



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

RESOLUTION 2020- 1

**EXTENDING THE DEADLINE FOR TIMELY DELIVERY OF THE ADOPTED
FISCAL 2020-2021 BUDGET AND 4-YEAR FINANCIAL PLAN**

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

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

WHEREAS, the Commission granted a waiver to the City pursuant to Section 8 of the Act on April 30, 2018 in Resolution 2018-13 and extended such waiver through June 30, 2020 in Resolution 2019-2 (the “Waiver Resolutions”) and the City is currently in a period of decreased oversight; and

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

WHEREAS, the Waiver Resolutions also require the City to provide the Commission certain information and reports to the Commission during the period of decreased oversight; and

WHEREAS, the City has now requested an extension of time, from April 30, 2020 to May 29, 2020, to provide the City's adopted Fiscal 2020-2021 Budget (the "Budget") and 4-Year Financial Plan to the Commission;

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

1. The City may submit its Budget and 4-Year Financial Plan on or before May 29, 2020 and such submission shall be deemed timely for purposes of Section 3(c)(ii) of Resolution 2018-13.
2. All other provisions and obligations of the City under the Waiver Resolutions remain in full force and effect.
3. That the minutes of the Detroit Financial Review Commission meeting at which this Resolution is adopted take notice of the adoption of this Resolution.
4. That this Resolution shall have immediate effect.

M E M O R A N D U M

To: Members of the Financial Review Commission for the City of Detroit
From: Steven G. Howell and Allison R. Bach, Dickinson Wright PLLC
Date: April 16, 2020
Re: Extension of Time to Submit Budget and 4-Year Plan

Does the FRC have the authority to push back the due-date for the submission of the City's adopted Budget and 4-Year-Financial Plan from April 30, 2020 to May 29, 2020?

On April 30, 2018, the FRC adopted Resolution 2018-13 which granted the City a waiver from the City's obligations under Section 6 and Section 7 of the Financial Review Commission Act. That waiver includes a waiver of the requirement that the City submit its adopted Budget and 4-Year Financial Plan to the FRC within 100 days prior to the commencement of the City's fiscal year. Resolution 2019-2 adopted on June 24, 2019, extended the waiver period through June 30, 2020 and clarified that all other provisions in Resolution 2018-13 remained in full force and effect.

Notwithstanding the broad reach of the waiver provisions in the Act, the FRC and City agreed that the City would provide certain types of information to the FRC to enable the FRC members to continue to discharge their duties under the Act. Based on those discussions, Resolution 2018-13 included certain time frames and deadlines for the City to provide ongoing information to the FRC, including submission of the 4-Year Financial Plan by April 30 of each year.

At this time, the waiver is still in effect. Therefore, the requirement to provide the adopted Budget and 4-Year Financial Plan by April 30 is not a statutory requirement, but rather is a result of Resolution 2018-13. Given that, the FRC has the authority to amend Resolution 2018-13 to permit the City to submit its adopted Budget and 4-Year Financial Plan on May 29 rather than April 30. In doing so, our recommendation is that this amendment apply only to the 4-Year Financial Plan due in 2020 and not for any year going forward.



Financial Plan to Address COVID-19 Revenue Shortfall

Presentation to the Financial Review Commission

April 27, 2020

Response to COVID-19

 **THE CITY WORKING ON RESIDENTS' BEHALF**

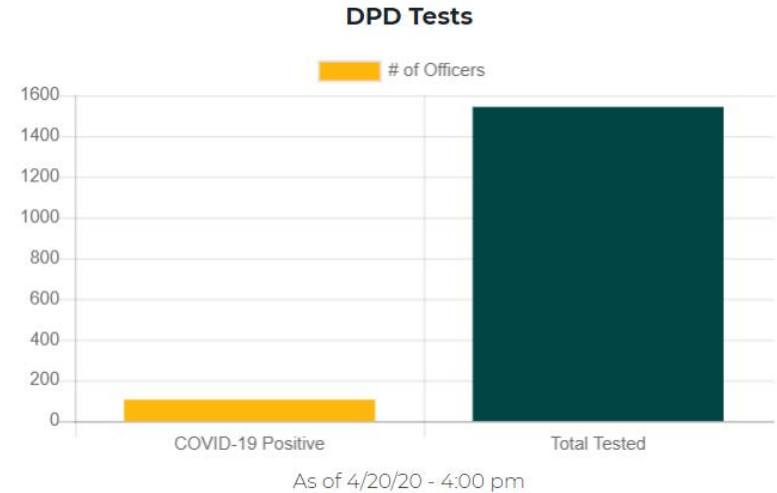


The City of Detroit is serving Detroiters during this crisis by ensuring that our community has access to testing, regardless of whether they have health insurance, a primary care physician or access to transportation, and the critical resources many need as we fight to stop the spread of the Coronavirus in our community.



Testing for COVID-19

- Since March 29th, the City of Detroit has been providing free COVID-19 testing at the State Fairgrounds, and as of 4/20/2020 had provided over 10,600 tests.
- The City is taking every precaution to protect first responders. Rapid testing has helped get officers back to work, and rigorous safety procedures ensure they stay safe while on duty.
- Detroit is testing individuals in homeless shelters and nursing homes to slow the spread of the virus.



