



City of Detroit ~ Detroit City Council
Coleman A. Young II
Councilman At Large #1

MEMO

TO: DAVID WHITAKER, DIRECTOR OF LEGISLATIVE POLICY DIVISION
JAY RISING, CHIEF FINANCIAL OFFICER
STEVE WATSON, DEPUTY CHIEF FINANCIAL OFFICER

CONRAD MALLET, JR., CORPORATION COUNSEL

FROM: COLEMAN A. YOUNG II, COUNCIL MEMBER AT LARGE - #1
COMMITTEE VICE-CHAIR

THRU: COUNCILMEMBER FRED DURHAL, CHAIR
GABRIELLA SANTIAGO ROMERO, MEMBER
BUDGET, FINANCE AND AUDIT STANDING COMMITTEE

THRU: COUNCIL PRESIDENT MARY SHEFFIELD, EX-OFFICIO

DATE: MARCH 29, 2023

RE: BUDGET QUESTIONS – NON-DEPARTMENTAL BUDGET CATEGORIES
GENERAL RETIREMENT PENSION AND RELATED QUESTIONS

The following questions are in regards and related to the finances of the City of Detroit and the General Pension Fund.

My questions are:

- 1) Has the City of Detroit received the approximately \$24 million dollar grant from the Local Unit Municipal Pension Principal Payment Grants of the Governor's FY 2022-23 General Omnibus Budget Summary: Conference Report (Page 80)? This grant was first brought to my attention in the Mayor's Office State Legislative Update of June 27, 2022, which stated that the "General Retirement System legacy plan should be eligible for \$24 million." See further below.

4. Local Unit Municipal Pension Principal Payment Grants

House includes \$900.0 million GF/GP for a grant program to award funding to qualified units of government to deposit into their qualified retirement systems with certain stipulations. Executive and Senate do not include. Conference includes \$750.0 million GF/GP.

Gross	\$0	\$750,000,000
GF/GP	\$0	\$750,000,000

FROM: COLEMAN A. YOUNG II, CM AT LARGE
DATE: MARCH 27, 2023
RE: BUDGET QUESTIONS; CONTINUED
PAGE: TWO OF TWO

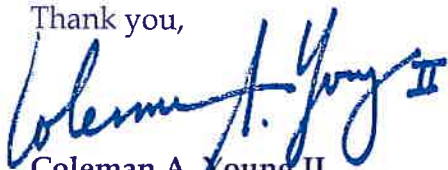
FY23 budget

- \$750m for local pension funding to get to 60% funded ratio (per the language, Detroit General Retirement System legacy plan should be eligible for \$24m)

I also have the following questions:

- 2) How many City of Detroit general retirees are living now and how many were living at the time of the bankruptcy?
- 3) How many City of Detroit general retirees are living below the poverty level now?
- 4) How much wealth have Detroiters lost since the bankruptcy, when the City of Detroit lost control over the General Pension Retirement System Investment Committee?
- 5) How many minority disadvantaged Detroit Based businesses does the City contract with in relation to the General Pension Retirement System Investments (e.g. investments, advisors, consultants, etc.).
- 6) What is the revenue to debt ratio for the City of Detroit?
- 7) What is the City of Detroit's total debt?
- 8) What is the City of Detroit's bond rating?

Thank you,



Coleman A. Young II
Councilman At-Large

Attachments: (2)

State Legislative Update:
Week of June 27, 2022
FY 2022-23 GENERAL OMNIBUS
BUDGET SUMMARY:
Conference Report

Full Documents Attached Separately

cc: J. Tate, C P Pro Tem, District #1
M. Waters, At Large
A. Whitfield-Calloway, District #2
S. Benson, District #3
L. Johnson, District #4

State Legislative Update

Week of June 27, 2022

The House and Senate only met one day this week, Thursday, primarily to consider the FY 2023 budget among other items. The State Legislature passed FY23 State Budget and FY22 supplemental appropriations for the Governor's signature.

FY 2023 Budget Agreement Reached

The Senate, House, and Governor Gretchen Whitmer have agreed on a Fiscal Year 2023 budget with the approval of [House Bill 5783](#) and [Senate Bill 845](#). Overall, the budget is \$76.7 billion with \$19.6 billion from the School Aid Fund and \$15.3 billion from the General Fund. House Bill 5783 was passed without any form of tax cuts at this time, however, there is roughly \$7 billion on the books for the administration and legislative leaders to continue conversations around that piece. Senate Bill 845 is the largest K-12 state aid budget to Michigan schools in state history.

