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GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

RACHAEL EUBANKS  
STATE TREASURER

## DETROIT FINANCIAL REVIEW COMMISSION

### RESOLUTION 2021-01

#### CERTIFYING THE CITY OF DETROIT’S (I) ADOPTION AND ADHERENCE TO DEFICIT FREE BUDGETS FOR THREE CONSECUTIVE YEARS AND (II) COMPLIANCE WITH THE MICHIGAN FINANCIAL REVIEW COMMISSION ACT

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

WHEREAS, the Commission granted a waiver to the City pursuant to Section 8 of the Act on June 24, 2019 in Resolution 2018-13 and is currently in a period of decreased oversight; and

WHEREAS, both the Act and the conditions of waiver approved by the Commission in Resolution 2018-13 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, one such condition is found in Section 8(2)(a) of the Act which requires the Commission to certify annually that the City has adopted and adhered to deficit-free budgets for three consecutive years that comply with generally accepted accounting principles and are in accordance with the uniform budgeting and accounting act, MCL 141.421.

WHEREAS, Section 8(2)(g) of the Act further requires the Commission certify annually that the City is in substantial compliance with the provisions of the Act; and

WHEREAS, at the Commission meeting June 28, 2021, documentation of the City's (i) adoption and adherence to deficit free budgets for three consecutive years that comply with generally accepted accounting principles and are in accordance with the uniform budgeting and accounting act, MCL 141.421, and (ii) compliance with the Act since the adoption of Resolution 2018-13, was presented for consideration.

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

1. That the Commission hereby certifies that the City has adopted and adhered to deficit free budgets for three consecutive years that comply with generally accepted accounting principles and are in accordance with the uniform budgeting and accounting act, MCL 141.421.

2. That the Commission hereby certifies that the City is in substantial compliance with the provisions of the Act since the adoption of Resolution 2018-3.

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. This Resolution shall have immediate effect.



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**CFO MEMORANDUM  
NO. 2021-101-005**

**TO:** Financial Review Commission  
**FROM:** Jay B. Rising, Acting Chief Financial Officer, City of Detroit  
**SUBJECT:** Certification the City has met the Waiver Conditions in PA 181, Section 8(2)  
**DATE:** May 20, 2021

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1. AUTHORITY

1.1. State of Michigan Public Act 181, Section 8(1) states the FRC shall, by resolution, waive the oversight requirements designated in Sections 6 and 7 of PA 181 if certain conditions are met as provided in Section 8(2) of PA 181.

2. OBJECTIVE

2.1. To verify that the City has met all the waiver conditions in Section 8(2) of PA 181.

3. PURPOSE

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

4. SCOPE

4.1. This Memorandum is intended solely to verify that the City has met the waiver conditions of Section 8(2) of PA 181.

5. STATEMENT

5.1. In accordance with Section 8(2) of PA 181, the City has met the following conditions:

5.1.1. Adopted and adhered to deficit-free budgets for 3 consecutive years that comply with generally accepted accounting principles and are in accordance with the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a.

5.1.2. Both of the following conditions related to municipal securities:

5.1.2.1. All municipal securities or debt obligations sold by or for the benefit of the City in the general public market during the immediately preceding fiscal year and current fiscal year satisfied the capital and other financial requirements of the City during that period.

5.1.2.2. There is a substantial likelihood that municipal securities or debt obligations can be sold by the City in the general public market during the remainder of the current fiscal year and the immediately succeeding fiscal year in amounts sufficient to substantially satisfy all of the capital and other financial requirements of the City during those periods in accordance with the City's financial plan, as applicable.

- 5.1.3. Financial plan projects a balanced budget for the current and succeeding 3 fiscal years using generally accepted accounting principles and in accordance with the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, and section 4t of the home rule city act, 1909 PA 279, MCL 117.4t.
- 5.1.4. Sufficient ability to borrow in the municipal securities market.
- 5.1.5. Did not violate the Plan of Adjustment (the "POA") in the immediately preceding fiscal year, as applicable, and is not in violation in the current fiscal year.
- 5.1.6. Compliance with the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a.
- 5.1.7. Substantial compliance with PA 181.
- 5.1.8. Currently only offers the retirement plans as provided in the POA, which do not include contributions to individual employee retirement accounts.
- 5.1.9. Implemented a program in which all contracts awarded by the City are posted on the City's public website within 30 days of the contract award, including the identity of the parties to the contract, the dollar amount of the contract, and a brief description of the goods or services provided by the contract.

**CERTIFIED**



Jay B. Rising  
*Acting Chief Financial Officer, City of Detroit*