Response to COVID-19

- Set up a \$3.1 million COVID-19 Grant Relief Fund for small businesses hit hard by the COVID-19 pandemic can apply for grants from \$2,500 up to \$10,000
- Coordinating with homeless shelter network in the City of Detroit including identifying and securing physical sites to provide quarantine and isolation housing for individuals who are housing insecure
- Providing assistance to local restaurants including hosting webinars to train restaurants how to provide curbside and delivery service, development and recruitment for Feed the Front Lines
- Advising employers about how to help their employees can take advantage of stimulus UI programs while still keeping them employed through the CARES Paycheck Protection Program (PPP) and Work Share before layoff
- Distributing masks on DDOT buses
- Organizing assistance for residents to receive their stimulus check
- Hosting weekly calls with residents in districts to provide COVID-19 resources

COVID-19 Impact on Services

- By launching its own testing, the City has been able to safely keep essential services like Police, Fire, EMS and Public Health operating at a high level.
- The City has maintained DDOT Bus Service without fares on a six day reduced schedule.
- Trash pick up has continued on a regular schedule

The City has reduced services levels in areas where we are no longer able to perform or are not currently needed due to the Stay at Home order.

- The City is no longer enforcing parking or directing traffic
- Reduced demolitions to only emergencies
- Closed recreation centers
- Delayed road repairs
- No in-person BSEED licensing
- No street sweeping

Projected Revenue Shortfall

Due to the COVID-19 business closures and the impact on the national economy, the City of Detroit is projecting a \$348 million revenue shortfall over two fiscal years (a **\$154 million revenue shortfall** in FY2020 and **\$194 million shortfall** in FY2021).

The shortfall is driven by:

- Gaming revenue losses directly tied to the casino closures on March 16
- Income tax reduction as employers have laid off and furloughed workers, and there is a drop in projected national GDP. In addition, unemployment benefits are not subject to City Income Tax
- Anticipated State Revenue Sharing reduction due to a drop in state sales taxes
- Other revenue losses from suspended parking enforcement, bus fare interruption to protect drivers from COVID-19 and a reduction in business and construction permitting activity

The federal Coronavirus Relief Fund will not reimburse Cities and States for revenue lost due to the Coronavirus, only new expenditures related to the pandemic.

Projected Revenue Shortfall

The City projects the following changes from the FY2020 and FY2021 Budgets based on data and analysis from the Congressional Budget Office, the University of Michigan and the Michigan State Treasury.

	FY2020	FY2021
Income Tax	-\$49 M	-\$101 M
Wagering Tax	-\$52 M	-\$60 M
Property Tax	-\$1 M	-\$7 M
State Revenue Sharing	-\$7 M	-\$14 M
<u>Other Revenues</u>	<u>-\$45 M</u>	<u>-\$12 M</u>
	-\$154 M	-\$194 M

Addressing the Shortfall

The City of Detroit is taking decisive actions to address the revenue shortfall.

- In early March, the CFO canceled all cash capital projects that were not yet under construction and all demolitions that were not an urgent life safety matter
- On April 3, the CFO issued a directive to freeze hiring and limit discretionary spending. Under this directive, departments were ordered to cancel discretionary contracts and purchases, make every attempt to limit overtime and limit new contracts to only those deemed critical by the CFO
- The Chief Procurement Officer is renegotiating contracts with major vendors to achieve savings
- The Mayor is eliminating new spending initiatives originally proposed in the FY2021 budget
- The City will ask authorities for cost savings measures to reduce appropriations
- To conserve reserves for operations, the Administration will reduce its demolition program in FY2021 and eliminate a planned Rainy Day Fund deposit and a supplemental Retiree Protection Fund deposit
- The City is maximizing reimbursement for COVID-19 spending from the federal CARES Act

These changes alone won't solve Detroit's revenue shortfall.

Workforce Changes

The City will institute a number of workforce changes that reduce spending by \$50 million over two fiscal years, preserve core City services, and treat employees fairly. As of April 20, the City of Detroit:

- Laid off temporary employees
- Reduced hours for approximately 900 employees whose work cannot easily be performed during the shutdown to an 8-hour a pay period schedule, while maintaining their health insurance
- Moved about 1,300 employees to a reduced 4 day a week schedule through the Work Share program
- Mayor, appointees and other staff that make more than \$125,000 received a temporary 5% pay cut or chose to give up 18 vacation days
- Asked Detroit elected officials to take a 5% pay reduction
- Asked legislative, independent and judicial departments to participate in City workforce savings
- Will be bargaining with all unions to eliminate the planned pay increases for July 1, 2020

The City of Detroit is working with the State Unemployment Insurance Agency to help employees take advantage of the expanded unemployment insurance benefits in the Federal CARES Act.

