



**MEMORANDUM**

To: Council Member Coleman A. Young II  
From: Tanya Stoudemire, Chief Deputy CFO / Interim Budget Director *Tanya Stoudemire*  
Date: November 13, 2024  
RE: Questions for OCFO

Responses to the questions, dated September 18, 2024, are indicated below:

**1. What is the ratio of debt to the GDP?**

**Response:** While there isn't a measure of GDP for the City, the outstanding principal for debt as of 9/30/24 is outlined in the chart below.

	Principal Outstanding (as of 9/30/24)
UTGO	\$ 561,975,000
LTGO	997,622,785
2017 MTF Bonds	86,585,000
HUD Notes	5,381,000
<b>Total</b>	<b>\$ 1,651,563,785</b>

As of the September 2024 Revenue Estimating Conference, the projected General Fund revenue actual for FY 2024 is \$1.37 billion.

While a city GDP does not exist, common debt measures are used to evaluate the City's debt levels such as the General Fund Debt Service to Total General Fund Expenditures ratio. Per our Debt Policy, the City targets keeping this metric below 10% and has a goal of reducing it below 8%, which has been met in the past two years. The below tables summarize how this metric has improved over the past 3 years:

FY22	FY23	FY24*
8.46%	7.94%	7.07%

\*pending final audited financials

Another important and common metric is All Funds Debt as a percentage of True Cash Value. As of September 30, 2024, All Funds Debt as a percentage of True Cash Value is 6.06%. Per the Debt Policy, the City strives to keep this metric below 10%. The below tables summarize how this metric has improved over the past 3 years:

FY22	FY23	FY24
8.56%	6.92%	6.06%

**2. How many jobs are created for adult Detroiters?**

**Response:** Resident employment was 232,458 in August 2024. This exceeds the 2019 pre-pandemic level of 233,310. According to Detroit at Work, there are 5,695 jobs available for adult Detroiters as of October 18, 2024.

**3. How much does it cost if jobs are in the negative?**

**Response:** In a static view if employment levels are declining, income tax revenue would be reduced as a result. However, this view does not factor in the growth in salary and wage levels, labor force growth, and the change in jobs by sector. For example, the RSQE FY 2023-24 projection in September 2024 shows unemployment increasing by 0.7 percentage points while average wages increase by 3.5%.

**4. How much is it costing the city in nonresidential taxes when workers are working virtually?**

**Response:** We estimate that the City has approximately \$20-30m per year in total remote work refunds.

Should you have additional questions or concerns, please feel free to contact me.

cc: Honorable Detroit City Council  
Jay B. Rising, Chief Financial Officer  
John Naglick, Jr., Chief Deputy CFO/Finance Director  
Malik Washington, City Council Liaison  
David Whitaker, Director-Legislative Policy Division