

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

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	:	
In re	:	Chapter 9
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CITY OF DETROIT, MICHIGAN,	:	Case No. 13-53846
	:	
Debtor.	:	Hon. Steven W. Rhodes
	:	
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EXPERT REPORT OF CHARLES M. MOORE, CPA, CTP, CFF

A. Introduction

1. Scope of Engagement

I have been retained by the City of Detroit (“Detroit” or the “City”) as an expert in advising municipal and corporate entities on organizational turnarounds and restructuring, including operational and financial revitalization. Conway MacKenzie, Inc. (“CM” or the “Firm”) was engaged by the City in January 2013. I have led the Firm’s engagement since that time. As the operational restructuring advisor for the City, my primary responsibility has been assisting the City in evaluating, developing, negotiating and executing the short- and long-term restructuring actions the City must take in order to achieve improved and adequate levels of services, structural cost savings, enhanced revenue generation, and deficit elimination. I, along with other CM professionals, have worked closely with the City and its other advisors, both prior to,

and following, the City's Chapter 9 bankruptcy filing, to develop an extensive 10-year Restructuring and Reinvestment Plan (the "Reinvestment Initiatives"), which is designed to invest approximately \$1.7 billion, before cost savings totaling \$358.2 million and revenue initiatives of \$482.9 million, into rebuilding the City's infrastructure and to greatly enhance the services the City provides to its citizens.

The procedures performed in connection with this engagement were either performed by me or under my supervision by employees of and subcontractors with CM.

2. Qualifications of Charles M. Moore

I am a Senior Managing Director and Shareholder of CM. CM provides turnaround consulting and financial advisory services to distressed organizations, municipalities, and their constituents, as well as due diligence, fraud investigation and litigation support services. The Firm was established in 1987 and has nine offices throughout the U.S. CM has been recognized as an "Outstanding Turnaround Firm" by the publication *Turnarounds & Workouts* every year since 2000, was named "Turnaround Firm of the Year" by M&A Advisor in 2011, and has received numerous awards for its work in performing turnarounds and conducting transactions for a variety of clients.

I have twenty years of experience in operational restructuring and turnaround consulting, as well as in the development and assessment of business plans and financial projections.

I have been employed by CM since October 2001, the last six years as a Senior Managing Director and as a shareholder for the last seven years. Prior to joining CM, I was employed as the Chief Financial Officer of Horizon Technology LLC

(“Horizon”), an automotive supplier, for approximately one and a half years. Prior to joining Horizon in February 2000, I was a manager at the public accounting firm known as Deloitte & Touche LLP, where I provided consulting services to mid-sized organizations, working in the Management Solutions & Services department.

My practice area includes providing crisis management and turnaround consulting services to under-performing municipalities and organizations in a variety of industries. I have been involved in developing and assessing business plans and financial projections in over a hundred matters throughout my career. I have won numerous awards for my work in turning around organizations and helping them become more efficient. I also have extensive experience with defined-benefit pension plans and other post-employment benefit (“OPEB”) claims. Additionally, I have been involved in multiple engagements where I have identified and evaluated alternatives for providing cost-effective health care benefits for both active and retired employees.

I have considerable experience with the restructuring of operations and finances of distressed municipalities. At CM, I lead the firm’s Governmental Services Group, and the bulk of my work is focused on providing operational and turnaround consulting services to under-performing municipalities and their constituents.

Several recent matters are illustrative of this experience. First, I worked on behalf of Detroit Public Schools (“DPS”), where I provided operational restructuring services related to DPS’ financial information system, human resources systems and procurement function, as well as working with the DPS Emergency Manager on overall restructuring strategies. In addition, I was engaged by the American Federation of State, County and Municipal Employees to evaluate planned restructuring actions being contemplated by the Commonwealth of Puerto Rico. I

was also engaged on behalf of Franklin High Yield Tax-Free Income Fund and Franklin High Yield Municipal Fund in connection with the City of Stockton, California's Chapter 9 filing under the U.S. Bankruptcy Code and the treatment of the Stockton Public Financing Authority Lease Revenue Bonds, 2009 Series A (Capital Improvement Projects) in the First Amended Plan for the Adjustment of Debts of City of Stockton, California. I performed an extensive investigation of the underfunded position of the Employee Retirement System ("ERS") for the Commonwealth of Puerto Rico to analyze root causes of the underfunding of the ERS. I also worked on behalf of National Public Finance Guarantee ("NPF") in connection with its involvement in the Jefferson County, Alabama Chapter 9 filing under the U.S. Bankruptcy Code, where I, together with others at CM, reviewed and analyzed Jefferson County's financial projections and assisted NPF in its negotiations with Jefferson County regarding treatment of its claims. Finally, in 2007, I was appointed to the Legislative Commission on Government Efficiency for the State of Michigan, a nine-person panel tasked with identifying ways to make state government operations more efficient, where I led the Procurement and Sourcing Work Group.

I am a Certified Public Accountant, Certified Turnaround Professional, Certified in Financial Forensics and hold memberships in the Turnaround Management Association, American Bankruptcy Institute, American Institute of Certified Public Accountants and Michigan Association of Certified Public Accountants. I am also a past President and former member of the Board of Directors for the Detroit Chapter of the Turnaround Management Association. I received both my Master of Business Administration and my Bachelor of Arts degrees from Michigan State University. In 2008, I was honored by *Crain's Detroit Business* through selection to the class of "40 Under 40" and in 2006, I was named one of

twelve 'People to Watch – Business Professionals Making Their Mark' by *Turnarounds & Workouts*.

Attached as Exhibit 1 are my Curriculum Vitae and listing of publications I have authored in the previous ten years.

3. Prior Testimony

I testified as an expert in In re City of Stockton, California, Case No. 12-32118 (E.D. Cal). I was qualified as an expert in the field of municipal finance related to the analysis of business plans and financial projections. I previously testified in deposition and trial in the City of Detroit's Chapter 9 proceeding related to the determination of eligibility for relief under Chapter 9 and approval of post-petition financing. Refer to Exhibit 2 for a listing of other cases where I have testified as an expert or fact witness at trial or by deposition during the past four years.

4. Report Qualifications

The information in this report is presented as of the date of this report and is based generally upon projections contained within the Fourth Amended Disclosure Statement With Respect to Fourth Amended Plan for the Adjustment of Debts of the City of Detroit [Docket No. 4391] dated May 5, 2014 (the "Disclosure Statement"), as such projections were updated as of July 2, 2014 (the "Plan Projections"). The opinions and conclusions expressed herein are subject to change based on additional data, facts and information that may be received subsequent to the date of this report. In addition, it is possible that I may be asked at a future date to review and respond to a report issued by any expert(s) retained by other parties in interest related to the confirmation of the City's Fourth Amended Plan for the Adjustment of Debts of the City of Detroit [Docket No. 4391] dated May 5, 2014 (the "Plan").

5. Exhibits

Exhibit 3 contains exhibits I will use to summarize and support my opinions. I anticipate there may be modifications and/or additions to these exhibits to address information that becomes available after the date of this report and reserve the right to modify, amend or supplement such exhibits.

6. Materials Considered in Reaching Opinions

Attached as Exhibit 4 is a listing of the materials I considered in reaching my opinions. I also considered discussions with City and State of Michigan employees, as well as the City's third-party consultants and contractors.

7. Statement of Compensation

CM is being compensated for all work performed based on actual hours incurred and for any out-of-pocket expenses. Billing rates range from \$130 per hour for staff working under my direction to \$495 per hour for my time. CM's compensation is not in any way dependent upon the outcome of the case.

B. Overview of the Reinvestment Initiatives

As part of the Plan, the City proposes to invest approximately \$1.7 billion through the fiscal year ending June 30, 2023 by way of the Reinvestment Initiatives to revitalize the City and, among other things, (1) systematically and comprehensively address and remediate residential urban blight ("Blight Initiatives"), (2) improve the operating performance and infrastructure of public safety operations ("Public Safety Initiatives"), (3) improve services that the City provides to its citizens, including transportation ("Resident Service Initiatives"), (4) enhance the attractiveness of the City as a place to invest in and do business ("Business Service Initiatives"), (5)

modernize its information technology systems on a City-wide basis to enhance management tools and information and invest in support departments to enable greater efficiencies in operations throughout the City (“Organizational Efficiency Initiatives”), (6) increase executive support, while reducing redundancy (“Management Initiatives”) and (7) reduce the burden on the general fund from non-departmental operations (“Non-Departmental Initiatives”). The assumptions and forecasts underlying the Reinvestment Initiatives were developed using a "bottom-up," department level review that identified, among other things, (1) opportunities and initiatives to enhance revenues and improve the collection of accounts receivable, (2) reinvestment in labor to improve City services and operations, (3) capital expenditures for necessary information technology, fleet and facility improvements and (4) various department specific expenditures necessary to facilitate the City's restructuring.

As set forth more fully in Exhibits 5, 6, 7, and 8 along with Table i, below, the approximately \$1.7 billion total will be allocated in several distinct categories. Through the period ending June 30, 2023, the City plans to spend approximately \$420.0 million on blight reduction. Spending on capital expenditures and other infrastructure items, namely fleet (vehicle) and facilities, is projected to be approximately \$392.8 million. These additional expenditures relate mainly to facility costs for police, fire and recreation, along with fleet costs for police and fire. In addition, \$151.7 million is planned for technology investments. Lastly, additional operating expenditures (non-capital related) are projected to be approximately \$753.4 million through the period ending June 30, 2023.

As a result of these expenditures, the City anticipates that it will be able to realize cost savings of \$358.2 million through the period ending June 30, 2023. Further, as a result of these expenditures, additional revenue of approximately \$482.9 million is anticipated to be realized through the period ending June 30, 2023. The net

amount of Reinvestment Initiatives, after taking into account these anticipated cost savings and enhanced revenue, will be approximately \$876.7 million.

Table i – Summary of Reinvestment Initiatives

(\$MM)

	<u>Total</u>
Investment	
Blight	\$ 420.0
Additional Operating Expenditures	715.7
Fleet	167.4
Technology	151.7
Capital Expenditures	225.4
Reorganization Implementation Costs	37.7
Sub-Total Investment	\$ 1,717.8
Department Cost Savings Initiatives	\$ (358.2)
Department Revenue Initiatives	(482.9)
Sub-Total Cost Saving And Revenue Initiatives	\$ (841.1)
Total Net Reinvestment Initiatives	\$ 876.7

Ultimately, the goal of the Restructuring Initiatives is to stabilize the City's population and position the City's population and business base for growth.

C. Summary of Opinions

The opinions I have reached in this matter are based on the work performed to date, as well as my professional experience as an operational and financial restructuring consultant. They are:

1. The Blight Initiatives are necessary and will significantly reduce blighted structures and will strengthen neighborhoods.

2. The Public Safety Initiatives are necessary and will substantially improve the public safety services for those in and around the City.
3. The Resident Service Initiatives are necessary and will substantially improve the services the City provides to its citizens, businesses and visitors.
4. The Business Service Initiatives are necessary and will enhance the attractiveness of the City to the business community through streamlined processes and improved support facilities.
5. The Organizational Efficiency Initiatives are necessary and will substantially improve administrative and support departments to perform necessary functions required by the City's operating departments.
6. The Management Initiatives are necessary and will allow elected officials to more effectively manage the City.
7. The Non-Departmental Initiatives are necessary and will improve the operations of the 36th District Court and reduce the funding burden on the City's General Fund.

D. Methodology

In developing the Reinvestment Initiatives, my team and I reviewed the functions of each agency or department within the City that impacts the City's General Fund¹ to assess its function, the services it provides, and its performance.²

¹ The Restructuring Initiatives also take into account select Enterprise Funds that currently and/or historically rely on a subsidy from the General Fund, such as the Detroit Department of Transportation, Coleman A. Young International Airport, and Building Safety Engineering and Environmental Department.

After identifying the operating and performance levels of the departments in the City, I reviewed benchmark information, where available and where applicable, to identify, and gauge, the severity of the deficiencies in the departments.

Once the departments were reviewed, performance improvement initiatives were developed and analyzed to determine, among other things, the specific changes and spending required to improve performance and services. The required spending for each of the performance improvement initiatives was built from the bottom up. This approach enabled my team and I to have the specific cost components for each initiative, as well as a roadmap for planning and implementation. The ability to implement a specific initiative was also a factor considered, as it is important to include only those initiatives that can reasonably be executed. Accordingly, initiatives that carried significant risk, or required actions outside the reasonable control or influence of City leadership (i.e. state legislation), were ultimately not included in the Reinvestment Initiatives. The identified investment expenditures generally fell into one of the categories listed below:

- Labor
- Other operating expenses (non-capital related)
- Technology infrastructure

² Given the number and diversity of the departments my team and I examined, the specific methodology utilized was not exactly the same for each department. Notwithstanding any particular deviations that were necessary, this core methodology and approach was generally utilized across our analysis and development of the Reinvestment Initiatives.

- Capital expenditures, including investments in facilities
- Other infrastructure, including investments in fleet and apparatus
- Reorganization costs

In an effort to mitigate the cost of the investment, cost reductions and efficiency opportunities, as well as revenue opportunities, were considered. Below is a list of the types of cost reductions and efficiencies that were identified to partially offset the costs of the investment expenditures:

- Labor efficiencies
- Reduced downtime
- Reduced overtime
- Process improvements
- Improved management metrics and tools
- Asset usage and deployment

Revenue opportunities were also identified and can generally be characterized as one of the types of initiatives listed below:

- Improved collection rates, due to practices, processes, and/or enforcement
- Collection of past due accounts
- Increased fees and charges for services
- Increased grant revenue
- Sales of excess assets

In this report, unless otherwise noted, all dollar amounts are in millions.

E. Opinion Support

The following is a more detailed discussion of the summary of my opinions.

1. Opinion One: The Blight Initiatives are necessary and will significantly reduce blighted structures and will strengthen neighborhoods.

The City's long-term population decline and falling property values have resulted in large numbers of abandoned, forfeited, or foreclosed land and structures within the City.³

In order to better understand the magnitude of blight in the City and to develop a plan to address blight, the Blight Removal Task Force⁴ (the "Task Force") was created in September 2013. In May 2014, the Task Force issued a report of its findings and recommendations to address blight within the City.

As part of the Task Force's efforts, a comprehensive, single database that accurately defined the current scope of blight within the City was created. This project and the resulting database known as Motor City Mapping successfully surveyed 378,136 of the 380,233 parcels within the 139 square miles of the City.⁵

³ Detroit Blight Removal Task Force Plan titled, "Every Neighborhood Has a Future... And It Doesn't Include Blight", dated May 2014, pp. 198-207.

⁴ The Detroit Blight Removal Task Force is chaired by Glenda Price, President of Detroit Public Schools Foundation; Linda Smith, Executive Director of U-SNAP-BAC; and Dan Gilbert, Founder and Chairman of Rock Ventures and Quicken Loans

⁵ The difference of 2,097 parcels represents those properties that could not be viewed from the street.

Data Driven Detroit, a non-profit organization that houses a comprehensive data system that includes current and historic demographic and other indicators, subsequently confirmed that data received from 377,602 surveys accurately matched third party data. The table below provides a breakdown of the parcels within the City, including the 84,641 structures and vacant lots that require intervention.⁶

Table 1a – Motor City Mapping Data Results						
Parcel Type	Blight			Non-Blight		
	Public	Private	Total	Public	Private	Total
Structure Residential	24,064 33%	48,971 67%	73,035 100%	1,602 1%	170,970 99%	172,572 100%
Structure Commercial	913 17%	4,558 83%	5,471 100%	339 3%	12,152 97%	12,491 100%
Total with Structure	24,977 32%	53,529 68%	78,506 100%	1,941 1%	183,122 99%	185,063 100%
Vacant Lot	3,680 60%	2,455 40%	6,135 100%	53,817 50%	54,081 50%	107,898 100%
Grand Total	28,657 34%	55,984 66%	84,641 100%	55,758 19%	237,203 81%	292,961 100%

Source: Detroit Blight Removal Task Force Plan, p. 50

As is illustrated by the table below, 30% of the residential structures and 5% of the vacant lots within the City are blighted and require intervention.

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⁶ Detroit Blight Removal Task Force Plan titled, “Every Neighborhood Has A Future... And It Doesn’t Include Blight”, dated May 2014, pp. 50-51.

Table 1b – Motor City Mapping Data Results

Parcel Type	Total			%
	Public	Private	Total	Blighted
Structure Residential	25,666 10%	219,941 90%	245,607 100%	30%
Structure Commercial	1,252 7%	16,710 93%	17,962 100%	30%
Total with Structure	26,918 10%	236,651 90%	263,569 100%	30%
Vacant Lot	57,497 50%	56,536 50%	114,033 100%	5%
Grand Total	84,415 22%	293,187 78%	377,602 100%	22%

Source: Detroit Blight Removal Task Force Plan, p. 51

Through the reduction and elimination of residential blight, the City expects to achieve several benefits, including those listed below.

- Improved appearance of City;
- Stabilization and revitalization of neighborhoods;
- Reduced migration from City;
- Increased demand for residential property;
- Stabilized property values;
- Increased property tax revenue;
- Promotion of public safety;
- Decreased incidence of crime;
- Decreased incidence of fires;

- Improved fire rating;
- Reduction to resident homeowner insurance rates;
- Reduced maintenance burden to City;
- More efficient land utilization;
- More efficient delivery of City services; and
- Enhanced development opportunities.

The Blight Initiatives provide for investment to be used toward residential blight removal efforts. These investments, including revenue initiatives, are summarized below.

Table 1c – Summary of Blight Initiatives

<u>Department</u>	<u>Investment</u>	<u>Cost Savings</u>	<u>Revenue Initiatives</u>	<u>Net Reinvestment Initiatives</u>
<i>(\$MM)</i>				
Blight	440.3	-	(72.3)	367.9
Subtotal	\$ 440.3	\$ -	\$ (72.3)	\$ 367.9

Table 1d – Detail of Blight Investment

<u>Department</u>	<u>Blight</u>	<u>Additional Operating Expenses</u>	<u>Fleet</u>	<u>Technology</u>	<u>Capital Expenditures</u>	<u>Reorg.</u>	<u>Total Investment</u>
<i>(\$MM)</i>							
Blight	420.0	20.3	-	-	-	-	440.3
Subtotal	\$420.0	\$ 20.3	\$ -	\$ -	\$ -	\$ -	\$ 440.3

The Reinvestment Initiatives include \$420.0 million of spending toward the elimination of residential blight. The Task Force projects the total cost of removal for all neighborhood blight to be \$845.9 million,⁷ which means that 49.7% of the residential blight in the City could be addressed through Blight Initiative spending. Of the approximately \$850.0 million, the cost of removing blighted structures accounts for 94.6% of the total. In addition to being, by far, the greatest cost included in the Reinvestment Initiatives, the removal of blighted structures also carries the greatest amount of variability, as the uncertainties related to cost of asbestos and lead abatement in these structures is the largest variable in the cost estimates.⁸ The costs of clearing and maintaining vacant lots, and of developing critical capacity to do this work, account for the remaining 5.4% of the projected costs.

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⁷ Detroit Blight Removal Task Force Plan titled, “Every Neighborhood Has A Future... And It Doesn’t Include Blight”, dated May 2014, p. 234.

⁸ Detroit Blight Removal Task Force Plan, titled, “Every Neighborhood Has A Future... And It Doesn’t Include Blight”, dated May 2014, p. 235.

Table 1e – Task Force Projected Cost For All Neighborhood Blight Removal

Action	Cost Estimate	
	\$	%
<i>(\$MM)</i>		
<u><i>Removal of Structural Blight</i></u>		
Residential	742.8	87.8%
Commercial	57.5	6.8%
Total	800.3	94.6%
<u><i>Removal of Nonstructural Blight</i></u>		
Debris Removal	5.5	0.7%
Lot Maintenance	4.2	0.5%
Total	9.7	1.1%
<u><i>Creating Capacity</i></u>		
Workforce Training	2.3	0.3%
Recycling / Sorting Facilities	6.0	0.7%
Administrative, Legal, & Technical Support	27.6	3.3%
Total	35.9	4.2%
Grand Total	845.9	100.0%
Blight Reinvestment Initiatives	420.0	49.7%

Source: Detroit Blight Removal Task Force Plan, p. 234

Two sources of revenue have been identified to partially fund blight removal investments and were included in the Blight Initiatives.