Addressing the Shortfall

Prior year and pre-COVID FY2020 Surplus	\$ 101 Million
Available Rainy Day Fund	\$ 50 Million
Blight Funds For FY2020 and FY2021	\$ 72 Million
Delay capital projects FY2020 and FY2021	\$ 33 Million
CFO Cost Cutting Order of April 3	\$ 6 Million
New Federal CARES Funds for Transit farebox and reduce DDOT subsidy	\$ 36 Million
<u>Workforce Savings</u>	<u>\$ 50 Million</u>
	\$348 Million

Cash Forecast

	March 2020 Actual	April 2020 Forecast	May 2020 Forecast	June 2020 Forecast	July 2020 Forecast	August 2020 Forecast	September 2020 Forecast	October 2020 Forecast	November 2020 Forecast	December 2020 Forecast
Beginning Common Cash Balance	521,784,529	484,437,512	480,544,002	392,191,782	383,942,869	367,642,869	493,742,869	370,172,869	366,072,869	356,972,869
Sources of Cash:										
Income Taxes	24,035,483	18,274,716	17,700,000	19,600,000	25,300,000	16,600,000	25,800,000	20,100,000	16,200,000	23,600,000
Property Taxes	3,871,637	1,320,000	6,735,000	31,215,000	57,400,000	192,000,000	25,900,000	8,100,000	10,200,000	64,300,000
Revenue Sharing	-	33,700,000	-	26,265,000	-	26,800,000	-	27,700,000	-	35,600,000
Wagering Tax	9,023,524	-	-	-	2,600,000	1,500,000	5,700,000	7,700,000	10,400,000	11,700,000
Utility Users Tax	3,544,146	2,800,000	3,000,000	2,800,000	2,300,000	1,800,000	1,900,000	1,800,000	1,500,000	1,200,000
Other	22,501,182	14,613,420	13,759,920	10,857,310	11,100,000	29,000,000	8,000,000	25,900,000	14,800,000	10,200,000
Bond Proceeds	-	33,500,000	-	-	-	-	-	1,000,000	-	-
Total Sources of Cash	62,975,971	104,208,136	41,194,920	90,737,310	98,700,000	267,700,000	67,300,000	92,300,000	53,100,000	146,600,000
Uses of Cash:										
Salaries Wages and Benefits	47,196,531	50,821,456	43,769,549	43,539,241	57,000,000	50,800,000	40,600,000	50,900,000	39,800,000	56,900,000
Debt Service	8,686,236	9,000,000	2,700,000	9,000,000	2,000,000	4,500,000	1,470,000	6,900,000	2,800,000	11,200,000
Property Tax Distribution	539,011	2,000,000	10,000,000	15,000,000	17,100,000	26,500,000	132,000,000	6,100,000	5,400,000	6,500,000
TIF Distribution	-	-	26,900,000	-	-	-	-	300,000	1,600,000	25,000,000
Other Disbursement	43,901,211	46,280,190	46,177,592	31,446,981	38,900,000	59,800,000	16,800,000	32,200,000	12,600,000	26,400,000
Total Uses of Cash	100,322,988	108,101,646	129,547,141	98,986,223	115,000,000	141,600,000	190,870,000	96,400,000	62,200,000	126,000,000
Net Cash Flow	(37,347,017)	(3,893,510)	(88,352,221)	(8,248,913)	(16,300,000)	126,100,000	(123,570,000)	(4,100,000)	(9,100,000)	20,600,000
Ending Common Cash Balance	484,437,512	480,544,002	392,191,782	383,942,869	367,642,869	493,742,869	370,172,869	366,072,869	356,972,869	377,572,869
Less: Unspent Bond/Note proceeds	(38,532,943)	(71,987,463)	(71,987,463)	(71,987,463)	(71,987,463)	(71,987,463)	(71,987,463)	(72,987,463)	(72,987,463)	(72,987,463)
Available Common Cash Balance	445,904,569	408,556,539	320,204,319	311,955,406	295,655,406	421,755,406	298,185,406	293,085,406	283,985,406	304,585,406
Portfolio										
Deposits at banks	293,641,175	289,738,077	201,043,394	192,794,481	176,494,481	302,594,481	230,172,869	226,072,869	216,972,869	237,572,869
Liquid Investment Pools	139,626,470	139,657,537	140,000,000	140,000,000	140,000,000	140,000,000	140,000,000	140,000,000	140,000,000	140,000,000
CDs	51,169,866	51,148,388	51,148,388	51,148,388	51,148,388	51,148,388	-	-	-	-
Total Common Cash	484,437,511	480,544,002	392,191,782	383,942,869	367,642,869	493,742,869	370,172,869	366,072,869	356,972,869	377,572,869
Budget Reserve Fund	107,000,000	107,000,000	107,000,000	107,000,000	107,000,000	107,000,000	107,000,000	107,000,000	107,000,000	107,000,000



Financial Plan Updates

- The Administration will submit an amended Fiscal Year 2021 Recommended Budget based on the updated revenue forecast.
- The City will submit the FY2021 Budget to the FRC prior to May 30.
- The Office of the Chief Financial Officer will actively monitor revenue and economic data moving forward, and the Administration will submit amendments to the budget as needed.
- The City will also advocate to include reimbursement for lost municipal revenue in the next federal stimulus bill.
- By taking early action to conservatively project revenue loss, reduce expenses and balance the budget, the City aims to stay out of active State oversight.

If City revenues recover and/or the federal government passes a stimulus bill that improves the City's fiscal picture, the City will look to begin gradually returning services and employee hours to pre-pandemic levels.



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER

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April 14, 2020

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

Re: Monthly Financial Report for the Eight Months ended February 29, 2020

Dear Commissioners:

The Office of the Chief Financial Officer (OCFO) respectfully submits its monthly City of Detroit Financial Report for the Eight Months ended February 29, 2020.

