



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

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September 15, 2025

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

Re: Establishing FY 2025-2026 Corporate Income Tax Reserve Fund

Honorable Detroit City Council Members:

The Administration is requesting Council authorization to assign \$42 million of the Fiscal Year 2024-2025 unassigned fund balance, currently estimated at approximately \$60.2 million, to establish the Fiscal Year 2025-2026 Corporate Income Tax Reserve Fund.

The reserve will provide security against current corporate income tax uncertainty. It will lapse at the end of Fiscal Year 2025-2026 if it is not needed and return to the City's unassigned fund balance.

We respectfully request your approval of the attached resolution, with a waiver of reconsideration.

Best regards,

Donnie Johnson
Acting Deputy CFO / Budget Director

Att: Fiscal Year 2025-2026 Corporate Income Tax Reserve Fund Resolution

Cc: Tanya Stoudemire, Chief Financial Officer
John Naglick, Jr., Chief Deputy CFO/Finance Director/Controller
Regina Greear, Acting Chief Deputy CFO/Policy & Administration Director
Matthew Spayth, Acting Deputy Budget Director
Malik Washington, City Council Liaison

RESOLUTION

BY COUNCIL MEMBER _____

WHEREAS, Section 17(1) of State of Michigan Public Act 2 of 1968 (the “Uniform Budgeting and Accounting Act”) states that a deviation from the original general appropriations act shall not be made without amending the general appropriations act; and

WHEREAS, Section 8-210 of the 2012 Detroit City Charter authorizes that if during the fiscal year the Mayor advises the City Council that there are available for appropriation revenues in excess of those estimated in the budget, the City Council may make supplemental appropriations for the year up to the amount of the excess; and

WHEREAS, the Administration has determined it to be prudent to assign \$42,000,000 of the estimated \$60,200,000 Fiscal Year 2024-2025 unassigned fund balance to establish the Corporate Income Tax Reserve Fund to provide security against current economic and trade conditions;

NOW, THEREFORE, BE IT RESOLVED, that the Detroit City Council hereby assigns \$42,000,000 of the Fiscal Year 2024-2025 unassigned fund balance by establishing Appropriation 21603 – FY26 Corporate Income Tax Reserve Fund; **AND BE IT FINALLY**

RESOLVED, that the Chief Financial Officer, or their designee, is hereby authorized and shall take all appropriate actions necessary to implement the foregoing provisions and actions authorized by this resolution.