- \$52.3 million in funding from the Hardest Hit Fund (“HHF”) program are included in the Blight Initiatives. The HHF is a U.S. Department of the Treasury TARP program designed to develop locally-tailored programs to assist struggling

homeowners with their communities. HHF programs are designed and administered by each state's Housing Finance Agency. The Michigan program is administered by the Michigan State Housing Development Authority ("MSHDA"). The HHF was first announced in February 2010 and provides \$7.6 billion to the 18 hardest hit states, which includes Michigan.⁹ In June 2013, Michigan was granted authority to allocate \$100.0 million to a Blight Elimination ("BE") program. MSHDA subsequently awarded \$52.3 million from the BE to the City. The BE program provides up to \$25,000 per structure to acquire, demolish, green, and maintain residential and multi-family properties for a period of up to five years.¹⁰

- \$20.0 million of funding from the utilization of Fire Insurance Escrow funds. The Fire Insurance program is a statewide program designed to provide municipalities with some financial protection against the cost of cleaning up fire damaged structures. Municipalities may be eligible to receive a portion of a policyholder's final settlement to be held in escrow until the structure is repaired, replaced or demolished. If the owner does not repair the structure, the municipality may use the funds to repair, replace or demolish the damaged structure. As of April 2014,

⁹ US Department of Treasury website, <http://www.treasury.gov/initiatives/financial-stability/TARP-Programs/housing/hhf/Pages/default.aspx>.

¹⁰ Seventh Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement between Michigan State Housing Development Authority and United States Department of the Treasury, dated June 6, 2013, Service Schedule B-5; Eighth Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement between Michigan State Housing Development Authority and United States Department of the Treasury, dated December 12, 2013, Service Schedule B-5.

approximately \$20.0 million of unutilized funds were available to be used toward Blight Initiatives.¹¹

While the potential benefits of residential blight removal are easy to envision, it is difficult to estimate the financial benefits. As a result, the Reinvestment Initiatives do not include any direct financial benefit from blight reduction efforts.

2. Opinion Two: The Public Safety Initiatives are necessary and will substantially improve the public safety services for those in and around the City.

I have analyzed the services currently provided by the Detroit Police Department (“DPD”) and Detroit Fire Department (“DFD”) and have determined that the Public Safety Initiatives contained in the Plan are necessary and will substantially improve the public safety services in the City. Specifically:

- a. Improvements in response time, case closures and crime rate that will be achieved by the Public Safety Initiatives will lead to improved public safety services;
- b. The Public Safety Initiatives will result in a number of cost reductions allowing for better utilization of resources; and
- c. The Public Safety Initiatives will result in a number of revenue generation opportunities.

¹¹ Detroit Blight Removal Task Force Plan titled, “Every Neighborhood Has A Future... And It Doesn’t Include Blight”, dated May 2014, p. 217.

Table 2a – Summary of Public Safety Initiatives

<u>Department</u>	<u>Investment</u>	<u>Cost Savings</u>	<u>Revenue Initiatives</u>	<u>Net Reinvestment Initiatives</u>
<i>(\$MM)</i>				
Detroit Police Department	339.8	(87.6)	(32.6)	219.6
Detroit Fire Department	218.9	(60.6)	(87.0)	71.3
Subtotal	\$ 558.7	\$ (148.2)	\$ (119.7)	\$ 290.8

Table 2b – Detail of Public Safety Investment

<u>Department</u>	<u>Blight</u>	<u>Additional Operating Expenses</u>	<u>Fleet</u>	<u>Technology</u>	<u>Capital Expenditures</u>	<u>Reorg.</u>	<u>Total Investment</u>
<i>(\$MM)</i>							
Detroit Police Department	-	174.9	91.3	38.4	34.2	1.0	339.8
Detroit Fire Department	-	85.3	58.6	3.5	71.3	0.3	218.9
Subtotal	\$ -	\$ 260.1	\$ 149.9	\$ 41.9	\$ 105.5	\$ 1.3	\$ 558.7

In order to assess how DPD and DFD are functioning as against comparable cities, standard measurable statistics must be utilized. Response time, crime rates and cases closed are the three most widely used statistics to benchmark effectiveness and performance of public safety operations.¹² The City is deficient in all of these areas as compared to both nationally required standards (such as those promulgated by the National Fire Protection Association) and peer cities.

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¹² Fire Service Performance Measures, p. 16 and How Crime in the United States Is Measured, p. CRS-2.

a. Improvements in response time, case closures and crime rate will lead to improved public safety services.

Detroit Police Department

The City's crime rate is five times the national average.¹³ In addition, citizen satisfaction with the DPD is low based on four distinct categories: response time to calls for service (e.g. Priority One, responding at all), officer attributes (e.g. attitude, demeanor), process related elements (e.g. how well police performed once at scene) and problem resolution (e.g. problem solving and case closure rate).¹⁴ These issues cause citizens and businesses to lose faith in DPD.

DPD has historically been unable to meet national average response times to Priority One calls, an emergency call that requires immediate response, for service of at least 11 minutes.¹⁵ As of July 18, 2013 (the "Petition Date"), DPD's Priority One response time was approximately 58 minutes.¹⁶ There are a number of factors that lead to DPD's poor Priority One response time, including, without limitation: a lack of available uniformed staff; an inefficient categorization of calls for service; poorly configured and managed precinct boundaries; imbalanced precinct staffing levels; and an archaic, inefficient computer-aided dispatch information technology system.

¹³ Federal Bureau of Investigation, National and State Offense Data 2012

¹⁴ Calculating Response Time, Detroit Police Dept, p. 2.

¹⁵ Response times- city to city, American Police Beat and Calculating Police Response Times, Detroit Police Dept.

¹⁶ DPD Response Time Analysis.

Additionally, DPD's case closure rate has been extremely low in comparison to peer cities. The City's average number of cases closed as of 2011 was only 8.7%, as compared to an average of 25% for Milwaukee, Pittsburgh, St. Louis and Cleveland.¹⁷ DPD case management has been extremely poor. Initial investigations have been meager, cases are routinely reassigned, case tracking is ineffective, and case follow up is minimal.¹⁸ There are a number of factors that lead to DPD's extremely low case closure rate including: a poorly configured and managed investigative bureau; a lack of available uniform staff with investigative skills; and an archaic, highly inefficient records management information technology system.

The Public Safety Initiatives include the necessary spending to address these issues through the following:

- \$149.7 million in additional labor, benefits and training to support the civilianization of 250 administrative positions in the DPD currently being filled by sworn police officers.¹⁹ The civilianization initiative will result in an additional 12.5% of the total police force being redeployed and placed back to patrol and investigative operations.²⁰ In addition, the Plan makes provisions for ongoing recruitment to maintain uniform staffing levels at a reasonable level. This is

¹⁷ Federal Bureau of Investigation, Incidents and Case Clearance Rates, National Comparables 2011.

¹⁸ DPD 2014 Plan of Action, p. 37.

¹⁹ DPD Civilianization Analysis.

²⁰ Ibid.

particularly important when considering 50% of existing uniform officers will be eligible for retirement within the next five years.²¹

- \$91.3 million in new fleet (other infrastructure) purchases. At present, DPD has 1,170 vehicles, with approximately 50% of this fleet over ten years old and 90% over three years old.²² Police cruiser vehicles in regions with heavy usage have an estimated useful life of two to three years, while some undercover vehicles, which are not used as extensively, may have a life span of four to five years.²³ The DPD fleet far exceeds its useful life, is difficult and costly to maintain and requires a more frequent replacement cycle. When developing the Public Safety Initiatives, consideration for the ideal operating and reserve levels required by DPD was taken into account, coupled with the typical useful life of specific vehicles and the need for replacement of the aged fleet as soon as possible. DPD plans to replace the entire fleet over the next three and a half years, ultimately reducing the fleet size to 824 vehicles. DPD plans to maintain this replacement cycle of approximately three and a half years to four years throughout the forecast period. Over the 10-year period, an average of 210 vehicles will be purchased per year.²⁴
- \$38.4 million investment in information technology. At present, the City's public safety information technology system infrastructure has multiple disparate systems that are outdated, unstable, fragmented, largely unsupported and are in a critical state of disrepair. Basic software patches have not been installed, hardware has

²¹ DPD Retirement Eligibility.

²² DPD Fleet Inventory.

²³ Profit Drives Life-Cycle Fleet Management, The Business of Public Sector Procurement Inc. and Mt Lebanon Fleet Management 2013, p. 33.

²⁴ DPD Fleet Replacement Summary.

not been refreshed and network infrastructure has passed its shelf life. Applications are so out dated that they cannot be upgraded and should be replaced. In addition, the public safety information technology systems require manual redundant data entry, lack meaningful reporting and have limited querying capability. A key component to addressing these deficiencies is the purchase of a fully integrated information technology system. The City has already evaluated multiple systems (e.g., Motorola, Tiburon, SunGard, CLEMIS, TriTech). The City has not yet decided on a specific system, but my team and I utilized State of Michigan proposals and vendor estimates to develop the costs associated with the planned adoption of such a system in the Public Safety Initiatives.²⁵ As such, the Reinvestment Initiatives plan to invest \$16.4 million in a new fully integrated information technology system that will include the following capabilities: (i) efficient computer aided dispatch (“CAD”) and records management (“RMS”) functionality; (ii) improved efficiency and effectiveness throughout public safety operations (e.g., Compstat, patrol, investigation, dispatch operations, administration) and (iii) improved regional data sharing. Such a fully integrated public safety information technology system is critical to successfully restructuring and improving all facets of public safety operations within the City.²⁶ Further, DPD plans to invest \$22.0 million for the replacement of existing car and handheld radios utilized throughout the Department. The current radios are at the end of their useful lives, are critical to DPD operations and must be replaced.²⁷

²⁵ DPD Public Safety IT Comparison Motorola and Police - IT System Discussion, p. 35.

²⁶ DPD 2014 Plan of Action, p. 77.

²⁷ DPD 2014 Plan of Action, p. 80.

Radio purchases improve the ability for officers to communicate with each other and with dispatch, thereby further improving response time, apprehension of criminals and the safety of the officers.

- \$34.2 million investment in new facilities, as well as repair and maintenance to current facilities. The DPD facility infrastructure has been poorly maintained and as a result is now woefully inadequate. The Reinvestment Initiatives plan to invest \$24.2 million in critical structural, HVAC, windows, plumbing, and electrical repairs to existing facilities. In addition, the Reinvestment Initiatives plan to invest \$7.0 million in the construction and/or purchase of facilities for three new precincts, as required by transfer of DPD back to a precinct structure and regions requiring new stations.²⁸ The Reinvestment Initiatives also plan to invest \$3.0 million in the construction and/or purchase of a new police training facility,²⁹ due to the significant disrepair of the current facility.
- \$17.3 million in other costs of operations due to annual ongoing costs of new facilities (\$14.8 million), helicopter maintenance (\$2.3 million) and citizen patrol/reserve costs (\$0.2 million).
- \$16.2 million investment in crime fighting equipment. DPD intends to invest \$5.2 million to purchase nonlethal tasers and cartridges, \$3.1 million to replace expired and outdated bullet proof vests, \$1.9 million to purchase body cameras for patrol personnel and \$6.0 million of other equipment and supplies. These equipment

²⁸ DPD Facility Capital Improvement Plan.

²⁹ Ibid.

investments directly improve the safety of officers, as well as the likelihood of capture and conviction of criminals.

- \$1.9 million in purchased services in connection with promotional exams and animal control security.
- \$1.0 million in investment costs related to additional information technology staff to assist with the implementation of the new public safety information technology system.

Detroit Fire Department

The DFD has historically been unable to meet National Fire Protection Association (“NFPA”) standards for response time for both Fire Fighting Division (“FF”) and Emergency Medical Service Division (“EMS”). In fiscal year 2013, FF and EMS response times were 9 minutes and 18 minutes, 20 seconds, respectively.³⁰ This is compared to the NFPA standards of 6 minutes, 20 seconds and 6 minutes, respectively.³¹ There are a number of factors that lead to the slow response times including, without limitation: lack of available fleet, lack of available staff, broken equipment, closed facilities and outdated information technology systems. The Public Safety Initiatives include investment necessary to resolve these issues through the following:

- \$85.1 million in labor, benefits and training. These costs will support staffing and fund training for the DFD to become multi-functioning, such that firefighters are

³⁰ TriData Report - Total Response Time Analysis.

³¹ NFPA Standard 1710.

trained to respond to both fire and medical emergencies. Detroit is one of only a handful of cities in the U.S. that does not operate a multi-functioning department.³² Training and certification will give the DFD firefighters the ability to respond to both fire and medical emergencies. Ongoing recruitment is planned to increase staff levels up to an ideal level given the number of companies and EMS vehicles in operation. Based on our analysis the ideal level has been determined to be 998 firefighters and 248 EMTs/paramedics. This is an increase of 17% in firefighters and 22% in EMTs/paramedics above the current staffing levels.³³

- \$71.3 million in capital expenditures, including \$52.3 million in facility related capital expenditure spending. \$21.0 million of that total is to build seven new facilities. The locations and number of facilities have been preliminarily determined based on regions that cannot be served within the minimum response times due to the distance they are from existing stations.³⁴ In addition, \$29.3 million is planned to repair and maintain the existing facilities. Necessary repairs include repair and replacement of rolling doors, HVAC, windows, plumbing, structural and electrical work.³⁵ These repairs not only ensure the DFD can quickly get the apparatus out of the building to quickly respond to fires, but also build employee moral by providing an adequate working space for the DFD. Lastly, funding of \$2.0 million has been included to open up currently “browned out” facilities for full-time operation and for the retrofit costs associated with a

³² JEMS 2008_First Response Type by City.

³³ DFD Staffing Factor Analysis.

³⁴ TriData Report - Coverage Gap Analysis and 2013_Detroit Risk Response, p. 30.

³⁵ DFD Facility Capital Plan.

new training facility. This will increase the number of open stations by 18%. The remaining \$19.0 million in equipment capital expenditures is detailed below.

- \$58.6 million in new apparatus purchases. This amount represents an average of 17 vehicles purchased per year. At present, the average age of the fire engines is 11 years old with over 35% currently over 14 years old.³⁶ Fire apparatus in regions with high fire runs (like Detroit) have an estimated useful life of 10-15 years.³⁷ Ladder trucks have an average useful life of 15–20 years.³⁸ Some vehicles, such as ambulances, have an average useful life closer to 3-5 years, given the 24 hour ongoing use.³⁹ When developing the Public Safety Initiatives, consideration of the ideal operating and reserve level of apparatus required by the DFD was taken into account, coupled with the typical useful life of specific vehicles types and the ability to integrate the new vehicles into the system.⁴⁰ Accordingly, in fiscal year 2015, 30% of the fire engines will be replaced with 12% replaced each year thereafter.⁴¹
- \$19.0 million in new equipment capital expenditures. This amount is for fire-fighting coats, helmets and boots (to be purchased every three years), breathing apparatus (bottles to be purchased every five years, harnesses replaced every eight years) and other related equipment (e.g. axes, saws, ladders). Adequate equipment

³⁶ DFD Apparatus Inventory and Capital Plan.

³⁷ Fire Apparatus/Capital Equipment Replacement and Alternative Methods of Funding, p. 11.

³⁸ Ibid, p. 13.

³⁹ Ibid, p. 27 and TriData Report - Recommended Apparatus Replacement Schedule.

⁴⁰ DFD Apparatus Replacement Summary.

⁴¹ DFD Apparatus Inventory and Capital Plan.

for firefighters will not only allow them to more safely and efficiently perform their duties, but it will also improve employee morale.

- \$3.5 million is to be invested in information technology and related equipment. This relates to upgraded computer hardware at the fire stations, GPS equipment and software, as well as, fire specific software.⁴² In addition, \$0.8 million of the DPD information technology budget includes the DFD portion of a new public safety information technology system. Currently, it takes dispatch 3 minutes, 13 seconds to respond to fire incidents and 5 minutes, 44 seconds to process EMS calls. NFPA 1710 specifies that “the fire department shall establish a performance objective of having an alarm processing time of not more than 60 seconds for at least 90 percent of the alarms and not more than 90 seconds for at least 99 percent of the alarms, as specified by NFPA 1221.”⁴³ Once implemented, a new IT, dispatch and records management system will reduce the time it takes from the call being made to the dispatch of the apparatus to the scene, as well ensuring the dispatching is being conducted more efficiently.
- \$0.3 million in reorganization costs were included related to the hiring of a fire expert to assess and provide recommendations to the DFD.

b. The Public Safety Initiatives will result in a number of cost reductions allowing for better utilization of resources

The Public Safety departments have operated on very tight budgets for many years. Once new technology is implemented, automation will not only improve

⁴² DFD IT Capital Spend.

⁴³ TriData Report - Call Processing Response Time Analysis.

efficiency and response time, but will result in labor cost savings. In addition, the current infrequent recruitment practices have led to extremely high overtime costs.

- \$87.6 million in cost savings are included in the Public Safety Initiatives due to DPD labor efficiencies and attrition. Efficiencies will be gained in the administrative areas once the IT system is fully implemented and many of the manual processes are automated. Savings will also be realized related to attrition of higher paid uniform personnel and the hiring of lower paid uniform personnel which effectively lowers the average uniform wage rate.⁴⁴
- \$10.2 million in DPD cost reductions for space consolidation and lease terminations.⁴⁵ Renegotiation of leases will occur to reduce the footprint of certain space, and for more comparable/lower rates. Other leases will be terminated and the operations will move to space in City-owned buildings.
- \$60.6 million in DFD cost savings occur as result of the Public Safety Initiatives. These include reduced overtime for both FF and EMS staff and attrition-related savings. Training the DFD personnel to become a multi-functioning department will also result in labor efficiency savings through a reduction in the overall department headcount.⁴⁶

⁴⁴ Cost Savings Initiatives.

⁴⁵ DPD Space Consolidation Analysis.

⁴⁶ DFD Labor Savings Analysis.

c. The Public Safety Initiatives will result in a number of revenue generation opportunities

To date, the Public Safety departments have operated strictly as service-focused departments, with very little focus on the revenue being generated. The Public Safety Initiatives, however, contemplate that improved business practices can be implemented to increase the billings and collections that exist in each department.

- \$59.4 million in total grant funding are included for Public Safety. It is estimated that DPD and DFD can achieve \$14.6 million and \$20.7 million,⁴⁷ respectively, in additional grant funding over the 10-year period. Improved revenue is anticipated through improved grant management and a more organized approach to locating and applying for grants. It is estimated that ongoing grant awards for equipment and training can be achieved by both the DPD and DFD. In addition, it was assumed DFD will be awarded one additional round of Staffing for Adequate Fire and Emergency Response (“SAFER”) grant funding from Federal Emergency Management Agency (“FEMA”). The Public Safety Initiatives assume that this award would be of similar size to the 2013 award of \$24.1 million over a two year period.⁴⁸
- \$26.2 million in new revenue for DPD and DFD. The City is contracting with a vendor to begin charging for false alarms, fires, multi-vehicle accidents and vehicle

⁴⁷ DFD Grant Analysis and DPD Grant Analysis.

⁴⁸ Discussions on February 25, 2014 and March 11, 2014 with FEMA representatives Tina Godfrey and Kevin Piatt.

fires. \$8.2 million is related to DFD revenue from the new fees.⁴⁹ DPD expects to generate \$18.0 million through the issuance and collection of new DPD fees for false alarms, other fees, and through increased fees.⁵⁰

- \$26.8 million in DFD revenue is generated through the addition of EMS labor and apparatus. With manpower increased and apparatus available to respond to calls the DFD will be able to bill and collect for medical runs that are currently being routed to private ambulance operators. Historically, average annual revenue generated per DFD ambulance is \$0.7 million. It is assumed that every new ambulance on the road will be able to achieve 50% of that revenue, as a conservative estimate.
- \$6.9 million in additional Fire Marshal Division revenue. With additional manpower and vehicles available, the Fire Marshal Division is expected to increase revenue due to additional inspectors being deployed in the field identifying and charging businesses for infractions. Historically, inspectors have generated revenue of \$0.2 million per full time inspector. The Plan adds nine inspectors and estimates they are able to achieve at least 35% of the average revenue, as a conservative estimate.
- \$0.4 million in additional revenue generated from the sale of eight closed fire stations.

⁴⁹ DFD Revenue Analysis and Fire Recovery USA Revenue Analysis – Fire.

⁵⁰ Fire Recovery USA Detroit - Police Proposal and DPD Revenue Analysis.

3. Opinion Three: The Resident Service Initiatives are necessary and will substantially improve the services the City provides to its citizens, businesses and visitors.

I have analyzed the services provided by the Detroit Department of Transportation (“DDOT”), Ombudsperson, the Public Works Department, the Recreation Department, and the Department of Health and Wellness Promotion and have determined that the Reinvestment Initiatives will substantially improve the services these departments offer to the community. The Resident Service Initiatives improve services primarily through investment in parks, facilities, fleet and equipment repair and maintenance, as well as investments in labor, as shown in Tables 3a and 3b.