This report is provided in accordance with the requirements included in Detroit Financial Review Commission (FRC) Resolution 2019-2, which granted the City its waiver of active FRC oversight through June 30, 2020. The OCFO has separately submitted this report to the Mayor, Detroit City Council and posted it on the City's website.

Best regards,

David P. Massaron
Chief Financial Officer

Att: City of Detroit Financial Report for the Eight Months ended February 29, 2020

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



FY 2020 Financial Report

For the 8 Months ended February 29, 2020

Office of the Chief Financial Officer

Submitted on April 14, 2020



Table of Contents

	Page(s)
Executive Summary	2
YTD Budget Amendments – General Fund	3
Budget vs. Actual Report	4
Employee Count Monitoring	5
Income Tax Reports	6-7
Development and Grants Reports	8-10
Cash Reports	11-13
Accounts Payable Reports	14



Executive Summary

The City is incurring substantial revenue losses and additional expenditures due to the COVID-19 public health emergency. The City anticipates the federal stimulus CARES Act will not reimburse for revenue losses due to COVID-19, only new expenditures related to the pandemic. Revenue losses include gaming, income taxes, and several other major revenue streams impacted by the mandatory closures and the impact on the economy.

The City is projecting a \$348M revenue shortfall over two fiscal years (\$154M shortfall in FY 2020 and \$194M shortfall in FY 2021 vs. the February 2020 Revenue Estimating Conference). The shortfall is only partially offset by the pre-COVID-19 surplus of \$51M.

The City will present a plan at the next Financial Review Commission meeting on April 27, 2020. This plan will outline steps the City intends to take to balance the FY 2020 and FY 2021 budgets.



YTD Budget Amendments – General Fund

FY 2019-2020 GENERAL FUND BUDGET AMENDMENTS (Through February 2020)		
Department	Reason for Amendment	Amount
FY 2019 - 2020 Adopted Budget		\$ 1,143,283,981
Carry Forward Use of Assigned Fund Balance		
Recreation	Forest Park Improvements	823,054
General Services	Wayne County Millages	64,135
Non-Departmental	P.E.G Fees	1,878,306
Police	Public Act. 302 - Training Fund	598,467
Non-Departmental	PLD Decommission	23,000,000
Total		26,363,962
Budget Amendment		
Housing and Revitalization	Small Business Development	2,700,000
General Services	Wayne County Millages	200,000
Total		2,900,000
Transfer From Other Funds		
N/A	N/A	N/A
Total		0
FY 2019 - 2020 Amended Budget (Through February 2020)		\$ 1,172,547,943



YTD ANALYSIS				
	BUDGET	ACTUAL + ADJUSTMENTS + ENCUMBRANCES		
MAJOR CLASSIFICATIONS	YEAR TO DATE	ACTUAL	ADJUSTMENTS + ENCUMBRANCES	TOTAL
A	B	C	D	E = C + D
REVENUE:				
Municipal Income Tax	\$ 194.8	\$ 210.7	–	\$ 210.7
Property Taxes	79.6	84.6	–	84.6
Wagering Taxes	122.3	127.7	–	127.7
Utility Users' Tax	14.1	15.0	–	15.0
State Revenue Sharing	102.7	106.2	–	106.2
Other Revenues	173.6	130.9	–	130.9
Sub-Total	\$ 687.1	\$ 675.0	–	\$ 675.0
Budgeted Use of Prior Year Fund Balance	30.2	0.0	30.0	30.0
Carry forward-Use of Assigned Fund Balance	26.4	0.0	26.4	26.4
Transfers from Other Funds	0.0	0.0	0.0	0.0
Budget Amendments	2.9	0.0	2.9	2.9
TOTAL	\$ 746.5	\$ 675.0	\$ 59.3	\$ 734.3
EXPENDITURES:				
Salary and Wages (Incl. Overtime)	\$ (317.1)	\$ (304.7)	–	\$ (304.7)
Employee Benefits	(117.5)	(87.9)	–	(87.9)
Legacy Pension Payments	0.0	0.0	–	0.0
Retiree Protection Fund	(45.0)	(45.0)	–	(45.0)
Debt Service	(58.3)	(58.3)	–	(58.3)
Other Expenses	(239.3)	(207.0)	(60.6)	(267.6)
TOTAL	\$ (777.1)	\$ (702.9)	\$ (60.6)	\$ (763.5)



