



**OFFICE OF THE  
CHIEF FINANCIAL OFFICER  
OFFICE OF BUDGET**

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June 25, 2025

Honorable Detroit City Council  
Coleman A. Young Municipal Center  
2 Woodward Avenue  
Detroit, MI 48226

Re: Fiscal Impact of Fiscal Impact of the Proposed Electric Vehicle Charging Rates Ordinance Amendment

Dear Council Members:

Please see attached Fiscal Impact Statement prepared by the Office of Budget for the above referenced item, pursuant to CFO Directive 2018-101-029: Fiscal Impact Statements. Upon review, please do not hesitate to contact me to discuss further.

Best regards,

Donnie Johnson  
Acting Deputy CFO / Budget Director

Att: CFO Fiscal Impact Statement No. 2025-110-005

cc: Tanya Stoudemire, CFO  
John Naglick, Jr., Chief Deputy CFO/Finance Director  
Malik Washington, City Council Liaison  
David Whitaker, Director-Legislative Policy Division



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## CFO FISCAL IMPACT STATEMENT NO. 2025-110-005

**SUBJECT:** Fiscal Impact of the Proposed Electric Vehicle Charging Rates Ordinance Amendment

**PREPARED BY:** Office of the CFO – Office of Budget

**DATE ISSUED:** June 25, 2025

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### 1. AUTHORITY

- 1.1. State of Michigan Public Act 279 of 1909, Section 4s(2)(d), as amended by Public Act 182 of 2014, states the Chief Financial Officer (“CFO”) shall submit in writing to the Mayor and the governing body of the City his or her opinion on the effect that policy or budgetary decisions made by the Mayor or the governing body of the City (“City Council”) will have on the City’s annual budget and its four-year financial plan.
- 1.2. CFO Directive No. 2018-101-029 Fiscal Impact Statements states that the CFO shall issue Fiscal Impact Statements (“FIS”) for pending or enacted decision items with a significant fiscal impact on the City, as determined by the CFO, to provide financial information to the Mayor and the City Council as they consider action on proposed local policy or budgetary decision items.

### 2. PURPOSE

- 2.1. To provide financial information to the Mayor and the City Council as they consider the effect of the proposed ordinance to amend Chapter 48 of the 2019 Detroit City Code, *Utilities*, by adding Article IV, Electric Vehicle (EV) Charging Rates (the “The EV Charging Rates Ordinance”).

### 3. OBJECTIVE

- 3.1. This FIS serves as the report on the fiscal impact of the proposed on the City’s annual budget for FY 2026 and four-year financial plan for FY 2026 – FY 2029 (the “City budget”).

### 4. SCOPE

- 4.1. This FIS is not intended to convey any statements nor opinions on the advisability of the proposal, except for those components that have or may have a fiscal impact on the City budget.
- 4.2. This fiscal impact analysis is based on the proposed as described below in Section 5 of this FIS. Should the proposal change prior to final approval, an updated FIS may be issued.

### 5. STATEMENT

Conclusion: The EV Charging Rates Ordinance would have **no net fiscal impact** on the City budget.

- 5.1. Background: The City is actively partnering with local businesses and recreation centers to install EV chargers on both public and private sites. Through a combination of awarded federal grants and previously approved match funding, the City is planning the construction of 23 EV charging sites through the summer of 2026. The proposed

ordinance amendment establishes that all revenue derived from current and future City-owned and operated EV charging stations will be deposited into a dedicated Public Lighting Department (PLD) EV Enterprise Fund. The revenues deposited into this fund are to be used for undertaking, implementing, maintaining, operating, and replacing, as needed, EV chargers.

The charging station rate is to be approved by City Council based on a calculated combined pass-through and adder rate methodology. The pass-through rate represents the cost of the electricity supplied by DTE and passed directly to the customer. The adder rate is established by calculating the total estimated City funded operational costs divided by the expected energy dispensed. PLD or a designee is to submit an annual report of the revenue received and any proposed adjustments to the rate necessary to align charging rates with the cost of service based on actual usage data.

Additionally, the EV Charging Rates Ordinance establishes an idle rate charged to vehicles which obstruct or otherwise impede an electric vehicle charging station. This idle rate is charged as a per minute fee after a grace period of 15 minutes of a completed charging session and if the vehicle is still plugged in. The idle fee is derived by calculating the average session revenue divided by the average session time. Obstructed vehicles are also subject to towing/removal. The ordinance also enforces that EV charging stations installed in the City shall display signage that indicates the charging and idling rates, as well as authorization to tow vehicles that obstruct or impede an EV charging station.

- 5.2. Fiscal Impact: The EV Charging Rates Ordinance would have **no net fiscal impact** on the City budget. The funding required to support the up-front cost associated with constructing the EV charging sites has already been identified and appropriated. Future revenues derived from EV charging rates will be deposited into a dedicated enterprise fund and will be used solely for the purpose of supporting the operational costs associated with City-owned and operated EV charging stations. The operational costs will be fully supported by the revenue received from the charging rates and will not require support from other resources in the City budget. Rates will also be re-examined on an annual basis and adjusted as needed.

**APPROVED**



Donnie Johnson  
Acting Deputy CFO/Budget Director