Table 3a – Summary of Resident Service Initiatives

<u>Department</u>	<u>Investment</u>	<u>Cost Savings</u>	<u>Revenue Initiatives</u>	<u>Net Reinvestment Initiatives</u>
<i>(\$MM)</i>				
Detroit Department of Transportation	111.0	(64.7)	(51.4)	(5.1)
Ombudsperson	14.9	-	-	14.9
Public Works (Solid Waste)	0.3	-	-	0.3
Recreation	37.8	-	(0.5)	37.3
Vital Records (Health & Wellness)	6.9	-	-	6.9
Subtotal	\$ 170.9	\$ (64.7)	\$ (52.0)	\$ 54.2

Table 3b – Detail of Resident Service Investment

<u>Department</u>	<u>Blight</u>	<u>Additional Operating Expenses</u>	<u>Fleet</u>	<u>Technology</u>	<u>Capital Expenditures</u>	<u>Reorg.</u>	<u>Total Investment</u>
<i>(\$MM)</i>							
Detroit Department of Transportation	-	100.8	-	-	10.3	-	111.0
Ombudsperson	-	7.9	-	7.0	-	-	14.9
Public Works (Solid Waste)	-	0.3	-	-	-	-	0.3
Recreation	-	0.8	-	-	37.0	-	37.8
Vital Records (Health & Wellness)	-	1.8	-	-	5.1	-	6.9
Subtotal	\$ -	\$ 111.6	\$ -	\$ 7.0	\$ 52.3	\$ -	\$ 170.9

Detroit Department of Transportation

The City's bus system is deficient with respect to the service it provides to the residents of the City. The bus system currently offers limited routes and, on the limited operating routes, buses regularly experience disruptions in service due to maintenance issues. Safety is also a major problem on those buses that do operate.

Due to recent budgetary cuts, the annual miles served by DDOT has decreased to 12 million miles in 2013⁵¹ from over 16 million in 2009.⁵² During the same period, maintenance funding⁵³ and bus operators have decreased,⁵⁴ which contributed to an increase in delayed or cancelled service⁵⁵. The current targeted service level is to have 227 buses available at the afternoon peak hours, to which DDOT is averaging approximately 190 per day,⁵⁶ a 16% shortfall. Additionally, there are significant safety concerns for DDOT employees and riders aboard buses. There were five DDOT bus operators seriously assaulted, including two stabbings, in a two-month period that occurred in the fall of 2013. Bus operators, on average, place in excess of thirty 911 emergency calls per month for police assistance and intervention. In 2013, there were sixteen reported incidents of verbal threats to bus operators.⁵⁷ Much of the reinvestment is targeted at improving DDOT's safety and maintenance performance, which are both required to improve the level of service provided to users of the bus

⁵¹ DDOT Plan Assumptions.

⁵² DDOT Diagnostic (McKinsey Report), p. 42.

⁵³ DDOT Management Support Report, p. 45.

⁵⁴ DDOT Diagnostic (McKinsey Report), p. 8 and DDOT Open Position Analysis.

⁵⁵ DDOT Management Support Report, pp. 25-30.

⁵⁶ DDOT Daily Dashboard.

⁵⁷ DDOT FTA Letter.

service. Details of those investments, which will alleviate these problems, are as follows:

- \$40.1 million in gas, maintenance parts and related supplies (\$37.4 million), purchased services (\$1.0 million) and other related expenses (\$1.7 million) to expand the DDOT service network by 27 million miles of additional routes over the 10-year period, achieving 2009 levels by fiscal year 2023.
- \$10.3 million of capital expenditures are included in the Reinvestment Initiatives. \$8.0 million relate to facility improvements. \$1.9 million is included to expedite bus mid-life maintenance overhauls that are required by the Federal Transit Administration (“FTA”). This maintenance will provide near term assistance with getting more buses on the road. Additionally, \$0.4 million of transit police equipment has also been projected. Bus purchases are assumed to be grant funded. DDOT currently has significantly more buses on hand than FTA requirements as a result of the number of buses out of service for maintenance issues.
- \$5.8 million is included for a transportation management vendor and other contract services to assist DDOT management with implementing the restructuring of the department. On time arrival issues are mainly related to maintenance and repair problems. These issues are primarily due to labor inefficiencies. The 10-year cost is based on current vendor estimates and it is budgeted to allow for these contractors to be in place for the entire 10-year period.
- \$54.8 million in additional labor, benefit and training costs are included in the Reinvestment Initiatives. This relates to the hiring of additional bus drivers for increased service routes and establishment of a transit police force.

As a result of the aforementioned investments, anticipated cost savings include:

- \$50.7 million in labor savings are due to efficiencies gained from improved mechanic operations.⁵⁸
- \$14.0 million in risk management savings due to improved security through transit officers, security cameras, employee training as well as the City’s overall risk management efforts, which includes utilization of a third party administrator (see Risk Management in Organizational Efficiency Initiatives).

Revenue is anticipated to be impacted by the following items:

- \$117.6 million⁵⁹ in DDOT revenue increases. \$47.2 million in revenue increases result from increased service routes (as detailed above). In addition, \$70.4 million in revenue increases are due to increased fare rates. Fares are planned to increase from \$1.50 (current level) to \$2.50 by 2023.⁶⁰
- \$65.0 million in grant revenue reductions assumed due to the Southeast Michigan Council of Governments (“SEMCOG”) reallocation of ACT 51 grant sharing dollars between DDOT and Suburban Mobility Authority for Regional Transportation (“SMART”) and Detroit Transportation Corporation (“DTC”).
- \$1.2 million in advertising revenue loss.

⁵⁸ Cost Savings Initiatives, DDOT Diagnostic (McKinsey Report), p. 21 and DDOT Management Support Report.

⁵⁹ DDOT Fare Box Rev Summary.

⁶⁰ DDOT White Paper on Fare Structure 30Apr2013, DDOT Diagnostic, p. 29 and DDOT Management Support Report.

Ombudsperson Office

The Ombudsperson Office acts as the customer service representative for Detroit's citizens. To date, there has been limited investment in the recording of and response to citizen complaints. The Resident Service Initiatives address this shortcoming by incorporating funding for the implementation of a non-emergency citizen service call number, a "311 system," for residents to call with non-emergency concerns, complaints and issues related to City operations. Investments include:

- \$7.9 million in additional labor, benefits and training for the addition of twenty employees to answer and respond to complaints received through the 311 system.
- \$7.0 million⁶¹ in information technology spending for a 311 system to be implemented.

Hundreds of cities across the U.S. and Canada have implemented this type of system.⁶² An integrated 311 system will enable the City to better manage its operations, making the City more effective in handling citizen and business complaints. It will also provide more efficient service coordination between departments, leading to improved response to requests. The improved information recording will give City management the tools for improved decision making.⁶³ As a result, residents should see a faster response time and improved resolution to complaints, leading to overall better services being provided by the City.

⁶¹ 311 IT System Analysis.

⁶² 311 Benchmarking Review.

⁶³ Developing a Statewide 311 System in New Jersey and Building a 311 System: A Case Study of the City of Minneapolis.

Public Works Department (Solid Waste Collection)

The City has experienced numerous issues with respect to the performance of the Public Works Department. Solid waste collection times have historically been hours behind schedule. In addition, scheduled collection would often run into the next day due to poor maintenance and inefficiencies in operation. Further, very few residents were offered recycling collection and bulk collection was very infrequent.

As determined through a robust process, the most efficient and effective way to improve the solid waste services was through outsourcing this function.⁶⁴ The City was split into segments to utilize managed competition, with two separate contractors receiving two of the four “quadrants” each, and both contractors were providing the contracted-for services by June 1, 2014. The service is provided to the citizens at no additional cost to what the City was previously charging, yet the citizens receive a tremendously improved and expanded service offering. New service offerings include: bi-weekly bulk pick up, rather than quarterly; a City-wide recycling program; and trash vehicles off of the residential streets by 5:00 pm each day. The agreements also state that the service providers have to pick up all garbage on the street for the first ninety days of the contract. The City is already seeing a substantial reduction in illegal dumping and trash on the residential streets.

The Residential Services Initiatives provide for \$1.4 million⁶⁵ in annual savings in the General Services Division (“GSD”) due to the reduction in maintenance and repair costs related to the solid waste vehicles (as detailed under GSD in the

⁶⁴ Solid Waste Internal Cost Analysis.

⁶⁵ Solid Waste Internal Cost Analysis, p. 5.

Organizational Efficiency Initiatives). Avoidance of future capital spending by the City for solid waste trucks is an additional, although unquantifiable, savings for the City. Further investment in the Public Works Department of \$0.3 million is also included for implementation of the City-wide training program, to train its existing work force so that it has the skills to stabilize current City operations (as detailed under Human Resources in the Organizational Efficiency Initiatives).

Parks and Recreation

The number of open City parks and recreation centers has dwindled in the years leading up to the Chapter 9 filing, with many of those that are open, considered to be in poor or fair condition due to lack of funding. The City closed 210 parks during fiscal year 2009, reducing its park portfolio by 66%, from 317 parks to 107 parks. The City announced in February 2013 that (i) 50 of its remaining 107 parks would need to be closed, (ii) another 38 parks would shift to limited maintenance and (iii) the already underserved Belle Isle Park would receive decreased services. As a result of approximately \$14.0 million in civic donations, the 50 parks slated to be closed remained open temporarily through the summer of 2013.⁶⁶

Improved park and recreation services not only will enhance the lives of the current citizens, but also will make the City more attractive to new residents. Parks improve property value, help build and strengthen community ties and bring diverse populations together and can increase public safety.⁶⁷ In order to open more parks and improve the service offering of the recreation centers, investment is required to

⁶⁶ Fourth Amended Disclosure Statement.

⁶⁷ National Recreation and Park Association Research Summary.

improve the amenities of the parks and recreation centers and to fund repairs and ongoing maintenance. The required repair and maintenance costs of parks and recreation centers were determined by the Recreation Department in conjunction with the GSD, which maintains all City owned buildings and parks. The specific number of parks to keep open was based on a mandate by the Mayor. The required funding for park upgrades and maintenance will allow for all 317 parks and 11 recreation centers to remain open and fully operational.

The Resident Service investments include:

- \$37.0 million for Recreation facility repairs and park improvements. These repairs account for the electrical, structural, HVAC, and plumbing related repair needs, as well as allow for the repair of park facilities and amenities (e.g. plumbing at Hart Plaza, repaired fencing, benches, equipment), allowing them to reopen and be fully utilized.⁶⁸ Additionally, the City will need to spend \$16.1 million for ground maintenance and park-related upkeep equipment (as detailed under GSD in the Organizational Efficiency Initiatives). These investments will allow 100% of the City's parks and recreation centers to remain open and fully operational.
- \$0.8 million in training related investment as part of the City-wide training plan.

As a result of the aforementioned Resident Service investments, it is anticipated that the City will realize \$0.5 million in increased revenue generation from additional use of park and recreation facilities due to improvements and increased program availability.

⁶⁸ Recreation Capital Improvement Plan.

Department of Health and Wellness Promotion (Vital Records)

The Department of Health and Wellness Promotion (“DHWP”) shifted most of its operations to the Institute for Public Health (“IPH”) in October 2012. DHWP’s remaining responsibilities primarily include oversight of IPH and management of its Vital Records Division. The Vital Records Division operations were inadequate, with an antiquated technology system that led to long wait times and poor operational controls. In January 2014, the Vital Records Division was transferred to Wayne County, which now houses vital records information for all cities located in Wayne County.

Once the Vital Records Division transfer occurred, the DHWP moved out of the Herman Kiefer complex, which is now vacant. Although being marketed for sale, the City believes it is unlikely there will be an interested buyer for the property, which was built in 1886 and used as a hospital, due to the estimated costs to redevelop it. Based on this assumption, the Resident Service Initiatives include demolition costs for the Herman Kiefer complex that are estimated at \$5.1 million.⁶⁹ The building needs to be demolished in order to avoid adding to the City’s commercial blight, to reduce the liability risks associated with a large vacant building, and to promote redevelopment, as the parcel is located near major freeways and Henry Ford Hospital.

In addition, the Resident Service Initiatives include \$1.8 million in increased investment for historical public health records management and retention (\$1.7

⁶⁹ General Services Department estimate.

million) as required by the Health Insurance Portability and Accountability Act and City-wide training (\$0.1 million).

4. Opinion Four: The Business Service Initiatives are necessary and will enhance the attractiveness of the City to the business community through streamlined processes and improved support facilities.

I have analyzed the services provided by the Department of Administrative Hearings (“DAH”), Coleman A. Young International Airport (“Airport”), Board of Zoning Appeals (“BZA”), Building, Safety Engineering and Environmental Department (“BSEED”), Municipal Parking Department (“MPD”), and Planning and Development Department (“PDD”), and have determined that the Business Service Initiatives will enhance the attractiveness of the City to the business community.

The City relies on the DAH, Airport, BZA, BSEED, Parking, and PDD to attract businesses and drive overall revenue growth for the City. These departments have been severely underfunded for the last decade, causing a reduction in staff and training, and deterioration of equipment, technology and facilities. All of these issues have contributed to the inadequate quality of service provided to the business community. Going forward, significant reinvestment is needed in order to bring these departments up to necessary standards and to make the City more attractive and easier to work with for the business community.

Table 4a – Summary of Business Service Initiatives

Department	Investment	Cost Savings	Revenue Initiatives	Net Reinvestment Initiatives
<i>(\$MM)</i>				
Planning & Development Department	22.5	(1.9)	-	20.6
Administrative Hearings	0.6	-	-	0.6
Board of Zoning Appeals	0.2	-	-	0.2
Buildings and Safety	0.5	(18.6)	(1.7)	(19.7)
Airport	19.5	-	-	19.5
Municipal Parking	8.2	(3.8)	(60.3)	(55.9)
Subtotal	\$ 51.4	\$ (24.3)	\$ (61.9)	\$ (34.8)

Table 4b – Detail of Business Service Investment

Department	Blight	Additional Operating Expenses	Fleet	Technology	Capital Expenditures	Reorg.	Total Investment
<i>(\$MM)</i>							
Planning & Development Department	-	11.6	-	0.8	-	10.2	22.5
Administrative Hearings	-	0.1	-	0.5	-	-	0.6
Board of Zoning Appeals	-	0.2	-	-	-	-	0.2
Buildings and Safety	-	0.2	-	-	0.4	-	0.5
Airport	-	3.8	-	0.0	15.7	-	19.5
Municipal Parking	-	4.8	1.4	-	2.0	-	8.2
Subtotal	\$ -	\$ 20.5	\$ 1.4	\$ 1.3	\$ 18.0	\$ 10.2	\$ 51.4

Department of Administrative Hearings

DAH is an independent City agency that handles blight violations. It enforces the City Code as it applies to property maintenance and blight prevention. Cases that come before DAH include violations of property maintenance, zoning, solid waste, and illegal dumping ordinances. Formerly processed as criminal misdemeanors, blight violations are now civil cases and, until recently, were adjudicated at the 36th District Court. Such violations often became part of a large backlog at the court, and many cases were not effectively adjudicated. The new administrative method of handling

blight violations, under the DAH, is designed to be more efficient. The Business Services Initiatives contemplate:

- \$0.5 million in information technology investment, related to a case tracking system. Hardware and software upgrade is required to streamline the processing of the violations.
- \$0.1 million in training related investment as part of the City-wide training program.

Coleman A. Young International Airport

The Airport continues to evolve during economically challenging times by bringing costs in line with revenue and improving services. The emerging strategy is one designed to accelerate the growth of the City as a commercial and industrial transportation center and maximize the Airport's economic benefit to the City and region. The Airport is in critical need of a new Master Plan Study, as the current such plan is approximately 30 years old. The Master Plan will be a robust study that evaluates aviation and non-aviation opportunities in and around the Airport, which will include input from the PDD. It will serve as a tool to allow the Airport to achieve greater potential and will provide a comprehensive analysis of business development opportunities.

An Airport Operating Certificate from the Federal Aviation Administration ("FAA") is an important element to facilitate this strategy. To qualify for an Airport Operating Certificate from the FAA, the Airport must complete a variety of

upgrades.⁷⁰ The Airport Operating Certificate serves to ensure safety in air transportation, thus mandating that the Airport agree to certain operational and safety standards, which include providing for firefighting and rescue equipment. Upon obtaining this certification, the Airport will demonstrate to potential carriers that the City is committed to launching a commercial airline service, as well as repair services and freight services.

The following investments are included in the Business Service Initiatives to enhance Airport operations, facilities, and complete the certification process:

- \$15.7 million in capital improvements for executive bay upgrades (\$7.5 million), a new jet way (\$2.0 million), terminal upgrades (\$2.0 million) and other updates required for the Airport Operating Certificate (\$4.2 million) including airfield lighting and signage upgrades, new airfield operations vehicles, Airport Fire Department building rehabilitation, new gate controllers, and a new fire truck.⁷¹
- \$2.4 million in labor, benefits and training related to one additional position required to be in compliance with FAA and Michigan Department of Transportation standards.
- \$1.4 million in purchased services and other services are required related to increased full-time Airport security (\$0.9 million), the Master Plan Study (\$0.3 million) and annual maintenance (\$0.2 million).

⁷⁰ City of Detroit Airport Department Critical Needs.

⁷¹ Airport Capital Improvement Plan.

Buildings, Safety Engineering and Environmental Department

The BSEED safeguards public health, safety and welfare by enforcing construction, property maintenance, environmental compliance and zoning codes. The BSEED operations are conducted out of an Enterprise Fund (most operations) and the General Fund.

Enterprise Fund Divisions

The Enterprise Fund Divisions make up the bulk of BSEED operations. These divisions consist of Plan Review/Zoning, Licenses and Permits, Construction, Property Maintenance, Dangerous Buildings and Environmental Affairs. These divisions are in the process of streamlining operations, implementing new technology and investing in additional staff to improve revenue collection. These improvements will streamline the processes for the business community as well as result in a positive net impact to the General Fund as a result of reimbursement for past General Fund subsidy (see General Fund Division below).

General Fund Division

The General Fund Division is made up of the Business License Center. Under the current structure, the offices for this division are separated on various levels of the Coleman A. Young Municipal Center, forcing businesses to often go from one location to the next to complete their required tasks. In addition, budget cuts have left BSEED's General Fund Division with limited resources to inspect, enforce, collect and verify businesses within the City. BSEED has many opportunities to improve operations and provide a more streamlined process for businesses with which it interacts.

The Business Service Initiatives will improve BSEED operations within the Enterprise and General Fund in the following ways:

- \$0.4 million in capital expenditures related to facility build outs required for space consolidation.
- \$0.1 million in training related investment as part of the City-wide training program and \$0.1 million in additional costs required for space consolidation.
- The Enterprise Fund is expected to reimburse the General Fund a total of \$22.6 million over the 10-year period for historical subsidies, partially offset by \$4.9 million in additional information technology upgrades. The result is net funding of \$17.7 million⁷² from the Enterprise Fund Divisions to reimburse the City's General Fund.

As a result of the aforementioned investments, anticipated cost savings include:

- \$0.5 million in lease payment savings due to the above mentioned space consolidation.
- \$0.4 savings in labor, benefits and training costs, including two positions that can be consolidated and moved within the BSEED and the addition of a business investigator to inspect business and confirm and validate the business operations.

Revenue is anticipated to be impacted by the following items:

⁷² Cost Savings Initiatives.

- \$1.7 million in increased revenue due to improved collection practices and the addition of a business investigator position.

Board of Zoning Appeals

The BZA's primary role is to hear and rule on appeals for relief or relaxation of the provisions and requirements of the Zoning Ordinance from any person, firm, partnership or corporation, where rigid enforcement could cause the appellant undue hardship, jeopardize equity or prevent proper utilization of property. The BZA has been reviewed and assessed. The limited changes were included in the Business Service Initiatives, but were not significant and, therefore, are not detailed herein.

Municipal Parking Department

MPD provides economical on- and off-street public parking services, enforces the City parking ordinances and coordinates parking with the City's economic development projects. MPD consists of two divisions, which include the Auto Parking System ("APS") and the Parking Violations Bureau ("PVB").

Auto Parking System

APS is primarily responsible for the operation and maintenance of the City-owned parking garages set forth in the table below and certain on-street parking spaces.

Table 4c – Summary of Municipal Parking Auto Parking System Assets

Name of Parking Asset	Location	Approximate Number of Parking Spaces
Eastern Market Garage	2727 Riopelle	300
Ford Underground Garage	30 East Jefferson Avenue	700
Grand Circus Park Garage	1600-01 Woodward Avenue	800
Joe Louis Arena Garage	900 West Jefferson Avenue	2,100
Millennium Garage	432 West Congress	600
Premier Underground Garage	1206-08 Woodward Avenue	900
On Street Parking Meters	N/A	3,200

The activities of APS are accounted for in the "Automobile Parking Fund," which is an enterprise fund that services the City's parking bonds.