Employee Count Monitoring

	MONTH-OVER-MONTH ACTUAL ⁽¹⁾			BUDGET VS. ACTUAL		
	Actual January 2020	Actual February 2020	Change January 2020 February 2020	Adjusted Budget FY 2020 ⁽²⁾	Variance Under/(Over) Budget vs. February 2020	
Public Safety						
Police	3,152	3,172	20	3,338	166	5%
Fire	1,172	1,153	(19)	1,275	122	10%
Total Public Safety	4,324	4,325	1	4,613	288	6%
Non-Public Safety						
Office of the Chief Financial Officer	428	420	(8)	533	113	
Public Works - Full Time	386	381	(5)	447	66	
Health and Wellness Promotion	133	128	(5)	182	54	
Human Resources	100	99	(1)	105	6	
Housing and Revitalization	106	105	(1)	109	4	
Innovation and Technology	120	119	(1)	140	21	
Law	117	117	0	127	10	
Mayor's Office (includes Homeland Security)	81	81	0	81	0	
Municipal Parking ⁽⁶⁾	96	94	(2)	104	10	
Planning and Development	38	37	(1)	41	4	
General Services - Full Time	541	539	(2)	573	34	
Legislative ⁽³⁾	219	217	(2)	260	43	
36th District Court	320	321	1	325	4	
Other ⁽⁴⁾	191	188	(3)	199	11	
Total Non-Public Safety	2,876	2,846	(30)	3,226	380	12%
Total General City-Full Time	7,200	7,171	(29)	7,839	668	9%
Public Works - Part Time Headcount	11	11	0	67	56	
Recreation - Part Time Headcount	0	0	0	0	0	
General Services - Part Time Headcount	149	152	3	635	483	
Elections - Part Time Headcount	44	57	13	120	63	
Seasonal/ Part Time⁽⁵⁾	204	220	16	822	602	73%
Enterprise						
Airport	4	4	0	4	0	
BSEED	277	283	6	337	54	
Transportation	899	899	0	973	74	
Water and Sewerage	566	566	0	650	84	
Library	302	299	(3)	326	27	
Total Enterprise	2,048	2,051	3	2,290	239	10%
Total City	9,452	9,442	(10)	10,951	1,509	14%

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) Adjusted 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, Ombudsman, City Clerk, and Elections.
- (4) Includes: Civil Rights Inclusion & Opportunity, Administrative Hearings, Public Lighting Department, and Non-departmental.
- (5) Includes: DPW, General Services, Recreation and Elections
- (6) During the development of the FY 2020 - FY 2023 Four-Year Plan, the Municipal Parking Department was transferred to the General Fund.



Income Tax - Collections

Fiscal Years 2019 - 2020

Income Tax Collections

FY20 YTD

February 2020

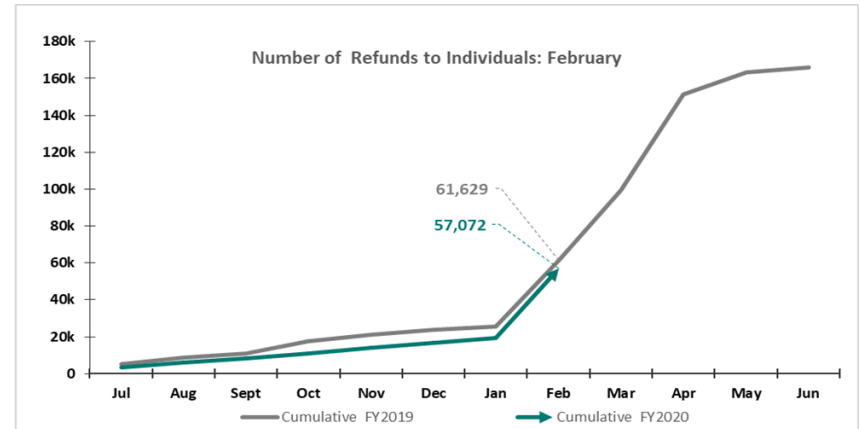
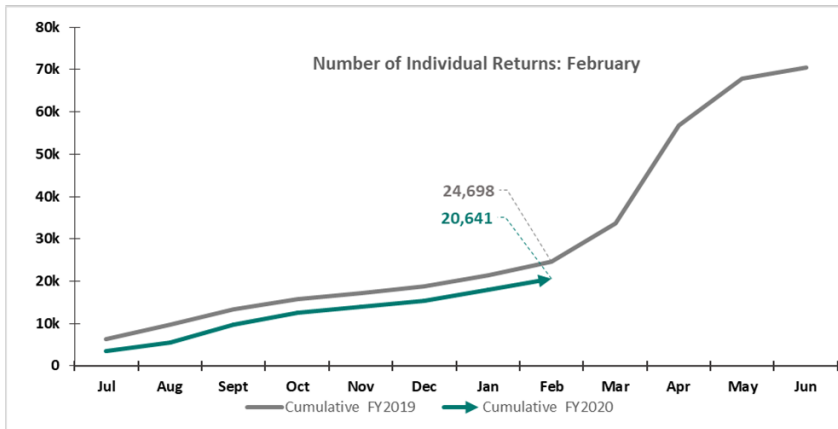
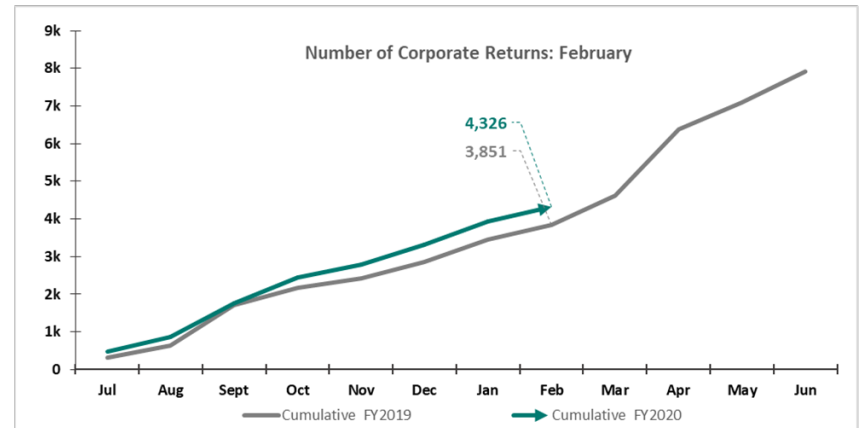
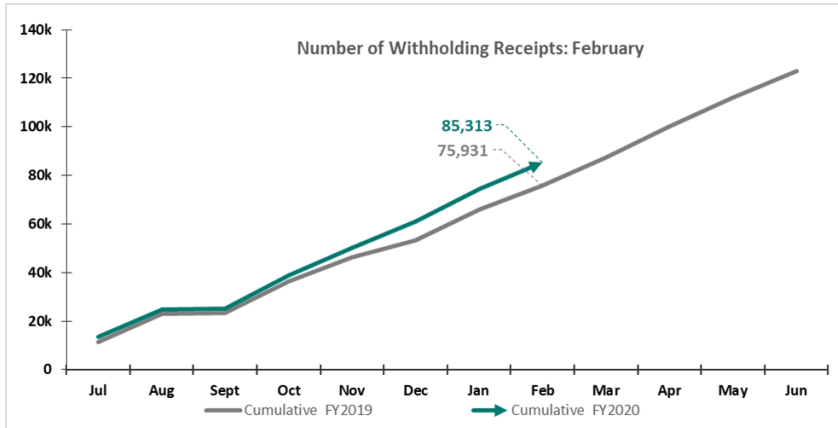
FY19 YTD