Here are some highlights:

FY23 budget

- **\$750m for local pension funding to get to 60% funded ratio (per the language, Detroit General Retirement System legacy plan should be eligible for \$24m)**
- **6% increase in State Revenue Sharing** (\$7m ongoing boost for Detroit, \$1.5m one-time boost)
- \$12m one-time for Eastern Market (boilerplate carveout in \$30m Economic Development for Food and Agriculture Industries program)
- \$100m for UM Detroit Center for Innovation
- \$100m for Wayne State cancer institute
- \$130m for UM electric vehicle teaching, training and development center (Ann Arbor)
- \$4m for Historical Museum
- \$6m for Wright Museum (+ continues prior year \$500k for Wright too)
- \$1m for Detroit/Wayne County Port Authority
- \$1m for Ruth Ellis Center
- \$500k for Downtown Boxing Gym (Detroit)
- \$40m for Joe Louis Greenway
- \$5m for Global Detroit global talent initiative
- \$45m for DWIHN psychiatric campus
- \$5m for Detroit Children's Hospital psychiatric
- \$1m for Detroit Health Dept health and emissions monitoring
- \$12m for Priority Grade Separation Projects in Wayne County
- Continues \$1m for Focus HOPE
- \$75m for Blight elimination program
- \$2m for arts and cultural grants
- \$75m for CDFIs
- \$50m for nonprofit relief grants
- \$315m for new SE Michigan State Psych hospital to replace Reuther and Hawthorn
- \$150m for new statewide judicial case management system
- \$5m for Michigan Reconnect Program

- \$55m for Going Pro
- \$5m increase for local bus operations statewide
- \$48m for local grants to replace lead service lines and upgrade water treatment facilities, preference for disadvantaged communities
- \$25m for ILA in Detroit specifically carved out from \$75m Blight elimination program
- \$20m for DMC children's hospital

FY22 supplemental

- \$30m for EMS Scholarships and Grants to train new EMTs and paramedics
- \$11m for community policing competitive grant program
- \$500k for FORCE Detroit Community Violence Intervention program
- \$7.5m for Police Athletic League in Detroit and to expand to GR and Flint
- \$30m for public safety academy assistance program (up to \$4k for recruit salaries, up to \$20k for scholarships)
- \$12m for fire gear equipment grants

Not included

- No tax cuts (to be negotiated later)
- No supplemental local road funding (perhaps this will come back in a future round as they negotiate tax cuts)

Michigan Natural Resources Trust Fund appropriations

- Appropriates recommendations from MNRTF Board last year
- \$300k for Milliken State Park berm project
- \$300k for Patton Park JLG (\$350k match)
- \$300k for Romanowski Park JLG (\$200k match)

Expanded Access to Water Infrastructure Funding Bills Signed

Governor Gretchen Whitmer has signed House Bills [5890](#), [5891](#), and [5892](#) in an effort to make it easier for communities to access \$4 billion in state and federal infrastructure funds to start and pay for water system projects by lowering the burden of the application process and allowing funds to move to communities more easily. Governor Whitmer said the bills would support 27,000 jobs to replace 20,000 lead service lines across the state and prevent highway flooding.

Roe V. Wade

While the US Supreme Court has overturned *Roe v. Wade*, abortion for now remains legal in Michigan while a lawsuit proceeds after a Court of Claims judge held that Michigan's abortion-ban law is unenforceable. Attorneys representing the other side in that case have filed a request for immediate reconsideration in the Court of Appeals. Governor Gretchen Whitmer has asked the Michigan Supreme Court to immediately consider her lawsuit challenging the state's abortion-ban law citing urgency in the matter due to confusion as to whether the injunction on the ban applies to local officials such as county prosecutors.

Pro-choice advocates are collecting signatures for a ballot proposal to appear on the November 2022 ballot to enshrine abortion in the Michigan constitution. Governor Whitmer sent letters this week to Michigan insurers, encouraging them to provide full coverage for reproductive health care as the fate of Michigan's abortion ban remains unknown.