Although APS was reviewed and assessed, it is not part of the Reinvestment Initiatives as APS does not impact the General Fund. In particular, the parking bonds related to APS were redeemed in full effective June 16, 2014 which had an outstanding principal balance of \$8,080,000 at the time of redemption. The net surplus funds in the various parking bond reserve accounts of \$9,683,569 were distributed to the City on July 3, 2014 following redemption. All of these net surplus funds are restricted funds solely for the benefit of APS. Lastly, at the request of the Emergency Manager, the City has been exploring a potential monetization of the APS assets. To this end, the City has retained Desman Associates, Inc. as parking specialists to conduct due diligence and produce a report on the long-term value potential of the parking assets currently held by the City. This report is expected to serve as a basis for the solicitation of potentially interested bidders for the parking assets.

Parking Violations Bureau

PVB is primarily responsible for the enforcement of on-street parking ordinances, including the issuance, processing and collection of parking tickets. PVB

was projected to issue 323,000 tickets and immobilize 2,760 vehicles with parking boots during fiscal year 2013.⁷³ PVB's revenues net of expenses are accounted for in the General Fund.

Several factors have limited PVB's ability to raise revenues in recent years. Budgetary cuts, headcount reductions and unfavorable work rules have reduced the number and frequency of parking violation patrol officers and have contributed to a sharp decline in the number of tickets issued by the PVB, from 535,000 tickets in fiscal year 2002 to 323,000 in fiscal year 2012⁷⁴. Budgetary constraints have prevented PVB from repairing or replacing broken towing boots and vehicles used by parking enforcement officers. The PVB also has been hampered by inefficient and ineffective collection practices in recent years, and many of these uncollected amounts now are uncollectible due to the age of the violations. In addition, the MPD's information technology systems are outdated and offer little or no meaningful real-time financial metrics.

The PVB has experienced a 30% to 40% absenteeism rate with the parking violation officers on a daily basis, which directly affects the ability to enforce parking ordinances with parking tickets (and, in turn, the related collections). Those officers that show up for work are frequently met with inoperable vehicles and equipment, further affecting the volume of parking tickets that can be generated.

The PVB parking officers also identify vehicles that should be booted and towed as well as abandoned vehicles (in coordination with DPD) that should be

⁷³ City of Detroit 2012 CAFR.

⁷⁴ Ibid.

towed. Both the boot-and-tow and abandoned vehicles are towed to the City's impound lot ("Caniff Lot"). The Caniff Lot is poorly lit, poorly organized and has unsafe working conditions that result in security difficulties. The technology systems at the Caniff Lot are highly manual and insufficient to track the incoming volume of vehicles through either an auction or redemption by the vehicle owner.

The following investments are included in the Business Service Initiatives to improve operations and related collections for the PVB:

- \$2.0 million capital expenditure improvements to upgrade the Caniff Lot, as well as provide parking enforcement officers with better equipment. At the Caniff Lot, the funding will provide for, among other things, the installation of adequate security, the installation of software and controls to manage the incoming and outgoing boot-and-tow and abandoned vehicle volumes as well as cash collections from the related auctions and the construction of a safe and secure administrative office. The improvement to the Caniff Lot is projected to ensure a more efficient and reliable operation. The funding also is projected to provide the parking enforcement officers with current and reliable ticket writing equipment.
- \$1.4 million for fleet replacement, which is primarily allocated for parking enforcement officers. The current vehicles are in disrepair and the division experiences significant downtime due to maintenance issues. To have new vehicles that are operational on a daily basis will allow the parking violation officers to issue tickets, which, in turn, leads to revenue generation (see revenue generation section below)
- \$0.7 million in additional training related investment as part of the City-wide training plan.

- \$0.4 million in additional materials and supplies costs incurred due to an increase in parking violation ticket issuances.
- \$2.5 million increase in funding for six additional parking enforcement officers.
- \$1.0 million increase in costs to hire an additional financial staff member as the current financial staff is less than adequate and needs to be increased.
- \$0.2 million in contract costs related to the hiring of Desman Associates.

As a result of the aforementioned investments, anticipated cost savings include:

- \$3.8 million savings from an efficiency gain estimated to be 13 full time employees (“FTEs”) as described above.⁷⁵

Revenue is anticipated to be impacted by the following items:

- \$60.3 million in additional revenue generation related to parking violation fee increases of \$38.7 million⁷⁶ and additional parking enforcement officers generating additional ticket volume of \$21.6 million.⁷⁷ The parking violation fee increases were approved by the Emergency Manager and were put into effect on June 1, 2014.

⁷⁵ Cost Savings Initiatives.

⁷⁶ PVB Revenue Enhancement White Paper (final).

⁷⁷ Parking Revenue Analysis.

Planning and Development Department

The PDD accelerates business and economic development by strengthening the City of Detroit's neighborhoods and by stabilizing and transforming the physical, social, and economic environment.

The PDD's Planning Division develops, updates and maintains the City's Master Plan, Community Plans and Capital Agenda. Planning across the City is fragmented and the Planning division has failed⁷⁸ to provide the strategic planning leadership the City deserves. In addition, the City's Master Plan, Community Plans, Capital Agenda and Zoning ordinance are not aligned with the Detroit Future City framework and other City Master Plans, and do not adequately support economic development and revitalization within the City.⁷⁹ U.S. Department of Housing and Urban Development ("HUD") has been critical of PDD's planning function.⁸⁰

PDD's Development related divisions administer HUD grant funds which are used to revitalize City neighborhoods and communities and to stabilize and transform the physical, social and economic environment. PDD lacks a fully developed investment strategy.⁸¹ PDD's grant allocation process has been guided more by politics than strategic deployment of scarce HUD resources. The City Council has

⁷⁸ DET_PDD - Planning Div Review 1 27 14 v1.

⁷⁹ PDD - Law Dept memo regarding City Council exceeding authority v4172008; PDD – Circuit Court motion dated August 28, 2008 (not filed) by Liedel, Grinnan & Liedel PLC on behalf of Doug Diggs, PDD Director and Pam Scales, Budget Director.

⁸⁰ DET_PDD - Planning Div Review 1 27 14 v1.

⁸¹ Detroit Investment Strategy Report - December 2013 FINAL pdf (2).

historically over stepped their authority in allocating HUD grant dollars.⁸² City Council, despite PDD and City Planning recommendations to the contrary, has historically allocated grant funds to poorly qualified sub-recipients. As evidenced by sub-recipients having difficulty spending grant award dollars based on HUD requirements and the historical nature to which grant awards have been spread non-strategically across sub-recipients with limited consideration given to sub-recipient's identified needs. PDD has routinely not met minimum HUD grant fund expenditure targets. In addition, PDD is challenged to properly track grant expenditures, process payments, and timely expend⁸³ HUD grant allocations. Further, due to lack of appropriate controls, PDD has historically been non-compliant with HUD requirements. From December 2012 through August 2013 PDD was subject to HUD grant conditions due to material non-compliance. HUD recently removed PDD from special grant conditions subject to identified internal department improvement requirements.⁸⁴

Investments in the PDD include the following:

- \$11.6 million in labor, benefits and training. Anticipated hiring includes City Planners to update the Master Plan, Community Plan, and Capital Agenda, as well as align plans to Detroit Future City. In addition, the City plans to transfer City

⁸² PDD - Law Dept memo regarding City Council exceeding authority v4172008; PDD – Circuit Court motion dated August 28, 2008 (not filed) by Liedel, Grinnan & Liedel PLC on behalf of Doug Diggs, PDD Director and Pam Scales, Budget Director.

⁸³ PDD Grant Conditions Response Cover Letter 9.5.2013.

⁸⁴ HUD – PDD City of Detroit CPD Grant Conditions 12/21/2012; PDD Final Response to 12/21/12 Grant Conditions.

Planning Commission and other City Council employees to PDD to create a centralized planning function within the City. Finally, PDD plans to enhance the service delivery model by transferring portions of real estate development, neighborhood support and housing divisions to quasi-government entities, lead sub-recipients and, potentially, private organizations.

- \$10.2 million in reorganization costs related to updating the Master Plan and supporting the restructuring of PDD’s real estate, neighborhood and housing divisions. This includes Master Plan, investment strategy, and Zoning ordinances development and updates by outside professionals (\$4.7 million), surge resources to assist in restructuring the grants management function (\$1.9 million), start-up capital for grants administration service and delivery model improvements (\$2.2 million) and facility consolidation (\$1.4 million).⁸⁵
- \$0.8 million in information technology infrastructure investments to upgrade dated systems.

As a result of the aforementioned investments, anticipated cost savings include:

- \$1.9 million in savings are achieved through lease savings. This is due to PDD moving from a leased building to the Coleman A. Young Municipal Center.

⁸⁵ Cost Savings Initiatives.

5. Opinion Five: The Organizational Efficiency Initiatives are necessary and will substantially improve administrative and support departments to perform necessary functions required by the City's operating departments.

I have analyzed the services provided by GSD, Finance Department ("Finance"), Information Technology Services Department ("ITS"), Law Department ("Law"), Office of the Auditor General ("AG"), Office of the Inspector General ("IG"), Human Resources Department ("HR"), Labor Relations Division ("LR"), Human Rights Department ("Human Rights") and Department of Elections ("Elections"), and have determined that the investment, along with revenue and cost saving initiatives included in the Reinvestment Initiatives, will substantially improve the efficiency of operation in support departments/services throughout the City.

The Organizational Efficiency Initiatives provide for investment in multiple departments, including: GSD; Finance; ITS; Law; AG and IG; HR and LR; Human Rights; and Elections that support the operating functions of the City. Together these departments provide services utilized by other departments in the City, including maintaining City owned property, maintaining vehicles, managing space and occupancy, cleaning and maintaining facilities, procurement, budgeting, revenue collection, accounting, law, human rights and ensuring accountability, honesty and integrity. The investment in these departments totals \$479.9 million while providing cost savings of \$109.0 million and incremental revenues of \$98.2 million. Investment in these departments supports City initiatives to improve revenue and collections of City billings, improve City-wide information technology, improve financial reporting, achieve better maintenance of the City's fleet and maintenance of City-owned property, and reduce costs for ongoing expenses among other activities described in additional detail below.

Table 5a – Summary of Organizational Efficiency Initiatives

Department / Division	Investment	Cost Savings	Revenue Initiatives	Net Reinvestment Initiatives
<i>(\$MM)</i>				
Finance Department				
Accounting/Finance Administration	25.6	(11.1)	-	14.4
Assessor's Office	22.6	-	-	22.6
Budget	0.2	-	-	0.2
Grants and Grants Management	19.1	-	(7.9)	11.2
Income Tax	12.2	(10.4)	(40.5)	(38.8)
ITS	101.0	-	-	101.0
Purchasing	5.7	(36.0)	-	(30.3)
Risk Management	6.6	(18.5)	-	(11.8)
Treasury	28.4	(3.3)	(16.9)	8.2
Subtotal - Finance	\$ 221.4	\$ (79.3)	\$ (65.4)	\$ 76.7
General Services Department	184.1	(3.9)	(26.0)	154.2
Human Resources/Labor Relations Department	39.5	-	-	39.5
Law Department	21.4	(24.8)	(4.4)	(7.8)
Office of the Auditor General / Office of the Inspector General	4.2	-	-	4.2
Department of Elections	3.9	(1.0)	-	2.9
Human Rights Department	5.4	-	(2.5)	3.0
Subtotal	\$ 479.9	\$ (109.0)	\$ (98.2)	\$ 272.7

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Table 5b – Detail of Organizational Efficiency Investment

<u>Department</u>	<u>Blight</u>	<u>Additional Operating Expenses</u>	<u>Fleet</u>	<u>Technology</u>	<u>Capital Expenditures</u>	<u>Reorg.</u>	<u>Total Investment</u>
<i>(\$MM)</i>							
Finance Department							
Accounting/Finance Administration	-	24.9	-	0.7	-	-	25.6
Assessor's Office	-	6.9	-	0.3	-	15.5	22.6
Budget	-	0.2	-	-	-	-	0.2
Grants and Grants Management	-	17.4	-	0.5	-	1.3	19.1
Income Tax	-	7.0	-	5.2	-	-	12.2
ITS	-	16.3	-	84.8	-	-	101.0
Purchasing	-	4.7	-	1.0	-	-	5.7
Risk Management	-	6.6	-	-	-	-	6.6
Treasury	-	23.0	-	2.5	-	2.9	28.4
Subtotal - Finance	\$ -	\$ 106.9	\$ -	\$ 94.8	\$ -	\$ 19.6	\$ 221.4
General Services Department	-	127.3	16.1	-	40.3	0.4	184.1
Human Resources/Labor Relations Department	-	34.8	-	1.3	1.0	2.4	39.5
Law Department	-	20.7	-	0.5	-	0.1	21.4
Office of the Auditor General / Office of the Inspector General	-	3.9	-	0.4	-	-	4.2
Department of Elections	-	0.6	-	0.0	3.3	-	3.9
Human Rights Department	-	5.3	-	0.1	-	-	5.4
Subtotal	\$ -	\$ 299.6	\$ 16.1	\$ 97.1	\$ 44.5	\$ 22.5	\$ 479.9

General Services Department

GSD was created in 2006 to consolidate and streamline common City services. GSD supports other departments of the City by maintaining all City-owned buildings, grounds, parks, medians, freeway berms of public right-of-ways, vacant lots and the urban forest of the City; procuring, maintaining and supporting the operations of appropriate vehicles (excluding DDOT) for General Fund operations; planning and managing cost-effective space and occupancy arrangements for General Fund operations; cleaning and maintaining City-owned facilities; managing human and technological resources associated with security of City operations and facilities; and

receiving, storing, monitoring and tracking inventories of major City field operations. In recent years, GSD has experienced drastic budgetary cuts and, at current levels, is unable to provide acceptable service levels to City employees and residents. Some of the challenges GSD faces are:

- Required to maintain nearly 2,800 vehicles⁸⁶ of which approximately 46% of the City vehicles are beyond stated life cycle,⁸⁷ which drives up maintenance requirements and increases the maintenance activity. GSD also took over maintenance from the Fire Apparatus Division, which according to an assessment by the Penske Group in 2012, had deferred over \$500,000 worth of maintenance repair work and was “60% past due by a year or more” on preventative maintenance activities.⁸⁸
- An initiative is in place to open and maintain all of the City’s 317 parks in order to improve the citizen’s the quality of life. Previously, numerous parks had been closed due to lack of maintenance funding; prior to the spring of 2014, over two-thirds of the City’s parks were closed as GSD was unable to properly maintain them (as detailed under Recreation in the Resident Service Initiatives).
- Current headcount is less than 270 employees⁸⁹, down from 676 in 2008,⁹⁰ which proportionally reduces GSD’s ability to provide services and support operations.

⁸⁶ CST Fleet Services Report March 2014, p. 5.

⁸⁷ CST Fleet Services Report March 2014, p. 11.

⁸⁸ Penske Assessment December 2012, p. 2.

⁸⁹ May 2014 Headcount Report.

⁹⁰ GSD Diagnostic October 2010, p. 5.

The recent cuts have necessitated reducing the services provided by GSD to only minimal services. Routine and preventative maintenance and upgrade activities have been deferred, creating a backlog of necessary work and re-investment to bring City assets, such as parks, common areas, buildings, and vehicles, up to necessary standards. GSD is integral to the City's ability to provide acceptable services to the City's citizens and maintaining efficient operations. The Organizational Efficiency Initiatives that will provide investment in GSD total approximately \$184.1 million, as outlined below:

- \$63.2 million⁹¹ for labor, benefits and training, for the addition of 122 FTEs related primarily to facilities and park maintenance employees, the majority of which are part time/seasonal workers.
- \$61.0 million⁹² related to materials and supplies required to support the increased level of services.
- \$40.3 million of capital expenditures for repairing, improving and upgrading facilities including space consolidation plans. The space consolidation will, however, lead to lease savings in the affected department's reinvestment plans.
- \$16.1 million of funding to improve common areas, including parks amenities upgrades and replacements (\$10.0 million) and new grounds maintenance vehicles (\$6.1 million).

⁹¹ Gross investment is \$68.4 million, which has been reduced by \$5.2 million for costs reallocated to 36th District Court.

⁹² Gross investment is \$65.1 million, reduced by \$4.1 million of anticipated budgetary savings.

- \$3.5 million related to utilities and security for Herman Kiefer until its anticipated demolition, and reorganization costs.

As a result of this investment, GSD is anticipated to realize the following benefits:

- \$3.9 million in cost savings primarily related to the privatization of custodial services (\$3.2 million) and reduction in workers' compensation claims (\$0.7 million).
- \$26.0 million in added revenue related to recovering expenditures from the Street Fund for additional employees hired for maintenance of property that is common with the State of Michigan (e.g., freeway medians and shoulders).

Finance Department

The City's Finance Department manages the financial aspects of the City government. The Organizational Efficiency Initiatives for the Finance Department provide for improvements for nine divisions within the Finance Department: accounting, assessing, income tax, purchasing, risk management, treasury, ITS, grants management (division creation in process) and finance administration. The Finance Department is responsible for billing and collecting revenue related to real and personal property taxes and processing income tax returns, procuring goods and services, making vendor payments, processing payroll, providing accounting, budgeting, financial oversight, risk management activities, and managing information technology for the City. The Reinvestment Initiatives will improve the function of each division in order to maximize revenue, generate cost savings, and improve controls, processes and reporting within the Finance Department as well as throughout City departments. The City intends to invest \$221.4 million to improve

the services provided by the Finance Department, and expects to realize a total of \$79.3 million in cost savings and \$65.4 million in additional revenue improvements over the 10-year period. The investments, cost savings, and revenues contemplated for the Finance Department primarily consist of the following:

Assessing Division

The Assessing Division initiatives primarily focus on performing valuations on real property within the City of Detroit. A report on the Assessing Division was conducted by a third party in June of 2013, which indicated that the division is not in compliance with State Tax Commission guidelines. The third party report recommendations to resolve the multitude of issues identified included State or County takeover, internally fix division, or use of an alternate service model.⁹³ Addressing and resolving these issues is important to the City and its taxpayers. Over the past several months, the City has worked in conjunction with the State Tax Commission on an action plan to address the multitude of issues and reappraise and revalue all real property within the City. The City's action plan was accepted by the State Tax Commission. Execution of the City's action plan includes augmenting the current staff with contractors in order to complete the process accurately and timely. The current timeline assumes that the project will be completed by December 2015. The investment in the Assessing Division over the 10-year period totals \$22.6 million as follows:

⁹³ City of Detroit Assessing Division Operational Recommendations; Plante Moran Assessing Report; pp. 13-19.

- \$15.5 million in incremental costs for reappraising and revaluing all real property within the City. The estimated cost to return to compliance with the State Tax Commission is approximately \$10.1 million.⁹⁴ However, the Reinvestment Initiatives also contemplate augmented services including aerial and street view photography, data validation, and updated appraisals periodically throughout the projection totaling approximately \$5.4 million over the remaining projected years in order for the City to accurately and timely assess and appraise all real property within the City.
- \$7.1 million in incremental costs primarily related to wages, benefits, training and technology costs for six FTEs and a Level IV Assessor. A Level IV Assessor is required by the State Tax Commission.

Risk Management Division

- The Risk Management Division is responsible for managing the City's workers' compensation program, as well as other insurance policies. The City engaged Kessler International ("Kessler") in December 2012 to conduct a workers' compensation fraud audit of the City's self-insured, self-administered workers' compensation program. Kessler issued a report (the "Kessler Report") to the City in December 2013 confirming that significant deficiencies in risk management, and specifically workers' compensation,

⁹⁴ Assessing Corrective Action Plan Contract-Pictometry; Assessing Corrective Action Plan Contract-Tyler, p. 60; In addition to discussions with Plante Moran and the Assessing Division.

existed and should be addressed.⁹⁵ The Kessler Report concluded that the City needed to more effectively investigate and manage claims to prevent further abuse of the system and to fetter out and stop payment on fraudulent claims. The Kessler Report stated that documentation in claim files maintained by both the Risk Management and the Law Departments were found to be only partially submitted and poorly organized. The Kessler Report also found that the City has an opportunity to realize cost savings and implement management strategies which would provide a more efficient risk management system. The chart below is taken from the Kessler Report and demonstrates the level and trends of workers' compensation payments from fiscal year ending 2007 through fiscal year 2012.⁹⁶

Table 10 – Summary of Historical Workers' Compensation Spending

Fiscal Year	2007	2008	2009	2010	2011	2012
Claims	17,068,517	14,956,581	14,504,680	13,176,922	16,480,733	21,749,116

The Organizational Efficiency Initiatives provide for an investment of \$6.6 million offset by \$18.0 million in savings as follows:

- \$6.6 million of investment in order to increase staff with the requisite skill set to help drive the cost savings initiatives. The increased staff, totaling 13 employees, will include workers' compensation clerks, investigators and

⁹⁵ Workers' Compensation Fraud Audit City of Detroit, Kessler International, pp. 23-24, 146-153.

⁹⁶ Workers' Compensation Fraud Audit City of Detroit, Kessler International, p. 14.

safety officers. The projections also include training for current and new Risk Management employees. It is estimated that with training and additional labor resources available within Risk Management, the City will benefit from lower workers' compensation payments through pro-active safety training, greater controls, improved processing and greater investigation of claims.