February 2019

Withholdings/Estimates	\$ 195,003,838	\$ 186,643,919
Individuals	15,011,006	12,909,992
Corporations	11,232,239	13,536,516
Partnerships	3,059,553	2,122,200
Assessments	1,476,677	3,543,227
Total Collections	\$ 225,783,313	\$ 218,755,854
Refunds/ Disbursements	(15,042,485)	(7,075,850)
Collections Net of Refunds/Disbursements	\$ 210,740,828	\$ 211,680,004



Income Tax – Volume of Returns and Withholdings





Active Grants and Donations as of February 29, 2020 (\$ in millions)

Net Change from last month ⁽³⁾	(\$125.0)	

New Funds – January 1 to March 26, 2020 (\$ in millions)

Committed ⁽⁴⁾	
Total New Funding	\$148.2
Net New to the City⁽⁵⁾	\$100.7

(1) Reflects public and private funds directly to City departments.

(2) Reflects public and private funds for City projects via fiduciaries, and to third-party partners and agencies for projects prioritized by the City for which the OCFO-Office of Development and Grants has provided active support.

(3) This report is the first to reflect the closure of all projects with an end-date of December 31, 2019. The most significant new award in February is the \$100,000,000 for the new Detroit Innovation Center, from the Stephen M. Ross Foundation.

(4) Reflects verbal and informal commitments which are secure, but for which formal agreements have not yet been finalized.

(5) Reflects new funds to the City from organizations which have not given to the City of Detroit before.



Development and Grants

New Funds (Total) – January 1 to March 26, 2020 – By Priority Category

Priority Category	Documented	Committed	Total
Administration/General Services	\$ 4,754,847		\$ 4,754,847
Community/Culture	\$ 1,229,500		\$ 1,229,500
Economic Development	\$ 102,520,000	\$ 5,000,000	\$ 107,520,000
Health	\$ 3,447,684	\$ 7,400,000	\$ 10,847,684
Housing	\$ 15,000	\$ 1,274,300	\$ 1,289,300
Infrastructure		\$ 26,115	\$ 26,115
Parks and Recreation	\$ 496,764		\$ 496,764
Planning			
Public Safety	\$ 1,504,582	\$ 75,000	\$ 1,579,582
Technology/Education			
Transportation	\$ 18,249,582		\$ 18,249,582
Workforce	\$ 435,000	\$ 1,750,000	\$ 2,185,000
Grand Total	\$ 132,652,959	\$ 15,525,415	\$ 148,178,374



New Funds and City Leverage⁽¹⁾ – January 1 to March 26, 2020 – By Priority Category

Priority Category	Total Funds	City Leverage ⁽¹⁾
Administration/General Services	\$ 4,754,847	\$ 1,086,674
	\$ 1,229,500	
	\$ 107,520,000	\$ 59,000,000 ⁽²⁾
	\$ 10,847,684	
	\$ 1,289,300	\$ 15,000 ⁽³⁾
	\$ 26,115	
	\$ 496,764	
	\$ 1,579,582	\$ 52,760
	\$ 18,249,582	
	\$ 2,185,000	
Grand Total	\$ 148,178,374	\$ 60,101,674

(1) Leverage includes both match and parallel investment by the City that help make the case to external funders to co-invest.

(2) This \$59M has leveraged all Strategic Neighborhood Fund funding to date which includes funds raised in 2018 and 2019.

(3) There is an additional \$50M in HUD funding allocated to the Affordable Housing Leverage Fund that has been critical to securing these commitments.



