered when a structure provides an immediate danger or could fall onto another structure. Thus, to reduce the safety hazard, this work has

already been performed. Each location was competitively bid and five vendors responded to each location. The recommendation for approval is for the lowest bid at each location.

Contract 26 – New Contract Night Imaging System for DPD Fire Boat

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
R & R Fire Truck Repair, Inc.	New	1/23/2018	\$67,318	Yes	Yes	Federal Grant Fund & General Fund

This contract is subject to FRC review because the aggregate sum of the City's contracts with this contractor exceed \$750,000. This contract provides for the purchase of a thermal imaging camera system and will be installed on the Fire Department's boat. It was noted on the subcommittee call that not many vendors have the ability to provide the specific technical requirements for the camera that was being requested under this RFP. Thus, this contract was competitively bid and only one vendor responded.

Contract 27 – Contract Amendment to Provide Renovation Services at the Coleman Young Municipal Center

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Cross Renovation	Amendment	1/30/2018	\$62,699 Increase; \$868,897 Total Value	Yes	Yes	General Fund

This contract amendment is subject to FRC review because it exceeds the statutory threshold of \$750,000. This contract provides renovation services for the office suites at the Coleman A. Young Municipal Center. The amendment is for an increase in the contract's value for additional renovation work requested by the Department.

Contract 28 – New Contract to Provide Digital Fire Extinguisher Training

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Bullex Inc.	New	1/30/2018	\$59,059	Yes	Yes	General Fund

This contract is subject to FRC review because the aggregate sum of the City's contracts with this contractor exceed \$750,000. This contract is for community relations as the fire extinguisher training systems is required for Fire Department personnel to present training seminars to community groups on the use of Fire Extinguishers. This contract was competitively bid and only one vendor responded.

Contract 29 – New Contract to Provide HP Servers

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Civitas IT LLC	New	2/6/2018	\$56,475	Yes	Yes	Federal Grant Fund

This contract is subject to FRC review because the aggregate sum of the City's contracts with this contractor exceed \$750,000. This contract provides for the purchase of 2 servers for the Police Department. This contract was competitively bid and three vendors responded. The recommendation for approval is for the lowest bid.

Contract 30 – Contract Amendment to Provide Resurfacing and Miscellaneous Construction on W. Grand Blvd and W. Vernor Street

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Fort Wayne Contracting, Inc. / Ajax Paving Industries, Inc. (A Joint Venture)	Amendment	2/6/2018	\$55,142 Increase; \$3,923,603 Total Value	Yes	Yes	Street Fund

This contract amendment is subject to FRC review because the aggregate sum of the City's contracts with this contractor exceed \$750,000. This contract provides for resurfacing of specific locations of W. Grand Blvd and W. Vernor streets. The amendment is for an increase in the value of the contract due to additional costs that were incurred as a result of unanticipated underground construction activities.

Contract 31 – New Contract for Residential Demolitions.

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Den-Man Contractors	New	2/13/2018	\$31,672	Yes	Yes	General Fund

This demolition contract is subject to FRC review because the aggregate sum of the City's contracts with this contractor exceeds \$3,000,000. This contract provides for the demolition of two residential structures. Each location was competitively bid and five vendors responded to each location. The recommendation for approval is for the lowest bid at each location.

Contract 32 – New Contract to Provide Bulk Salt for 2017/18 Season for Transportation Department

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Detroit Salt Company	New	2/13/2018	\$24,968	MiDeal	MiDeal	Street Fund

This contract amendment is subject to FRC review because the aggregate sum of the City's contracts with this contractor exceed \$750,000. This contract provides for the purchase of 800 tons of bulk salt. Pricing for this contract is consistent with MiDeal. It was noted that the price per ton for salt decreased \$11.16 (26%) from the previous year.

Contract 33 – New Contract for Emergency Residential Demolition.

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Homrich Wrecking, Inc.	New	2/13/2018	\$24,750	Yes	Yes	General Fund

This demolition contract is subject to FRC review because the aggregate sum of the City's contracts with this contractor exceeds \$3,000,000. This contract provides emergency demolition at one location. An emergency demolition is ordered when a structure provides an immediate danger or could fall onto another structure. Thus, to reduce the safety hazard, this work has already been performed. The location was competitively bid and three vendors responded. The recommendation for approval is for the lowest bid.

Contract 34 – New Contract for Additional Asbestos Removal at Three Locations.

Contractor	Nature of Contract	City Council Approval Date	Contract Value	Bid?	Lowest Bid or Highest Ranked?	Budgeted Funding Sources
Adamo Demolition Company	New	2/13/2018	\$13,623	Yes	Yes	General Fund

This contract amendment is subject to FRC review because the aggregate sum of the City's contracts with this contractor exceed \$750,000. This contract is for additional asbestos identified during the demolition process of a residential property that was not identified during the initial bidding process. This contract is for the removal of additional asbestos for the three indicated addresses.