- \$18.0 million in savings are contemplated to be achieved through lower workers' compensation payments.⁹⁷ Based on discussions with City management and findings in the Kessler Report, the level of annual workers' compensation payments exceeds the level of necessary claims/payments. The significant increase from fiscal year 2011 to fiscal year 2012 coincides with scaling back activity with Brown's Rehabilitation.⁹⁸
- \$0.5 million of labor savings related to the reorganization of the department.

Income Tax Division

The Income Tax Division is responsible for enforcing the City's Income Tax ordinance. Staffing reductions and an outdated income tax software system have contributed to the City's lackluster income tax collection efforts, and the IRS categorized the system as "catastrophic" in July 2012.⁹⁹ The City contracted with Innovative Software Services, Inc. and began implementation of a new income tax

⁹⁷ Additional workers' compensation savings of \$14 million are included within DDOT.

⁹⁸ Workers' Compensation Fraud Audit City of Detroit, Kessler International, p. 23.

⁹⁹ Department of the Treasury Internal Revenue Service – Safeguard Review Preliminary Findings Report July 19, 2012, p. 16.

software system in October 2013, which is expected to “go live” in September 2014. This system is utilized in 20 of the 22 cities within Michigan that levy an income tax. In order to improve customer service and income tax collections, investment in employees and technology are required. The Income Tax Division Organizational Efficiency Investment contemplates spending \$12.2 million prior to cost savings of \$10.4 million and additional revenue of \$40.5 million, as described below:

- \$7.0 million in incremental costs related to wages, benefits and training primarily related to creating a more robust Compliance/Audit function.
- \$5.2 million in incremental costs related to a new income tax software system including annual maintenance costs over the course of 10 years. The new income tax software system will provide automation in order to reduce certain staff and allow the Division better reporting capabilities.
- \$10.4 million in cost savings primarily related to improved processes and the implementation of the new income tax software system. Activities currently performed by a third-party vendor including interfacing with tax return imaging vendors in addition to non-filer analysis in comparison to IRS database, will be insourced, resulting in estimated savings of \$9.2 million. Additionally, the City will save \$1.2 million from headcount reductions due to automating the current manual process for taxpayer correspondence.
- \$40.5 million in incremental revenue from various initiatives. Several initiatives are currently in process including: non-filer project, Income Tax Task Force, Small Claims Court and discovery of new taxpayers. Combined, these efforts are anticipated to yield \$30.5 million in additional revenue. The City’s Income Tax Division has also identified approximately \$42.0 million of unpaid tax obligations that have not been paid, but in

which the City has received a tax return. The City is in the process of engaging a third party collection agency and the Reinvestment Initiative assumes \$10.0 million will be collected, net of commission.

Purchasing Division

The Purchasing Division is responsible for procuring goods and services for departments throughout the City. The Organizational Efficiency Initiatives include investment totaling \$5.7 million for staffing, training and technology. As a result of this investment, it is expected that the Purchasing Division will achieve savings on City-wide purchases totaling \$36.0 million. A summary of the Organizational Efficiency Initiatives that will impact the Purchasing Division is as follows:

- \$4.7 million in incremental costs for wages, benefits and training. The division plans to hire five employees addressing the under-staffing in the Division and establishing a contract management function. These employees will allow the division to focus on specific commodities, develop expertise in these areas to improve cost saving opportunities and to ensure that vendors of the City are in compliance with contracts.
- \$1.0 million in incremental costs to implement a software application (inclusive of maintenance) to procure goods and services by reaching vendors on a national scale to drive additional competition that will allow for improved pricing and service opportunities on future goods and services.
- \$36.0 million in savings related to General Fund (excluding Grants, Detroit Water and Sewerage Department and non-General Fund subsidized Enterprise Funds) purchases. The estimated savings assumes on approximately \$100.0 million of purchases of 2% per year for fiscal years

2015 through 2017 and 5% per year thereafter.¹⁰⁰ These estimated cost savings are in addition to previous and current purchase savings initiatives of the City. This builds on top of negotiations the City undertook with certain vendors in order to reduce costs beginning in fiscal year 2012. It is estimated that through price negotiations or cost avoidance the City saved in excess of \$5.0 million during fiscal year 2013.¹⁰¹

Accounting Division and Finance Administration

Accounting Division and Finance Administration were combined as part of the Reinvestment Initiative projections. These Initiatives contemplate investing \$25.6 million and is expected to achieve \$11.1 million in cost savings as outlined below:

- \$23.6 million of incremental costs for wages, benefits and training to hire nine additional employees. The nine employees within Finance Administration will focus primarily on implementation and tracking of Reinvestment Initiatives in addition to taking over the cash flow forecasting from outside professionals. These are important tasks, and the City currently does not have staffing to perform these duties internally. The Reinvestment Initiatives also assumes the Accounting Division recruits additional employees to perform certain tasks such as producing monthly financial statements and completing bank reconciliations. Four new qualified accounting employees, net of reductions, will increase the skillset

¹⁰⁰ Purchasing Division Savings Analysis.

¹⁰¹ Purchasing Negotiated Savings.

of accountants in order to complete bank reconciliations, perform month end closings, improve internal control processes and improve the efficiency.

- \$1.3 million of incremental costs related to additional Benefit Plan audits.
- \$0.7 million of incremental costs for new copiers and additional software licenses to allow the accounting software system to support additional users.
- \$11.1 million in cost savings. Of this, \$5.4 million in savings are related to six employees whose positions are anticipated to be eliminated due to outsourcing the payroll processing function.¹⁰² In addition, \$5.7 million in net savings will be realized through the increase in internal accounting resources to complete more work internally, thereby saving third-party costs.

Treasury Division

The Treasury Division is tasked with billing and collection of property taxes and other limited billing and collection activities for certain departments within the City. A study performed by a third party concluded that this division needs to be restructured and the report highlights key deficiencies including: use of outdated and ineffective processes and technology and low performance/engagement of City staff.¹⁰³ In order to address certain issues, the City intends to invest \$28.4 million

¹⁰² The City already anticipates a headcount reduction of ten employees as a result of implementation of an ADP-like payroll processing function. As such, these savings are not included as additional cost savings in the Reinvestment Initiatives.

¹⁰³ Treasury Findings and Recommendations, Plante Moran; p. 3.

over the 10-year period, prior to \$3.3 million in cost savings and \$16.9 million in additional revenue as outlined below:

- \$23.0 million in incremental investment primarily related to wages and benefits to staff positions necessary to improve the operations of Treasury, including employees focused on collections to generate incremental revenue, as well as employee training costs.
- \$2.5 million in incremental costs for new technology to integrate BS&A (Property Tax software), cashiering technology, call center technology, and enhanced web interfaces for payment to the contemplated new Enterprise-wide Resource Planning (“ERP”) system.
- \$2.9 million in reorganization costs primarily relating to third-party consulting to assist the City with implementation of recommendations and action items included in the Reinvestment Initiatives.
- \$3.3 million in cost savings primarily related to a 10% reduction in headcount related to efficiencies gained from the ERP implementation.
- \$16.9 million in incremental revenue primarily related to increased staffing in the Treasury Division (three FTEs) to focus on collections, which is expected to generate \$13.5 million in additional revenue. The Treasury Division also plans to continue using a third party collection agency that is estimated to collect an incremental \$3.4 million.

Grants Management

The City is in the process of forming a centralized Office of Grants Management to oversee the management, reporting and compliance of all City grants. Currently, the City receives several hundred million dollars in formula grants (e.g.

HUD, Department of Justice and FTA) and other grant revenue on an annual basis. The importance of these grant funds is tremendous given that the City does not have many other revenue sources to support its operating expenditures. Grants are a critical source of revenue for the City, so the ability to manage grants effectively is important to preserving and maximizing this source of revenue.

The currently decentralized grants management organizations within the City are routinely cited for material non-compliance (e.g. lack of timely expenditure of funds, disallowed costs, inadequate sub-recipient monitoring, inappropriate procurement/contracting activities, cash management deficiencies, deficient reimbursement activities, poor documentation, deficient reporting, etc.)¹⁰⁴ causing a net result of inefficient and ineffective operations. Currently the City's grant tracking systems are fragmented and the City is unable to comprehensively track City-wide grant fund status. As a result of poor grants management, the Schedule of Expenditures of Federal Awards ("SEFA") identified \$14.8 million in questioned costs in 2012,¹⁰⁵ not including indeterminable costs. In addition, HUD placed the City under Community Planning and Development ("CPD") Formula Grant Conditions from December 2012 through August 2013 due to material non-compliance.¹⁰⁶ Continued non-compliance could result in Federal, State and other grant awarding agencies reducing, withdrawing and/or adjusting current and future

¹⁰⁴ 2012 Schedule of Expenditures of Federal Awards.

¹⁰⁵ Ibid.

¹⁰⁶ Special Conditions on fiscal year 2012 CPD Formula Grant Agreements dated December 2012; PDD Final Response to 12/21/12 Grant Conditions.

grant awards.¹⁰⁷ In addition, continued non-compliance will prevent the City from effectively applying for and obtaining competitive grants.

The Organizational Efficiency Initiatives provide for \$19.1 million in investment to establish a centralized grants management function in order to provide additional oversight related to current grants and identify new grant opportunities as described below:

- \$16.9 million in incremental wages, benefits and training costs to establish and manage grants for the City.
- \$0.5 million in incremental costs primarily related to other operating expenses including utilities, materials, and supplies.
- \$0.5 million in incremental costs for technology related to grants management system.
- \$1.3 million in reorganization costs related to resources to bolster the function.

As a result of this investment, Grants Management is anticipated to realize the following benefits:

- \$7.9 million in new grant related revenue due to the formation of a Grants Management function. It also anticipates that due to a centralized Grants

¹⁰⁷ HUD – Detroit Noncompliance with Timely Expenditure Requirements dated 07/01/2014.

Management function additional, but not yet identified, grant related opportunities will be capitalized on over the 10-year period.

Information Technology Services

The City's existing information technology infrastructure (software and hardware) is obsolete and requires upgrades, replacement and/or new technology. An ERP system assessment was performed by a third-party and the report identified significant issues with the City's current financial system and processes.¹⁰⁸ Such issues include, but are not limited to, poor financial reporting; financial statements not being closed each month; transactions not entered or posted timely; reliance on highly manual processes; the majority of City's financial transaction detail residing outside of DRMS (the City's primary financial system); and data integrity issues. In order to address these issues, the City's Accounting Division is improving processes and procedures; however, a new ERP system is integral to the successful restructuring and continued operation of the City. Additionally, the IT infrastructure is not integration throughout the departments and cannot share information across IT systems. A significant amount of the City's computers are over five years old, and approximately 85% of the City's workstations operate on Windows XP or older versions of the operating system. As such, the City plans to invest \$101.0 million into the ITS Department including \$84.8 million¹⁰⁹ for information technology upgrades and \$16.3 million for additional staff to implement IT projects within all City departments. The

¹⁰⁸ ERP Needs Assessment, Plante Moran; pp. 4-6.

¹⁰⁹ Vendor quotes, estimates from third parties, estimates based on experience within the ITS Department.

investment totaling \$101.0 million over the 10-year period contained within the ITS projection is described below:

- \$16.3 million incremental cost related to wages, benefit and department wide training in order to recruit 15 additional FTEs. Additional staffing is required for implementation of the City-wide ITS projects, as well as creation of a more robust, centralized information technology function.

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- \$29.0 million in incremental costs for implementation of a new ERP system and ongoing annual maintenance.¹¹⁰
- \$25.0 million in incremental costs related to upgraded hardware, software, operating system and implementation of an active directory system. Many of the City's computers utilized by staff are outdated and rely on software, such as Windows XP, which is no longer supported by the manufacturer. Also, certain IT investments included within other departments are not compatible with the current outdated hardware and software. As such, a portion of this investment is necessary to implement other IT related initiatives and improve the current system.

¹¹⁰ These costs are based on an estimate from a third-party consultant (see ERP Estimate MMSA) and the expenses include \$13.8 million related to the cost of an ERP system, \$9.7 million related to process redesign and project management support, \$2.8 million in additional IT infrastructure upgrades, along with an estimate of \$2.7 million in ongoing maintenance costs.

- \$10.9 million in incremental costs for hardware, software and services to establish a redundant data center to support all City computing services.¹¹¹ The future data centers at Lyndon and Detroit Public Safety Headquarters (“DPSH”) will be the core of a City computing infrastructure business continuity and data center resiliency plan. This investment provides redundant services so that the City remains operational if one system fails.
- \$5.4 million for City-wide document imaging and management, which currently does not exist within the City. This initiative is important in order to reduce reliance on hard-copy documents which are susceptible to loss and water/environmental damage. The City will also use this software to define a City-wide document retention policy.
- \$4.9 million for City-wide network infrastructure and SQL server support to install reliable systems. The investment will keep the City current with network communication for voice and data. Without these upgrades support costs are likely to increase above amounts included in the forecast.
- \$3.8 million to standardize access control and camera systems throughout the City. The City currently utilizes numerous disparate and unreliable access control, camera and security systems. This investment will standardize the City on a common platform and include the following facilities: Coleman A. Young Municipal Center; all Police Precincts/Districts; Fire Apparatus; Fire Academy; Fire Stations; DPW Yards; Municipal Parking; GSD facilities and Recreation Centers/Park

¹¹¹ Data Center Backup Estimate.

Facilities. This investment will assist the City in maintaining a safe and secure work environment.

- \$3.7 million to upgrade Workbrain software,¹¹² which is the standard time capture system for employees and contractors. The City is currently working on a version that is outdated and does not provide all the benefits of the newest version.
- \$2.0 million related to help desk software in order to identify, prioritize and monitor ITS related issues on a City-wide scale.

Human Resources and Labor Relations

The HR Department provides services and implements programs that attract, hire, retain and support a qualified and talented workforce. The LR Department is responsible for the negotiation and administration of collective bargaining agreements and supplemental agreements in accordance with the City Charter and State Law. Together these functions are critical for managing all employment-related interactions with existing perspective and former employees of the City.

Human Resources and Labor Relations together experienced headcount reductions of approximately 52% from 176 employees to 84 employees between fiscal years 2011 and 2014. As a result of headcount reductions, and other deficiencies, the HR and LR Departments have not been able to provide basic functions to the City Government. This includes, but is not limited to, timely recruiting, selecting and onboarding of City labor needs, providing and/or coordinating non-uniform

¹¹² Workbrain Estimate.

employee training, administrating and monitoring an employee performance management system, succession planning, administering basic benefit programs, and developing and maintaining a robust job classifications and compensation program.

The HR Department Reinvestment Initiatives do not include revenue or cost savings initiatives specifically associated with the HR Department.¹¹³ However, the Organizational Efficiency Initiatives that are assumed in the HR Department are one of the single most important factors for the successful implementation of the rest of the City's Reinvestment Initiatives. The Reinvestment Initiatives assume the HR Department is capable of on-boarding nearly 800 additional qualified employees by fiscal year 2017. This is in addition to the HR Department likely having to replace a significant number of employees from attrition, for example total City headcount has gone from 9,712¹¹⁴ as of June 30, 2013 to 9,122 as of May 31, 2014.¹¹⁵ These additional qualified employees are a primary factor in driving the revenue initiatives, costs savings, and significant service improvement contemplated in the other City Departments in the Reinvestment Initiatives.

The City also needs to train its existing work force so that it has the skills to stabilize current City operations and to assist with implementing the Restructuring Initiatives. This is one of the main reasons that a significant amount of financial

¹¹³ The City already anticipates a headcount reduction of 24 employees as a result of implementation of an ADP-like payroll processing function. As such, these savings are not included as additional cost savings in the Restructuring Initiatives.

¹¹⁴ Headcount Summary – Disclosure Statement.

¹¹⁵ May Headcount Report.

resources have been projected related to employee training. Currently, the City and its HR Department do not currently have a formal employee training program.

The Organizational Efficiency Initiatives also contemplate additional expenditures for labor resources dedicated to re-establishing a performance management system. Re-establishing a performance management system will assist the City in identifying high performing employees as well as employees who need additional training. The performance management system will also assist management with making sure that employees are placed in positions where their experience, skills, and intangibles can be maximized. Lastly, the performance management system will help hold employees and managers accountable for adequately performing their duties.

The HR Department Reinvestment Initiatives also contemplate additional expenditures for labor resources dedicated to updating and establishing a robust City-wide occupational job classification, job descriptions, and compensation system. This will be critical in restructuring City agencies, reducing the number of job classifications and titles across City government and assuring the City hires qualified employees.

The HR Department Reinvestment Initiatives include an investment totaling \$39.5 million to improve these functions through the following:

- \$25.1 million represents increased staffing by 22 employees to recruit, select and train employees, develop a robust classification and compensation system and develop a performance management system, and 11 employees to establish oversight, monitor and comply with union contracts, as well as better administer current employee benefit programs.

- \$12.0 million related to training for employees including a learning center/training location.
- \$2.4 million in other reorganizational costs including a market compensation study.

Law Department

The Law Department provides legal counsel and representation to the Executive and Legislative branches of City government. The investment planned for the Law Department is \$21.4 million related to wages, benefits and training to recruit 17 additional FTEs and technology expense. As a result of this investment the Law Department is projected to generate cost savings related to external legal fees and reduced settlement expenses totaling \$24.8 million and improve collections by \$4.4 million over the 10-year period.

Office of the Auditor General, Office of the Inspector General, Human Rights Department and Department of Elections

Other improvements projected to improve City services relate to AG, IG, Human Rights and Elections. The investment collectively for these departments totals \$13.5 million along with \$1.0 million of cost savings and \$2.5 million of incremental revenue during the 10-year period supported by the following:

- \$4.2 million investment within AG and IG in order to fill four vacant positions to increase level of financial and operational audits (\$3.8 million) and electronic work-papers and other software (\$0.4 million).
- \$5.4 million is projected within the Human Rights Department for investment over the 10-year period in wages, benefits and training related to

six FTEs to ensure compliance with various parties with City's ethics and human rights policies.

- \$2.5 million in incremental revenue due to an increased number of business licenses.
- \$3.9 million is planned for the Department of Elections, including \$3.3 million in capital related to deferred facility maintenance and \$0.6 million in department wide training.
- As a result of improved technology, the Department of Elections is projected to generate \$1.0 million of labor related savings including one FTE and a reduction of 50% of poll workers and ballot counters.

6. Opinion Six: The Management Initiatives are necessary and will allow elected officials to more effectively manage the City.

I have analyzed the services provided by the City Clerk, City Council and Mayor's Office and have determined that the assumptions in the Plan will substantially improve the ability to manage the departments and reduce redundancies.

Some areas of management in the City have been overstaffed due to distrust between agencies. This appears to have increased over the years due to perceived corruption.

Table 6a – Summary of Management Initiatives

<u>Department</u>	<u>Investment</u>	<u>Cost Savings</u>	<u>Revenue Initiatives</u>	<u>Net Reinvestment Initiatives</u>
<i>(\$MM)</i>				
City Clerk	1.5	(2.2)	-	(0.7)
City Council	(3.8)	-	-	(3.8)
Mayor's Office	2.1	-	-	2.1
Subtotal	\$ (0.2)	\$ (2.2)	\$ -	\$ (2.5)

Table 6b – Detail of Management Investment

<u>Department</u>	<u>Blight</u>	<u>Additional Operating Expenses</u>	<u>Fleet</u>	<u>Technology</u>	<u>Capital Expenditures</u>	<u>Reorg.</u>	<u>Total Investment</u>
<i>(\$MM)</i>							
City Clerk	-	1.5	-	-	-	-	1.5
City Council	-	(3.9)	-	0.2	-	-	(3.8)
Mayor's Office	-	2.1	-	-	-	-	2.1
Subtotal	\$ -	\$ (0.4)	\$ -	\$ 0.2	\$ -	\$ -	\$ (0.2)

Redundancies that existed in City Council and other areas of the City government have been reduced. The Mayor’s Office is committed to lean operations and engaging community and business-focused groups that will improve the efficiency of the City as a whole.

City Clerk

The City Clerk’s Office maintains public records, certifies official documents, administers oaths, takes affidavits and performs certain other duties. The Management Initiatives will improve the City Clerk via the following:

- \$1.2 million in additional material and supply costs related to the incremental costs associated with blight remediation notifications and City Council demolition

hearings. This additional investment will assist with case administration and alleviate the notification of hearing backlogs.

- \$0.2 million in training costs and \$0.1 million professional and contract services costs.

As a result of the aforementioned investments, anticipated cost savings include:

- \$2.2 million in cost savings related to labor, benefits and training¹¹⁶ These savings are due to headcount reductions gained through efficiencies and operational improvements, gained through improved processing of dangerous building documentation, other manual process improvements leading to headcount reductions and the elimination of the of the Deputy City Clerk position due to the position being deemed unnecessary based on department size.