Cash Position

(\$ in millions)

	Unrestricted		Restricted		February 2020 Total		Prior Year February 2019 Total	
Bank Balance	\$	276.2	\$	954.8	\$	1,230.9	\$	1,247.4
Plus/minus: Reconciling items		9.8		3.3		13.1		11.4
Reconciled Bank Balance	\$	285.9	\$	958.1	\$	1,244.0	\$	1,258.8
General Ledger Cash Balances								
General Fund								
General Accounts	\$	181.5		167.5	\$	349.0	\$	338.7
Risk Management/Self Insurance		-		79.8		79.8		99.2
Undistributed Delinquent Taxes		-		3.2		3.2		5.3
Quality of Life Fund		-		18.4		18.4		23.5
Retiree Protection Trust Fund		-		179.5		179.5		125.1
A/P and Payroll Clearing		26.0		-		26.0		29.7
Other Governmental Funds								
Capital Projects		-		119.4		119.4		163.2
Street Fund		-		88.4		88.4		79.1
Grants		-		49.2		49.2		47.2
Solid Waste Management Fund		43.8		-		43.8		42.7
Debt Service		-		82.1		82.1		73.6
Gordie Howe Bridge Fund		-		17.6		17.6		20.6
Other		11.9		8.2		20.2		32.1
Enterprise Funds								
Enterprise Funds		8.4		2.6		11.0		37.6
Fiduciary Funds								
Undistributed Property Taxes		-		92.1		92.1		78.0
Fire Insurance Escrow		-		10.7		10.7		9.6
Other		-		39.3		39.3		37.1
Component Units								
Component Units		14.3		-		14.3		16.6
Total General Ledger Cash Balance	\$	285.9	\$	958.1	\$	1,244.0	\$	1,258.8

Note: This schedule reports total City of Detroit (excludes DSWD) cash in the bank at February 29, 2020 and differences between the General Ledger and bank balance are shown as reconciling items. This report does not represent cash available for spending, and liabilities and fund balance must be considered when determining excess cash.



Operating Cash Activity: YTD Actual vs Forecast

For 8 Months Ending February 29, 2020

\$ in Millions

	YTD Forecast	YTD Actuals	YTD Variance	Prior YTD Actuals
Cash Receipts				
Property Taxes	\$ 504.5	\$ 498.1	\$ (6.4)	\$ 478.1
Income Taxes	215.5	210.8	(4.7)	205.8
Wagering	126.8	128.6	1.7	124.2
State Shared Revenue	137.3	139.6	2.3	136.2
Utility Taxes	17.0	15.1	(1.9)	14.0
Other Revenue	175.6	175.4	(0.3)	149.2
Bond Proceeds	11.9	11.9	0.0	-
Total Cash Receipts	\$ 1,188.7	\$ 1,179.4	\$ (9.2)	\$ 1,107.5
Cash Disbursements				
Salaries & Wages	\$ (335.1)	\$ (338.0)	\$ (2.9)	\$ (309.8)
Benefits	(79.5)	(78.8)	0.8	(117.3)
Retiree Protection Trust	(45.0)	(45.0)	0.0	(20.0)
Accounts Payable	(294.0)	(312.6)	(18.6)	(297.0)
TIF Distributions	(32.2)	(26.9)	5.2	-
Property Tax Distributions	(379.9)	(344.7)	35.2	(366.6)
Debt Service	(54.7)	(54.7)	0.0	(53.9)
Total Cash Disbursements	\$ (1,220.3)	\$ (1,200.6)	\$ 19.7	\$ (1,164.6)
Net Cash Flow	\$ (31.6)	\$ (21.2)	\$ 10.6	\$ (57.1)



Operating Cash Activity: Actual vs. Forecast to Year End

\$ in Millions

	2019						2020						FY2020 Total
	July Actual	August Actual	September Actual	October Actual	November Actual	December Actual	January Actual	February Actual	March Forecast	April Forecast	May Forecast	June Forecast	
Cash Receipts													
Property Taxes	\$ 58.2	\$ 192.8	\$ 26.7	\$ 8.9	\$ 11.0	\$ 65.1	\$ 125.3	\$ 10.1	\$ 4.0	\$ 1.3	\$ 7.1	\$ 31.6	\$ 542.1
Income Taxes	30.7	22.0	31.2	25.5	21.6	29.0	30.7	20.1	29.4	18.2	17.7	19.6	295.7
Wagering	15.5	17.4	15.0	14.1	18.0	17.6	17.7	13.3	9.0	-	-	-	137.6
State Shared Revenue	-	34.2	-	35.1	-	35.6	-	34.6	-	33.7	-	33.5	206.7
Utility Taxes	2.1	1.3	1.8	2.0	-	3.1	1.8	3.1	3.5	2.8	3.0	2.8	27.3
Other Revenue	33.7	28.3	15.3	10.9	28.9	17.0	23.7	17.7	19.5	16.8	15.8	12.5	240.0
Bond Proceeds (transfer or direct)	-	-	0.3	0.5	2.6	3.0	1.2	4.2	0.9	33.5	-	-	46.3
Total Cash Receipts	\$ 140.2	\$ 296.0	\$ 90.2	\$ 97.1	\$ 82.0	\$ 170.4	\$ 200.3	\$ 103.1	\$ 66.3	\$ 106.3	\$ 43.6	\$ 100.0	\$ 1,495.7
Cash Disbursements													
Salaries & Wages	\$ (46.9)	\$ (46.8)	\$ (37.1)	\$ (40.3)	\$ (35.8)	\$ (45.4)	\$ (50.8)	\$ (34.7)	\$ (36.6)	\$ (37.2)	\$ (39.5)	\$ (44.3)	\$ (495.5)
Benefits	(12.6)	(6.5)	(6.0)	(13.1)	(6.5)	(14.0)	(13.4)	(6.5)	(6.4)	(13.5)	(6.5)	(6.3)	(111.6)
Retiree Protection Trust	(45.0)	-	-	-	-	-	-	-	-	-	-	-	(45.0)
Accounts Payable	(46.3)	(67.2)	(24.2)	(39.6)	(20.0)	(33.8)	(38.0)	(43.5)	(34.6)	(37.3)	(43.5)	(31.4)	(459.5)
TIF Property Tax Disbursements	-	-	-	(0.3)	(1.6)	(25.0)	-	-	-	-	(26.9)	-	(53.8)
Property Tax Distributions	(17.1)	(26.5)	(132.0)	(6.1)	(5.4)	(6.5)	(86.2)	(65.0)	(0.4)	(2.0)	(10.0)	(15.0)	(372.1)
Debt Service	(2.7)	(8.2)	(14.1)	(6.2)	(2.7)	(9.1)	(2.7)	(9.1)	(11.4)	(9.0)	(2.7)	(9.0)	(86.8)
Total Cash Disbursements	\$ (170.6)	\$ (155.2)	\$ (213.3)	\$ (105.7)	\$ (72.1)	\$ (133.8)	\$ (191.2)	\$ (158.8)	\$ (89.5)	\$ (99.0)	\$ (129.1)	\$ (106.0)	\$ (1,624.3)
Net Cash Flow	\$ (30.3)	\$ 140.8	\$ (123.1)	\$ (8.5)	\$ 9.9	\$ 36.6	\$ 9.1	\$ (55.7)	\$ (23.2)	\$ 7.3	\$ (85.5)	\$ (6.0)	\$ (128.6)