City Council

The City Council promotes the economic, cultural and physical welfare of Detroit's citizens through Charter-mandated legislative functions. CM performed an in-depth review of the City Council and, in April 2013, I delivered a report¹¹⁷ on restructuring recommendations for this legislative body. Many of the recommendations were adopted by the Emergency Manager's Office and already implemented prior to the finalization of the Reinvestment Initiatives. These recommendations included a transfer of certain support divisions to other areas of the

¹¹⁶ Cost Savings Initiatives.

¹¹⁷ Conway MacKenzie - City Council Restructuring Presentation FINAL.

City's organizational structure and a consolidation of services due to excessive redundancy.

The Management Initiatives plan to further improve City Council, including an investment in technology and cost savings, as follows:

- \$3.9 million in reduction in operational expenditures for the department in professional and contract services realized through the transfer of six contractors from City Planning Commission ("CPC") and Historical Designation Advisory Board ("HDAB") to the Planning and Development Department. The CPC is designated by Zoning ordinance (Ordinance 390-G) as the Zoning Commission for the City. HDAB reports to the CPC and advises City Council on matters relating to historic preservation. Detroit City Code Chapter 25 states that City Council shall establish a Historical Designation Advisory Board, which shall be a standing committee. I found significant redundancy and overlap across CPC, HDAB and the Planning and Development Department, which drives inefficiency, confusion and higher cost through the City and affiliated agencies. The aforementioned savings result from implementing the transfer of CPC and HDAB contractors to the PDD.
- \$0.2 million investment related to hardware improvements and annual maintenance for the purpose of ensuring that Council members and their staff are appropriately able to process and review electronic information received from other departments, as their current technology environment is outdated.

Mayor's Office

The Mayor's Office has adopted "Transforming Detroit" as its mission for the City. The related initiatives and strategies focus on stabilizing the City's finances,

improving the quality of life for all citizens and re-populating the City. The investment contemplated in the Management Initiatives to improve the Mayor's Office includes the following:

- \$20.1 million in additional permanent labor, benefits and training expenses related to Neighborhoods and Lean Process personnel. This additional cost to the department relates to the administration's focus on turning the neighborhoods around, attracting new residents, and improving inefficient processes in order to improve service delivery for both citizens and businesses.
- \$0.6 million in cost savings related to the reduction of personal service contractors on the Mayor's staff.
- \$17.4 million in City-wide cost savings related to the additional Neighborhoods and Lean Process personnel. Significant efficiency realizations related to the work performed by the Lean Process and Neighborhoods personnel are the driver of this additional savings. Projects include EMS staffing and operations improvements, Purchasing department process streamlining, snow removal efficiency and permit and certificate of occupancy process enhancements.

7. Opinion Seven: The Non-Departmental Initiatives are necessary and will improve the operations of the 36th District Court and reduce the funding burden on the City's General Fund.

I have analyzed the services provided by the 36th District Court ("36DC" or the "Court"), and have determined that the initiatives in the Non-Departmental Initiatives will significantly improve the operations of the Court.

Historically, the operations of the 36DC have been a concern for the City and the Michigan Supreme Court. The Court's problems have been studied and are well

documented by the Supreme Court Administrative Office (“SCAO”) and the National Center of State Courts (“NCSC”). The Court typically exceeded the City funded budgeted expenditures by over \$5.0 million annually.¹¹⁸ The City has historically funded shortfalls to 36DC through General Fund subsidies. According to a 2014 follow up assessment conducted by the NCSC, the concerns for the Court “were broader than over-expenditures of appropriations. They encompassed a range of other problems including, inadequate customer service, marginal use of technology, management and personnel deficiencies, poor case management practices leading to unnecessary trial court delay, day-to-day operational and performance issues, inadequacies pertaining to the use and efficiency of space in the courthouse.”¹¹⁹

In May of 2013, the State Supreme Court appointed a Special Judicial Administrator, Judge Michael Talbot, along with direct SCAO oversight to effectuate a turnaround of the Court.

The Non-Departmental Initiatives recognize the revenue enhancement, cost reduction opportunities (much of which are already underway at the 36DC), and the investment necessary to support this turnaround. The Non-Departmental Initiatives contemplate a benefit to the General Fund totaling \$71.7 million generated from \$16.9 million in investment, \$9.8 million in cost savings and \$78.8 million in increased revenues, as described in further detail below:

¹¹⁸ NCSC Report June 2014, p. 7.

¹¹⁹ NCSC Report June 2014, p. 1.

Table 7a – Summary of Non-Departmental Initiatives

<u>Department</u>	<u>Investment</u>	<u>Cost Savings</u>	<u>Revenue Initiatives</u>	<u>Net Reinvestment Initiatives</u>
<i>(\$MM)</i>				
36th District Court	16.9	(9.8)	(78.8)	(71.7)
Subtotal	\$ 16.9	\$ (9.8)	\$ (78.8)	\$ (71.7)

Table 7b – Detail of Non-Departmental Investment

<u>Department</u>	<u>Blight</u>	<u>Additional Operating Expenses</u>	<u>Fleet</u>	<u>Technology</u>	<u>Capital Expenditures</u>	<u>Reorg.</u>	<u>Total Investment</u>
<i>(\$MM)</i>							
36th District Court	-	4.0	-	4.2	5.0	3.7	16.9
Subtotal	\$ -	\$ 4.0	\$ -	\$ 4.2	\$ 5.0	\$ 3.7	\$ 16.9

In order to improve the operations, realize cost savings and generate additional revenue, the Non-Departmental Initiatives include \$16.9 million in investment related to the following:

- \$4.0 million in training for all Court employees.
- \$3.7 million related to paperless technology as recommended by SCAO and NCSC.
- \$0.5 million for a new phone system.
- \$5.0 million capital budget for building upgrades to the court facility that haven't historically occurred.
- \$3.7 million for process flow mapping and process improvement to reduce manual and redundant processes.

As a result of this investment, the Court is anticipated to realize the following benefits:

- \$9.8 million in cost savings related to wages and benefits from the reduction of 25 FTEs through efficiency and technology improvements. The Court has already reduced the workforce by over 80 employees and implemented a 10% wage reduction in 2013.¹²⁰
- \$78.8 million in incremental revenue due to an increased collection rate from an average of 26% to 50% over the 10-year projection period. Historically, the collection rate has been poor and lags other court systems significantly.¹²¹ In order to achieve higher collections rates, the 36DC is undertaking actions including:
 - Improved cashiering operations;
 - Implementation of cash kiosks for ease of payment; and
 - Implementation of an “out county” bill payment option.

As of May 2014, the 36DC has demonstrated improvement in collections to approximately \$1.8 million per month from an average \$1.1 million per month.¹²² While some of this increase may be short-term due to the initial effect of collection efforts, it appears revenue enhancement is in place and should be sustainable.

F. Conclusion

The Reinvestment Initiatives represent a comprehensive plan to address major deficiencies in the City’s operations. The Reinvestment Initiatives are necessary in order for the City to provide an adequate level of service to its citizens

¹²⁰ NCSC Report June 2014, p. 7.

¹²¹ NCSC Court Performance Measurement Comparison.

¹²² NCSC Report June 2014, p. 8.

and businesses, which is a prerequisite to stabilizing the City's population and positioning both the City's population and its business base for growth. It is reasonable to expect that when the Reinvestment Initiatives are fully implemented, the City will be able to provide adequate levels of municipal services and fund normal municipal operations.

* * * * *

Respectfully Submitted,

A handwritten signature in cursive script that reads "Charles M. Moore".

Charles M. Moore

July 8, 2014

Exhibit 1

CHARLES M. MOORE, CPA, CTP, CFF

Senior Managing Director
Conway MacKenzie, Inc.
401 S. Old Woodward
Suite 340
Birmingham, MI 48009
(248) 433-3100
cmoore@conwaymackenzie.com

PROFESSIONAL EXPERIENCE

Oct. 2001 to present **Senior Managing Director & Shareholder**
Conway MacKenzie, Inc., Birmingham, Michigan

Areas of Specialization Include:

- Providing turnaround consulting and performance improvement services to underperforming organizations in the automotive, construction, distribution, gaming, governmental, healthcare, manufacturing and real estate industries;
- Leading the Firm's Governmental Services Group, focused on providing financial and operational advisory services to governmental and non-profit organizations and their constituents, including creditors and unions;
- Performing financial and operational assessments of companies on behalf of investors, creditors and customers, including assessments of financial viability, systems and processes, management capability and competitive positioning;
- Providing transactional guidance and support to buyers and sellers of companies, including performing due diligence, defining post-acquisition processes and systems, and assisting with post-acquisition integration;
- Developing financial models for use in forecasting cash flow and operating resource needs;
- Negotiating and executing debt restructuring and reorganization transactions in both out-of-court and formal bankruptcy filing settings;
- Providing expert testimony in matters involving insolvency and commercial disputes; and
- Serving as or providing financial advisory services to fiduciaries, including Trustees and Receivers.

Feb. 2000 to Oct. 2001 **Chief Financial Officer**
Horizon Technology LLC, Taylor, Michigan

Areas of Responsibility Included:

- Supervised and directed the finance and information systems departments for a privately held \$50 million diversified company, consisting of cold form manufacturing, retail, real estate and travel operations;
- Managed relationships with multiple secured lenders for a variety of credit facilities.
- Developed cash forecasts, financial projections and operating budgets and monitored actual performance against budget; and
- Identified and implemented cost reduction initiatives to improve operating performance.

Aug. 1994 to Feb. 2000 **Manager**
Management Solutions & Services
Deloitte & Touche LLP, Detroit, Michigan

Areas of Responsibility Included:

- Provided project management and consulting services on over 40 process improvement and technology implementation projects, including financial, manufacturing and distribution processes and applications;
- Served as Co-Project Manager of a global firm-wide initiative to rewrite Deloitte & Touche's methodologies and toolsets for implementing packaged ERP applications, incorporating business process redesign with rapid rollout. Responsible for all final deliverables and supervision of approximately 30 staff personnel; and
- Speaker at numerous conferences regarding the use of technology in profit enhancement initiatives.

EDUCATION

M.B.A., Professional Accounting, with emphasis in Accounting Information Systems - Michigan State University
B.A., Accounting - Michigan State University

PROFESSIONAL ORGANIZATIONS & COMMUNITY INVOLVEMENT

Former Board Member & President - Turnaround Management Association, Detroit Chapter
Trustee - Oakland County Bar Foundation
Trustee - Haven
Member - American Bankruptcy Institute
Member - American Institute of Certified Public Accountants
Member - Michigan Association of Certified Public Accountants

AWARDS & ACHIEVEMENTS

Selected as one of "40 in their 40s" by *M&A Advisor*, a national organization - 2011
Selected to the 2008 class of "40 Under 40" by *Crain's Detroit Business*
Appointed in December 2007 by the Speaker of the House and Senate Majority Leader to the Legislative Commission on Government Efficiency, a nine-member panel formed to study ways for the State of Michigan to cut costs and become more efficient
Named one of twelve "People to Watch - 2006" by *Turnarounds & Workouts*, a national publication
Lead restructuring professional for Greektown Casino & Hotel, which was awarded the "Chapter 11 Reorganization of the Year (\$100 million plus) - 2010" award by Turnaround Atlas Awards
Lead restructuring professional for Hastings Manufacturing Company, which was selected as "Transaction of the Year - 2006" by the Detroit Chapter of the Turnaround Management Association

ARTICLES WRITTEN DURING PAST TEN YEARS

- None

Exhibit 2

CHARLES M. MOORE, CPA, CTP, CFF

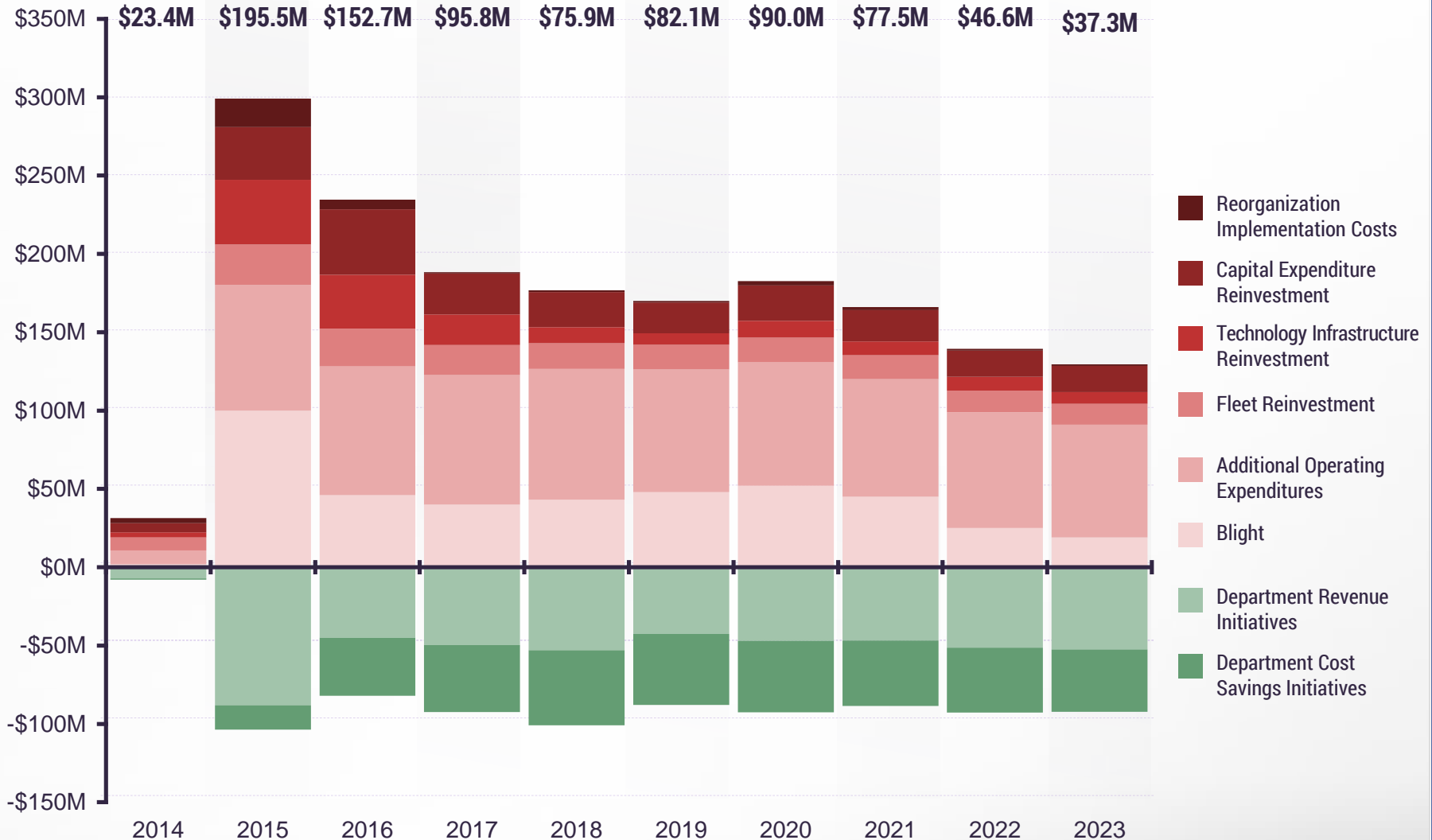
Senior Managing Director
Conway MacKenzie, Inc.
401 S. Old Woodward
Suite 340
Birmingham, MI 48009
(248) 433-3100
cmoore@conwaymackenzie.com

EXPERT & FACT WITNESS DEPOSITION & TRIAL TESTIMONY DURING PAST FOUR YEARS

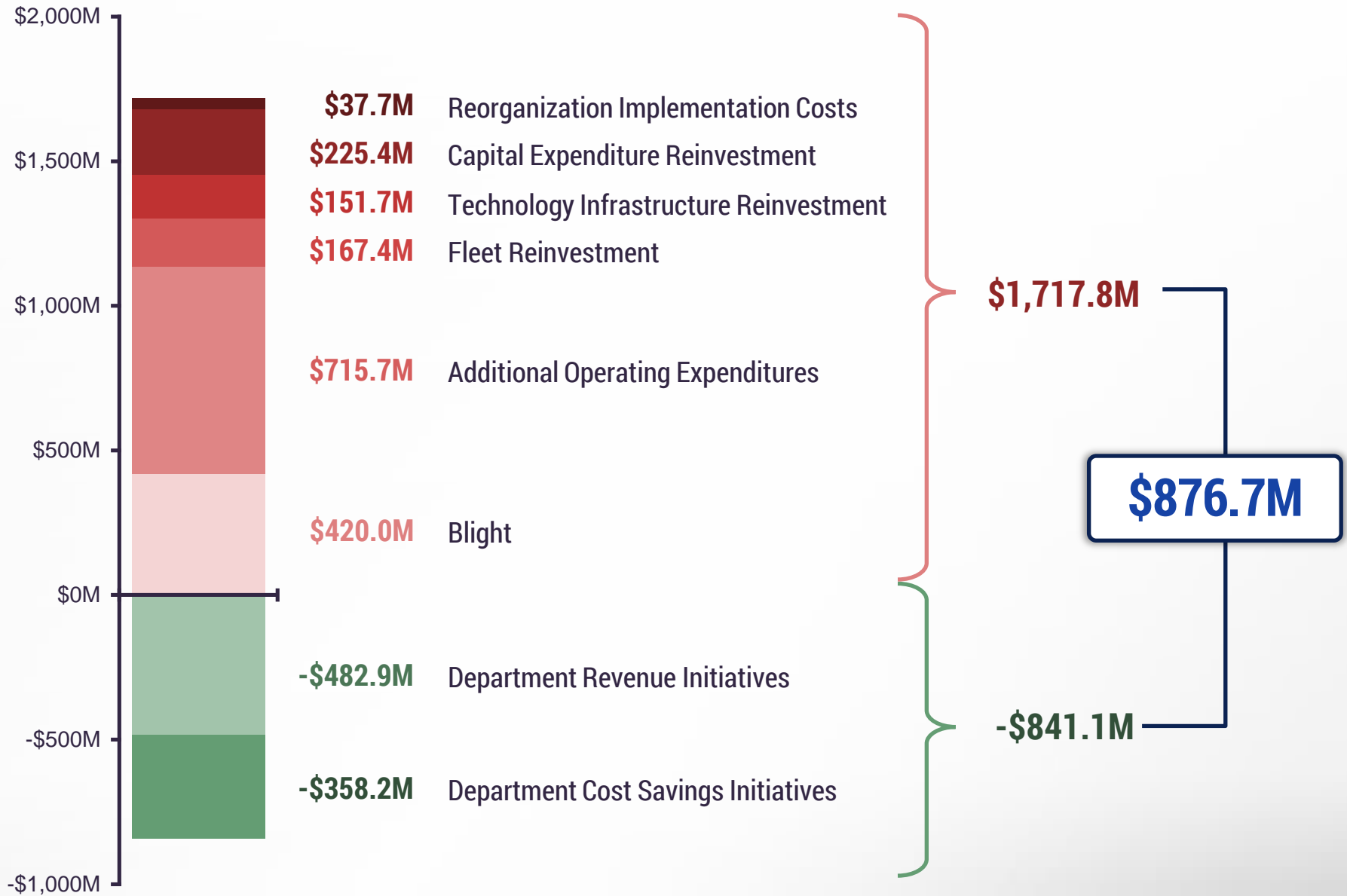
- In re City of Stockton, California
U.S. Bankruptcy Court, Eastern District of California (2014)
- In re City of Detroit, Michigan
U.S. Bankruptcy Court, Eastern District of Michigan (Multiple times - 2013)
- In re General Motors Corporation, et al. v. Weber Automotive Corporation, et al.
U.S. District Court, Eastern District of Michigan (2012)
- In re Cynergy Data, LLC
U.S. Bankruptcy Court, District of Delaware (2011)
- In re Greektown Holdings, LLC, et al.
U.S. Bankruptcy Court, Eastern District of Michigan (Multiple times 2008 – 2012)

Exhibit 3

Financial Summary of Reinvestment Initiatives

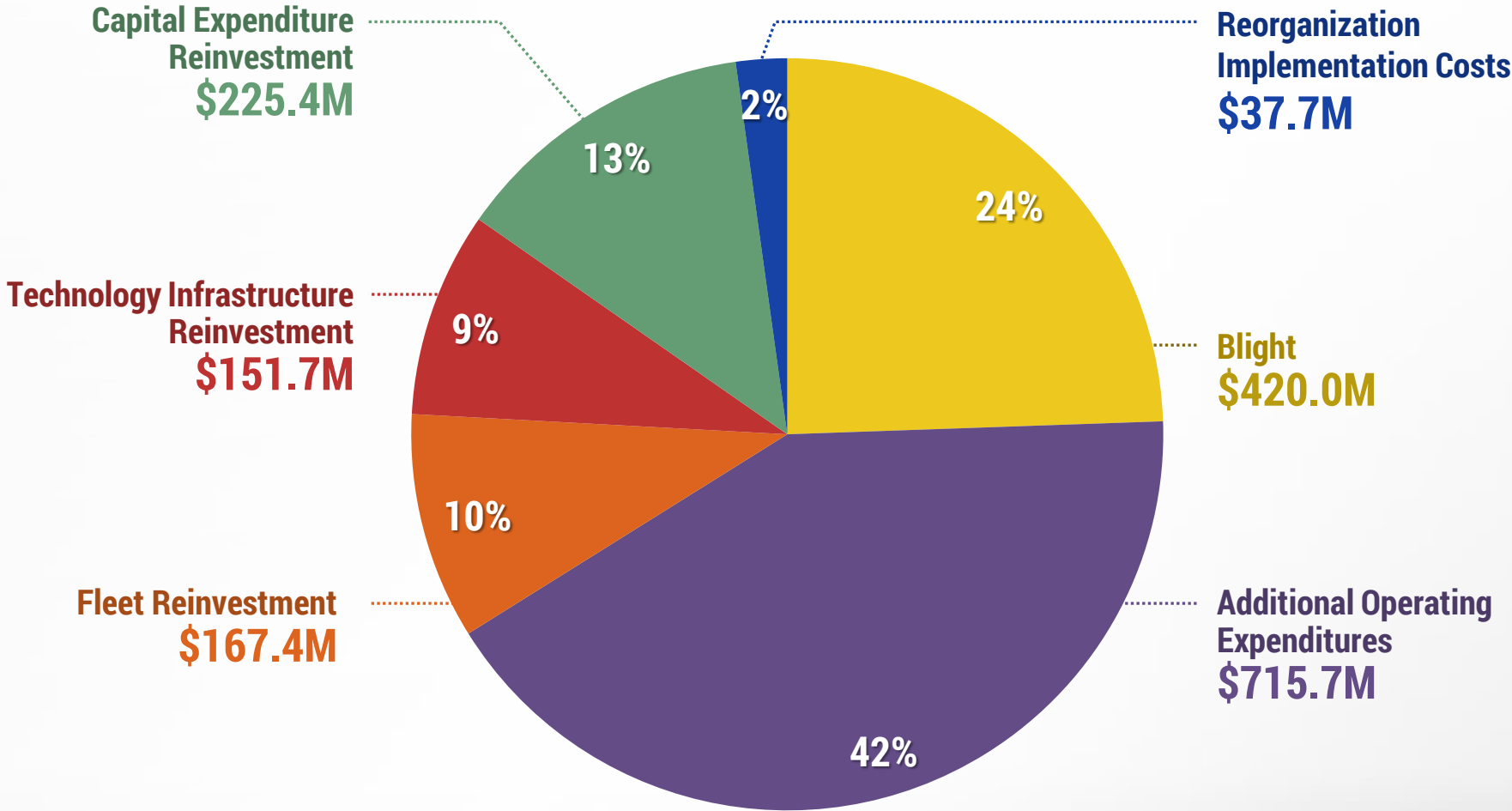


Financial Summary of Reinvestment Initiatives – Ten-Year Total

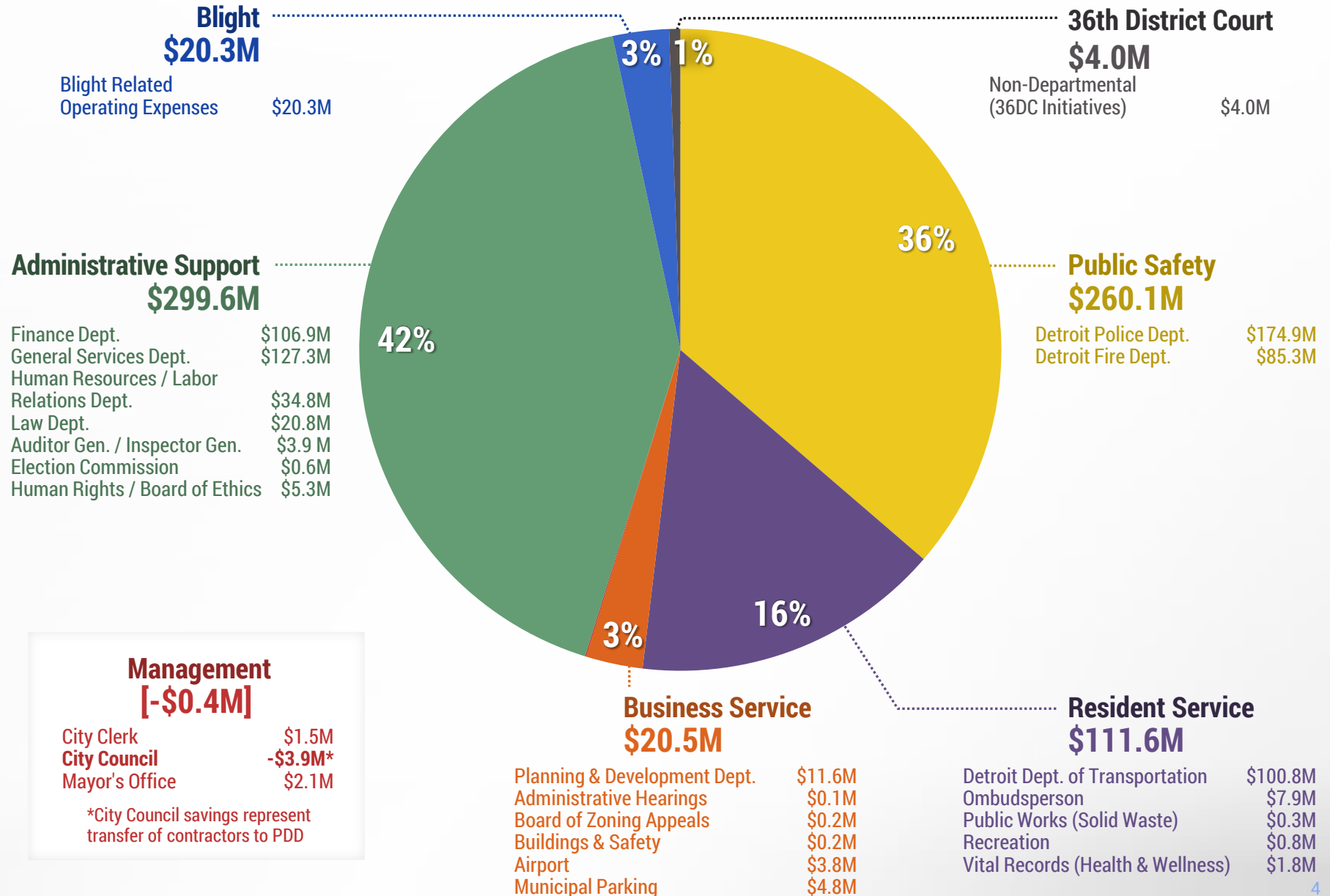


Investment – Ten-Year Total

Total: \$1,717.8M

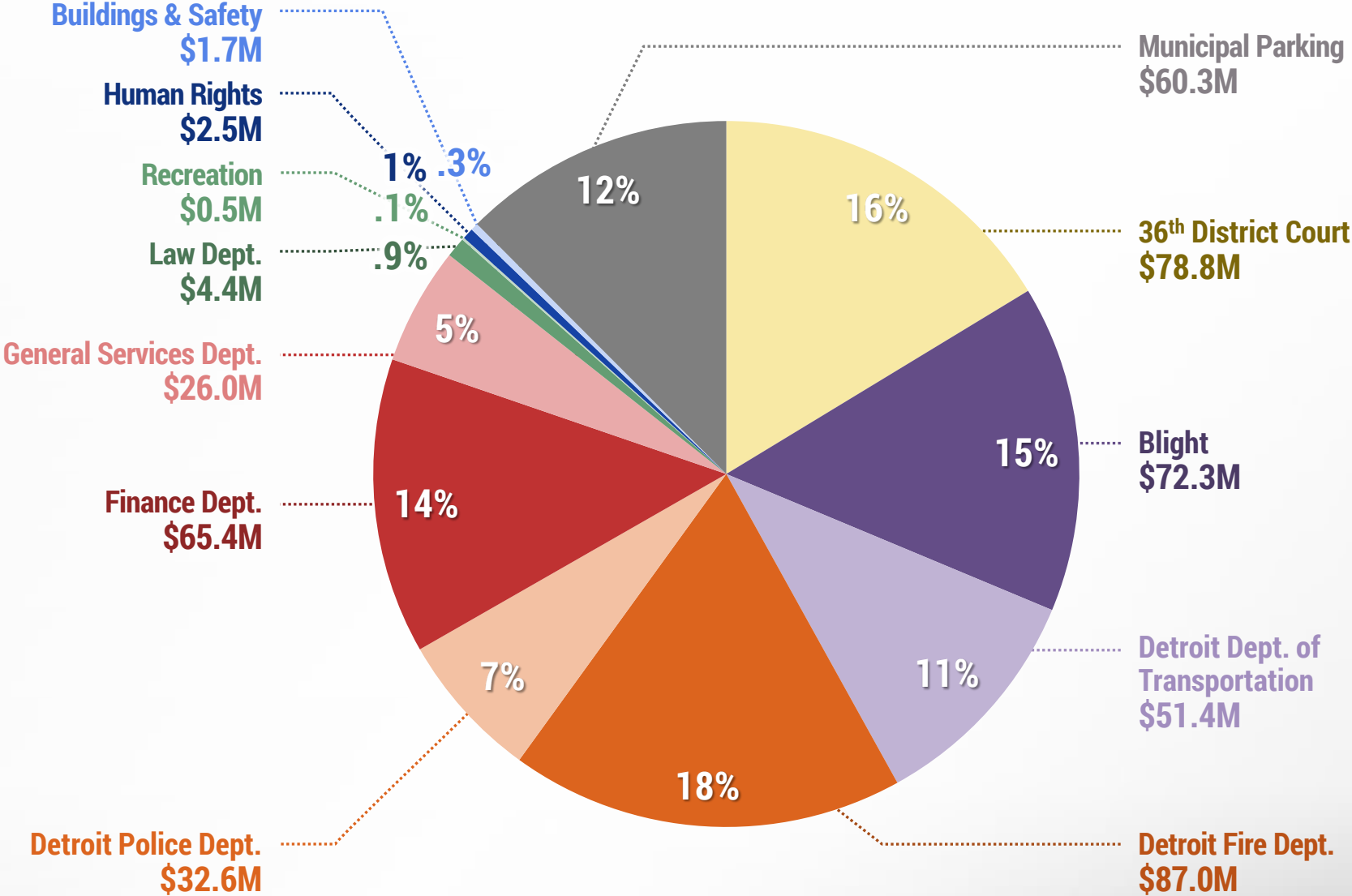


Operating Expenditures by "Initiative" – Ten-Year Total



Revenue Initiatives

Total: \$482.9M



Cost Savings Initiatives

Total: \$358.2M

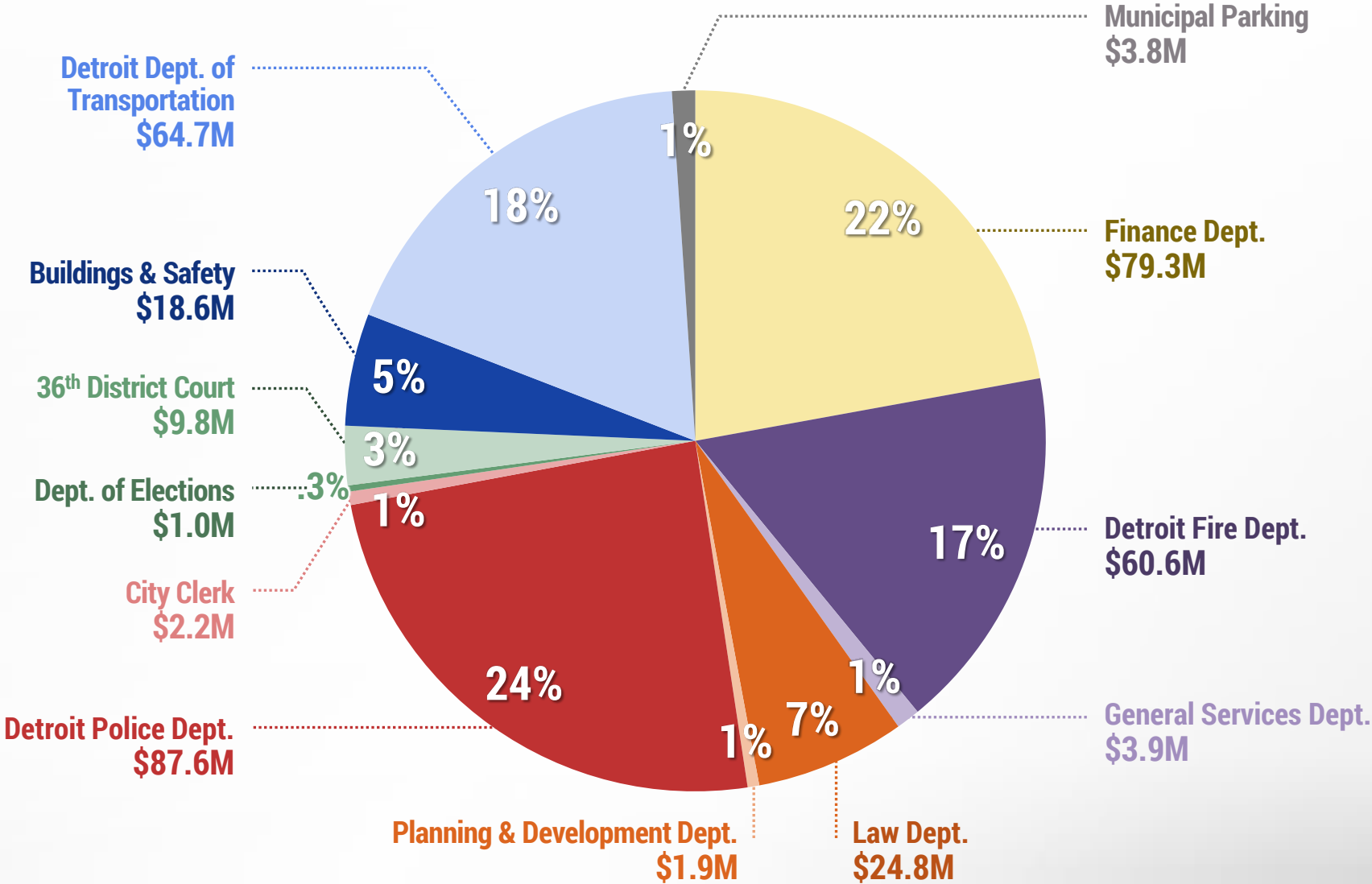


Exhibit 4

Exhibit 4

Documents Considered

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1. Chapter 9, Title 11 of the United States Bankruptcy Code.
2. Annual Budget for City of Detroit, 2007 – 2008.
3. Annual Budget for City of Detroit, 2008 – 2009.
4. Annual Budget for City of Detroit, 2009 – 2010.
5. Annual Budget for City of Detroit, 2011 – 2012.
6. Annual Budget for City of Detroit, 2012 – 2013.
7. Adopted Redbook Budget for City of Detroit, 2007 – 2008.
8. Adopted Redbook Budget for City of Detroit, 2008 – 2009.
9. Adopted Redbook Budget for City of Detroit, 2009 – 2010.
10. Adopted Redbook Budget for City of Detroit, 2010 – 2011.
11. Adopted Redbook Budget for City of Detroit, 2011 – 2012.
12. Adopted Redbook Budget for City of Detroit, 2012 – 2013.
13. Comprehensive Annual Financial Report for the Fiscal Year (CAFR) ended June 30, 2003.
14. Comprehensive Annual Financial Report for the Fiscal Year (CAFR) ended June 30, 2004.
15. Comprehensive Annual Financial Report for the Fiscal Year (CAFR) ended June 30, 2005.
16. Comprehensive Annual Financial Report for the Fiscal Year (CAFR) ended June 30, 2006.
17. Comprehensive Annual Financial Report for the Fiscal Year (CAFR) ended June 30, 2007.
18. Comprehensive Annual Financial Report for the Fiscal Year (CAFR) ended June 30, 2008.
19. Comprehensive Annual Financial Report for the Fiscal Year (CAFR) ended June 30, 2009.
20. Comprehensive Annual Financial Report for the Fiscal Year (CAFR) ended June 30, 2010.
21. Comprehensive Annual Financial Report for the Fiscal Year (CAFR) ended June 30, 2011.
22. Comprehensive Annual Financial Report for the Fiscal Year (CAFR) ended June 30, 2012.
23. City of Detroit White Book Salary and Wage Adjustments, 2012 – 2013.
24. Emergency Manager Orders.
25. Dekonti Charter Redundancy Report.
26. June 2013 Headcount Report.
27. December 2013 Headcount Report.
28. March 2014 Headcount Report.
29. United States Department of Housing and Urban Development Reports issued to the City of Detroit.
30. Financial Advisory Board Documents including presentations
31. Emergency Manager Announcements.
32. Emergency Manager Reports.
33. City of Detroit Press Releases.
34. Citizens Guide, Debt Service Report and Projected Budget Report 2012.
35. Detroit Performance Dashboard.
36. Unfunded Accrued Liability Plan.
37. Comprehensive Annual Financial Reports (CAFR).
38. Financial Dept. Single Audit Reports.
39. Budget Department Adopted and Executive Budgets.
40. Budget Department Proposed Triennial Budget 2015 - 2017.
41. Budget Department Proposed Capital Agenda 2013-2014 through 2017-2018.
42. Purchasing Dept. Items out to bid: RFPs.
43. Purchasing Dept. Current Contracts for items out for bid.
44. City of Detroit Cooperation, Collaboration and Consolidation Plan Category 2 of the State of Michigan Economic Vitality Incentive Program (EVIP).
45. City of Detroit Departmental Organizational Charts
46. Detroit Future City – Detroit Strategic Framework Plan, (December 2012).
47. Detroit Future City – Presentation to Detroit Fire Department (November 2013).
48. Handling of Surplus Land in Detroit presentation (April 2013).
49. The Blight Authority summary [Conway MacKenzie Engagement Summary and Initial Observations] (March 2013).
50. Detroit Fire Department Fire Suppression Standard Operating Guideliens
51. Police HR Recruiting Contingency Plan (June 2013).
52. DFD Dashboard (January 2014).
53. DFD Response Time - City Data (April 2014).
54. Fire- Based EMS Guidebook.
55. Fire Best Practices Research Report (August 2007).
56. Performing a Fleet Audit Survey (April 2014).
57. AccuMed Group Detroit Patient Care Reports powerpoint (March 2012).
58. Amortization of Fire Equipment – A Planning Tool for Palm Beach Gardens Fire Rescue, Palm Beach Gardens, FL (November 2001).