Notes:

- The December "TIF Property Tax Disbursement" and the January "Property Tax Distributions" line have been adjusted from prior months due to a correction.
- The April forecast includes \$33.5 million of mandatory draw on the Act 51 term loan.
- Other than income tax and wagering taxes, the potential economic impact have not yet been incorporated into this cash forecast.



Accounts Payable and Supplier Payments

City of Detroit Accounts Payable Analysis \$ in millions

Accounts Payable (AP) as of Feb-20	
Total AP (Jan-20)	\$ 45.0
Plus: Feb-20 invoices processed	\$ 115.8
Less: Feb-20 Payments made	\$ (110.2)
Total AP month end (Feb-20)	\$ 50.6
Less: Invoices on hold ⁽¹⁾	\$ (17.7)
Less: Installments/Retainage Invoices ⁽²⁾	\$ (0.5)
Net AP not on hold	\$ 32.4

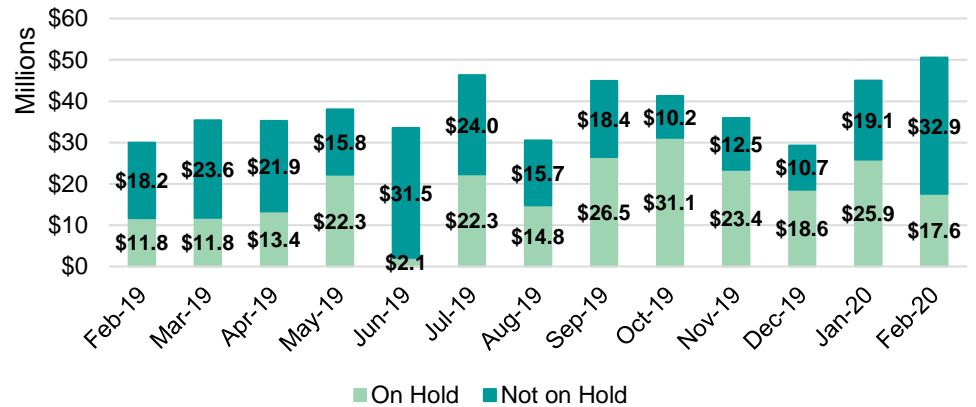
AP Aging (excluding invoices on hold)

	Net AP	Current	Days Past Due		
			1-30	31-60	61+
Feb-20. Total	\$ 32.4	\$ 17.8	\$ 11.2	\$ 0.3	\$ 3.1
% of total	100%	55%	35%	1%	10%
Change vs. Jan-20	\$ 13.3	\$ 4.8	\$ 8.5	\$ (0.6)	\$ 0.6
Total Count of Invoices	1,669	1,364	169	48	88
% of total	100%	82%	10%	3%	5%
Change vs. Jan-20	(206)	164	(220)	(68)	(82)
Jan-20. Total	\$ 19.1	\$ 13.0	\$ 2.7	\$ 0.9	\$ 2.5
% of total	100%	68%	14%	5%	13%
Total Count of Invoices	1,875	1,200	389	116	170
% of total	100%	64%	21%	6%	9%

Notes:

- (1) Invoices with system holds are pending validation. Some reasons include: pending receipt, does not match purchase order quantity/price and legal holds
 - (2) Invoices on retainage are on hold until the supplier satisfies all contract obligations
- All invoices are processed and aged based on the invoice date

Accounts Payable (Inc. installments/retainage)



Supplier Payment Metric (Phase 1)