Exhibit 4

Documents Considered

#	Document
59.	IAFC Position Fire-based EMS (May 2009).
60.	Fire Suppression Standard Operating Guidelines.
61.	Justifying a Purchase of New Fire Apparatus (July 2008).
62.	Kansas City Fire Department Metropolitan Ambulance Service Trust: EMS Coordinating Committee Strategic Integration Plan (2009/2010).
63.	Performance Management, Benchmarking & Outcome-Based Budgeting For Wisconsin Local Government, Second Edition (2009).
64.	McKinsey & Company DFD Fire Suppression and EMS Diagnostic, (September 2010).
65.	DDOT Risk Management (June 2013).
66.	DDOT TEO Staffing Analysis (June 2013).
67.	Bus Agreement Request (February 2014).
68.	DDOT Fleet Right Sizing Plan.
69.	DDOT Key Initiatives (February 2014).
70.	DDOT Grant Status (May 2014).
71.	Transit Police Force Business Case (May 2014).
72.	New York City Independent Budget Office Fiscal Brief article titled "311 Customer Service Center: More Calls and a Growing Budget" (April 2008).
73.	Best Practice: Call Center for Non-Emergency City Services - NYC311 Customer Service (June 2011).
74.	Detroit Recreation Department Strategic Master Plan Executive Summary, Volume I (May 2006).
75.	Detroit Recreation Department Strategic Master Plan Executive Summary, Volume II (May 2006).
76.	DPW Solid Waste Contracts.
77.	McKinsey & Company Municipal Parking Diagnostic (April 2011).
78.	Revised Bond Call Notice (June 2014).
79.	Parking Bond Joint Direction Letter for Release of Funds (July 2014).
80.	Emergency Manager Order 24 regarding Parking Fines (2014).
81.	City of Ann Arbor, MI, Building Permit Fee Schedule.
82.	City of Chicago, IL, Building Permit Fee Schedule.
83.	City of Cincinnati, OH, Building Permit Fee Schedule.
84.	City of Columbus, OH, Building Permit Fee Schedule.
85.	City of Grand Rapids, MI, Building Permit Fee Schedule.
86.	City of Indianapolis, IN, Building Permit Fee Schedule.
87.	City of Louisville, KY, Building Permit Fee Schedule.
88.	City of Milwaukee, WI, Building Permit Fee Schedule.
89.	City of Nashville, TN, Building Permit Fee Schedule.
90.	City of St. Louis, MO, Building Permit Fee Schedule.
91.	Compuware Corp. Process flow maps (2010).
92.	City of Detroit, Building, Safety Engineering and Environmental Department Fee Schedule (2013).
93.	Detroit City Code of 1984 – Detroit Zoning Ordinance, Ch. 61.
94.	Dangerous Buildings Standard Operating Procedures (2013).
95.	Dangerous Buildings Process Flow (February 2010).
96.	Fire Insurance Escrow Process Flow (2013).
97.	MAXIMUS Fee Study (2002).
98.	Michigan Occupational Safety and Health Administration (MIOSHA) Demolition License and Accreditations and Various Demolition Activities.
99.	The Big Move Baseline Monitoring Report (September 2013).
100.	Preparing for Takeoff: Revitalization Options for Coleman A. Young International Airport (April 2011).
101.	Conway MacKenzie report regarding Planning & Development Department – Grants Administration and Service Delivery (December 2013).
102.	Detroit Interim Investment Strategy Memorandum (August, 2013).
103.	McKinsey & Company Planning and Development Diagnostic (April 2011).
104.	Detroit Municipal Airport Concession (January 2011).
105.	Cloudburst - PDD Assessment Overview Summaries and Org. Chart Options
106.	Cloudburst - PDD Organizational Assessment Division
107.	Cloudburst - PDD Outsourcing Options
108.	Cloudburst - PDD Potential Outsourcing Partners
109.	Cloudburst - PDD Restructuring Proposal
110.	City of Detroit 2012 Single Audit Report Grants Management (2012).
111.	HUD-Detroit Non-Compliance Expenditure Requirements (July 2014).
112.	City of Detroit GSD Parks Plan (2014).
113.	GSD Capital Projects (2014).
114.	McKinsey & Company Collections Improvement Opportunities (March 2011).

Exhibit 4

Documents Considered

#	Document
115.	City of Detroit IT Diagnostic; McKinsey & Company; September 2010.
116.	Assessing Corrective Action Plan Memo (March, 2014).
117.	McKinsey & Company Overview of Grant Management and Improvement Opportunities (2010).
118.	Letter from State Tax Commission approving Corrective Action Plan (April 2014).
119.	City of Detroit ("City") - Assessing Division Corrective Action Plan (December 2013).
120.	Tax Discovery Implementation Planning (February 2011).
121.	Non-Filer Collections Weekly Mailing Schedule (June 2014).
122.	McKinsey & Company Procurement Outsourcing (February 2011).
123.	McKinsey & Company Procurement Improvement (February 2011).
124.	McKinsey & Company Purchasing Diagnostic Summary (July 2010).
125.	36D Six Month Status Report (December 2013).
126.	36D Strategic Plan (2011 to 2015).
127.	SCAO Observation Report (September 2012).
128.	SCAO Report (February 2013).
129.	36D Audit Report (January 2013).
130.	Rehmann Report (February 2014).
131.	SCAO Harper Report (March 2013).
132.	Fourth Amended Plan for the Adjustment of Debts of the City of Detroit [Docket No. 4391] dated May 5, 2014.
133.	Fourth Amended Disclosure Statement With Respect to Fourth Amended Plan for the Adjustment of Debts of the City of Detroit [Docket No. 4391] dated May 5, 2014, (the "Disclosure Statement"), updated as July 2, 2014 (the "Plan Projections").
134.	Fourth Amended Disclosure Statement With Respect to Fourth Amended Plan for the Adjustment of Debts of the City of Detroit [Docket No. 4391] dated May 5, 2014, (the "Plan").
135.	Cost Savings Initiatives (July 2014).
136.	Revenue Initiatives (July 2014).
137.	Detroit Blight Removal Task Force Plan titled, "Every Neighborhood Has a Future...And It Doesn't Include Blight," (May 2014).
138.	United States Department of the Treasury website, http://www.treasury.gov/initiatives/financial-stability/TARP-Programs/housing/hhf/Pages/default.aspx
139.	Seventh Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement between Michigan State Housing Development Authority and United States Department of the Treasury Service Schedule B-5, (June 2013).
140.	Eighth Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement between Michigan State Housing Development Authority and United States Department of the Treasury, Service Schedule B-5, (December 2013)
141.	Fire Service Performance Measures (November 2009).
142.	How Crime in the United States Is Measured (January 2008).
143.	Federal Bureau of Investigation, National and State Offense Data (2012).
144.	Response times- city to city, American Police Beat.
145.	Calculating Police Response Times, Police Executive Review Form.
146.	DPD Response Time Analysis (July 2013).
147.	Federal Bureau of Investigation, Incidents and Case Clearance Rates, National Comparables (2012).
148.	DPD 2014 Plan of Action (January 2014).
149.	DPD Civilianization Analysis (May 2014).
150.	DPD Retirement Eligibility (June 2013).
151.	DPD Fleet Inventory.
152.	Profit Drives Life-Cycle Fleet Management, The Business of Public Sector Procurement Inc.
153.	Mt. Lebanon Fleet Management (October 2013).
154.	DPD Fleet Replacement Summary (April 2014).
155.	DPD Public Safety IT Comparison Motorola (March 2014).
156.	Police - IT System Discussion (May 2013).
157.	DPD Facility Capital Improvement Plan (April 2014).
158.	TriData Report - Total Response Time Analysis (June 2014).
159.	NFPA Standard 1710 (2010).
160.	JEMS 2008_First Response Type by City (February 2009).
161.	DFD Staffing Factor Analysis (2014).
162.	TriData Report - Coverage Gap Analysis (June 2014).
163.	2013_Detroit Risk Response (2013).
164.	DFD Facility Capital Plan (2014).
165.	DFD Apparatus Inventory (2014).
166.	TriData Report - Recommended Apparatus Replacement Schedule (June 2014).
167.	Fire Apparatus/Capital Equipment Replacement and Alternative Methods of Funding – Fire Service Financial Management (July 1999).
168.	DFD Apparatus Replacement Summary (2014).

Exhibit 4

Documents Considered

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169.	DFD IT Capital Spend (2014).
170.	TriData Report - Call Processing Response Time Analysis (2014)
171.	DPD Space Consolidation Analysis (April 2014).
172.	DFD Labor Savings Analysis (2014).
173.	DFD Grant Analysis (2014).
174.	DPD Grant Analysis (2014).
175.	DFD Revenue Analysis (2014).
176.	Fire Recovery USA Revenue Analysis – Fire (July 2013).
177.	Fire Recovery USA Revenue Analysis – Police (June 2014).
178.	DPD Revenue Analysis (2014).
179.	DDOT Daily Dashboard.
180.	McKinsey & Company DDOT Diagnostic (August 2010).
181.	DDOT Fare Box Revenue Summary.
182.	DDOT FTA Letter (November 2013).
183.	DDOT Management Support Report.
184.	DDOT Open Position Summary (2014).
185.	DDOT Plan Assumptions (2013).
186.	DDOT White Paper on Fare Structure (April 2013).
187.	311 Benchmarking Review (April 2013).
188.	311 IT System Analysis (2014).
189.	Building a 311 System: A Case Study of the City of Minneapolis.
190.	Developing a Statewide 311 System in New Jersey (September 2007).
191.	Solid Waste Internal Cost Analysis (November 2013 incorrectly dated November 2014).
192.	National Recreation and Park Association Research Summary (2010).
193.	Recreation Capital Improvement Plan (2014).
194.	PVB Revenue Enhancement White Paper (December 2013).
195.	Parking Revenue Analysis (April 2014).
196.	City of Detroit – Airport Department Critical Needs (November 2013).
197.	Airport Capital Improvement Program (2014).
198.	PDD- Law Memo to Doug Diggs regarding City Council (April 2008).
199.	PDD Circuit Court Motion by Liedel Grinnan and Liedel PLC on behalf of PDD and Budget (August 2008).
200.	DET_PDD Planning Div Review (January 2014)
201.	Detroit Investment Strategy Report (December 2013).
202.	PDD Grant Conditions Response Cover Letter (September 2013).
203.	HUD-PDD City of Detroit CPD Grant Conditions (December 2012).
204.	Special Conditions on Fiscal Year 2012 CPD Formula Grant Agreements (December 2012).
205.	PDD Final Response to December 2012 Grant Conditions.
206.	CST Fleet Services Report (March 2014).
207.	Penske Assessment (December 2012).
208.	McKinsey & Company General Services Department Diagnostic, (October 2010).
209.	May 2014 Headcount Report (2014).
210.	City of Detroit Assessing Division Operational Recommendations; Plante Moran Assessing Report.
211.	Assessing Corrective Action Plan Contract - Pictometry (December, 2013).
212.	Assessing Corrective Action Plan Contract - Tyler (June, 2014)
213.	Department of the Treasury Internal Revenue Service – Safeguard Review Preliminary Findings Report (July 19, 2012).
214.	Treasury Findings and Recommendations, Plante Moran Treasury Report.
215.	2012 Schedule of Expenditures of Federal Awards (“SEFA”) (2012).
216.	ERP Needs Assessment; Plante Moran ERP Report.
217.	City of Detroit Income Tax Division - Outstanding Receivables (October 2013).
218.	Data Center Backup Estimate - Budget and Planning Price.
219.	City of Detroit WB Upgrade, Rework, Test, Go Live.
220.	City of Detroit Financial System Capital Project Cost Estimate: MMSA FMS (December 2013).
221.	Purchasing Division Savings Analysis – Conway MacKenzie based on City of Detroit Purchasing data.
222.	Purchasing Division Negotiated Savings Analysis - City of Detroit Purchasing Data.
223.	Kessler Report - Workers' Compensation Fraud Audit City of Detroit (December 2013).
224.	Conway MacKenzie - City Council Restructuring Presentation (April 2013).
225.	NCSC Court Performance Measures Comparison.
226.	NCSC Report (June 2014).

Exhibit 5

City of Detroit
Ten-Year Plan of Adjustment
Restructuring and Reinvestment Initiatives

Limitations:

The following package represents a summary of our findings and should not be used for any purpose other than that for which it has been designated.

This package is confidential and is not to be distributed to or shared with any party who has not received it directly from Conway MacKenzie, Inc. ("Conway MacKenzie"). Conway MacKenzie, including its officers, directors, employees, agents, attorneys, advisors, members, partners or affiliates does not make any representation or warranty, express or implied, with respect to the information contained herein and we hereby expressly disclaim any such representation or warranty. Conway MacKenzie assumes no responsibility with respect to the accuracy or completeness of the information contained herein and shall have no obligation to update or correct any of the information. Conway MacKenzie neither owes nor accepts any duty or responsibility to any reader or recipient of this presentation, whether in contract or tort, and shall not be liable for or in respect of any loss, damage (including without limitation consequential damage or lost profits) or expense of whatsoever nature which is caused by, or alleged to be caused by, the use of this presentation or which is otherwise consequent upon the gaining of access to this presentation.

Our work did not constitute an audit conducted in accordance with generally accepted auditing standards, an examination of internal controls or other attestation or review services in accordance with standards established by the American Institute of Certified Public Accountants. Accordingly, we do not express an opinion or any other form of assurance on the financial statements of the Company or any financial or other information or the Company's internal control.

This package also includes certain estimates and projections that are inherently subject to significant economic, competitive and other uncertainties and contingencies. No representation, express or implied, is made as to the accuracy or completeness of such estimates or projections or of the Company's ability to achieve such projections. Because events and circumstances frequently do not occur as expected, actual results may vary materially from the estimates and projections.

By accepting this package, the recipient shall be deemed to have acknowledged and agreed to the terms of these limitations.

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives

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City of Detroit
Ten-Year Plan of Adjustment
Restructuring and Reinvestment Initiatives - Consolidated

City of Detroit

Ten-Year Plan of Adjustment
Restructuring and Reinvestment Initiatives
 Consolidated - General Fund
 (\$ in millions)

	For the Fiscal Year Ended										10-Year Total	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
Revenue												
1. Collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. a. Increased Collection Rate	2.2	12.6	15.0	18.3	18.6	18.9	19.2	19.4	19.8	20.1	164.3	
3. b. Collection of Past Due	1.5	4.9	5.7	2.5	-	-	-	-	-	-	14.7	
4. Pricing/Fees	0.4	10.0	15.5	16.8	21.5	23.2	27.3	26.8	30.9	31.8	204.1	
5. Grant Revenue	3.1	40.6	9.0	12.2	12.9	0.5	0.5	0.6	0.6	0.6	80.6	
6. Other	(0.1)	19.9	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	-	(0.1)	-	19.3	
7. Total Revenue	7.2	88.0	45.1	49.7	52.9	42.5	46.9	46.8	51.3	52.5	482.9	
Expenditures												
8. Permanent Labor	(2.7)	(24.2)	(20.1)	(22.2)	(21.7)	(19.8)	(19.7)	(19.0)	(18.6)	(17.7)	(185.6)	
9. Professional & Contract Services	(0.4)	1.0	1.3	1.3	1.2	1.2	1.1	1.1	1.1	1.0	10.0	
10. Labor Costs / Service Contracts	(3.1)	(23.2)	(18.8)	(20.9)	(20.5)	(18.6)	(18.5)	(17.9)	(17.5)	(16.7)	(175.5)	
11. Active Benefits	(1.3)	(10.2)	(10.2)	(12.7)	(12.6)	(11.8)	(11.9)	(11.6)	(11.5)	(11.3)	(105.1)	
12. Training	(0.3)	(7.3)	(9.2)	(6.3)	(5.4)	(5.2)	(5.1)	(5.2)	(5.3)	(5.0)	(54.4)	
13. Materials and Supplies	(2.0)	(6.6)	(11.5)	(10.2)	(8.3)	(8.8)	(9.4)	(9.6)	(10.1)	(10.6)	(87.1)	
14. Utilities	(0.2)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(2.6)	
15. Purchased services	(2.4)	(100.8)	(45.2)	(39.5)	(42.0)	(47.5)	(51.0)	(44.5)	(24.1)	(18.6)	(415.5)	
16. Risk management/insurance	0.0	2.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	50.7	
17. Contributions to non EP funds	-	-	-	-	-	-	-	-	-	-	-	
18. Transfers In/Out (General Fund)	0.4	(4.4)	(0.5)	2.3	2.7	3.5	3.5	3.1	3.6	3.6	17.7	
19. Grant related expenses	(1.2)	(15.6)	(3.5)	-	-	-	-	-	-	-	(20.3)	
20. Maintenance	-	-	-	-	-	-	-	-	-	-	-	
21. All Other	0.1	1.7	1.7	1.6	1.6	1.6	1.5	1.6	1.6	1.6	14.8	
22. Total Operating Expenditures	(10.0)	(164.6)	(91.3)	(79.9)	(78.6)	(81.0)	(85.0)	(78.3)	(57.5)	(51.1)	(777.4)	
23. Total Operating Surplus (Deficit)	\$ (2.8)	\$ (76.6)	\$ (46.2)	\$ (30.2)	\$ (25.7)	\$ (38.5)	\$ (38.1)	\$ (31.5)	\$ (6.2)	\$ 1.3	\$ (294.5)	
Reorganization/Investment												
24. Technology Infrastructure	(3.1)	(41.3)	(34.4)	(19.6)	(10.1)	(7.4)	(10.7)	(8.8)	(8.8)	(7.5)	(151.7)	
25. Capital Expenditures	(5.9)	(33.5)	(41.7)	(26.1)	(22.4)	(19.5)	(22.7)	(20.0)	(16.7)	(16.8)	(225.4)	
26. Other Infrastructure	(8.3)	(25.8)	(24.0)	(19.1)	(16.4)	(15.7)	(15.8)	(15.2)	(13.7)	(13.4)	(167.4)	
27. Reorganization Costs	(3.2)	(18.2)	(6.3)	(0.9)	(1.2)	(1.0)	(2.7)	(2.0)	(1.2)	(1.0)	(37.7)	
28. Total Reorganization/Investment	(20.6)	(118.9)	(106.4)	(65.6)	(50.2)	(43.6)	(51.9)	(46.0)	(40.4)	(38.6)	(582.2)	
29. Total Surplus (Deficit)	\$ (23.4)	\$ (195.5)	\$ (152.6)	\$ (95.8)	\$ (75.9)	\$ (82.1)	\$ (90.0)	\$ (77.5)	\$ (46.6)	\$ (37.3)	\$ (876.7)	
30. Incremental Headcount (FTE)	480	609	660	781	766	727	704	690	694	696	696	

City of Detroit
Ten-Year Plan of Adjustment
Restructuring and Reinvestment Initiatives - Consolidated by Department

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Consolidated by Department

Revenues

(\$ in millions)

	For the Fiscal Year Ended										10-Year Total
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
EXECUTIVE AGENCIES											
Administrative Hearings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Finance/Budget	2.7	7.9	8.4	8.7	6.2	6.2	6.3	6.3	6.3	6.3	65.4
Fire	2.0	8.1	6.6	18.3	19.0	6.7	6.6	6.6	6.6	6.6	87.0
General Services	1.1	2.1	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	26.0
Human Resources	-	-	-	-	-	-	-	-	-	-	-
Labor Relations	-	-	-	-	-	-	-	-	-	-	-
Human Rights / Board of Ethics	-	-	0.2	0.2	0.3	0.3	0.3	0.3	0.4	0.4	2.5
Human Services	-	-	-	-	-	-	-	-	-	-	-
Law	-	-	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	4.4
Mayor's Office	-	-	-	-	-	-	-	-	-	-	-
Planning & Development	-	-	-	-	-	-	-	-	-	-	-
Police	-	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	32.6
Public Lighting	-	-	-	-	-	-	-	-	-	-	-
Public Works (Solid Waste)	-	-	-	-	-	-	-	-	-	-	-
Recreation	-	-	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.5
Vital Records (Health & Wellness)	-	-	-	-	-	-	-	-	-	-	-
LEGISLATIVE AGENCIES											
Auditor General / Inspector General	-	-	-	-	-	-	-	-	-	-	-
Board of Zoning Appeals	-	-	-	-	-	-	-	-	-	-	-
City Clerk	-	-	-	-	-	-	-	-	-	-	-
City Council	-	-	-	-	-	-	-	-	-	-	-
Election Commission	-	-	-	-	-	-	-	-	-	-	-
Ombudsperson	-	-	-	-	-	-	-	-	-	-	-
OTHER AGENCIES											
Non-Departmental (36D Initiatives)	-	5.8	8.2	8.5	8.7	9.0	9.2	9.5	9.8	10.1	78.8
ENTERPRISE AGENCIES											
Airport	-	-	-	-	-	-	-	-	-	-	-
Buildings and Safety	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	1.7
DDOT - Transportation	(1.7)	(5.7)	(1.5)	(0.1)	4.6	6.3	10.4	10.0	14.1	15.0	51.4
Municipal Parking	-	5.6	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	60.3
OTHER											
Blight	3.0	60.3	9.0	-	-	-	-	-	-	-	72.3
TOTAL	\$ 7.2	\$ 88.0	\$ 45.1	\$ 49.7	\$ 52.9	\$ 42.5	\$ 46.9	\$ 46.8	\$ 51.3	\$ 52.5	\$ 482.9

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Consolidated by Department

Operating Expenditures

(\$ in millions)

	For the Fiscal Year Ended											10-Year Total
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
EXECUTIVE AGENCIES												
Administrative Hearings	\$ -	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.0)	(0.1)
Finance/Budget	(0.7)	(5.0)	(3.7)	(3.8)	(1.2)	(1.7)	(2.2)	(2.6)	(3.1)	(3.1)	(3.6)	(27.6)
Fire	1.1	(9.8)	(8.8)	(7.5)	(6.2)	(2.4)	(1.2)	1.5	3.0	5.5	(24.6)	
General Services	(2.1)	(9.2)	(13.5)	(13.6)	(13.8)	(14.0)	(14.1)	(14.2)	(14.4)	(14.5)	(123.4)	
Human Resources	-	(1.9)	(3.1)	(3.1)	(3.2)	(3.2)	(3.3)	(3.3)	(3.4)	(3.4)	(28.0)	
Labor Relations	-	(0.3)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(6.8)	
Human Rights / Board of Ethics	-	(0.4)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.7)	(5.3)
Human Services	-	-	-	-	-	-	-	-	-	-	-	-
Law	-	1.6	0.4	0.4	0.4	0.3	0.3	0.2	0.2	0.1	4.0	
Mayor's Office	(1.3)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(2.1)	
Planning & Development	(0.4)	(1.2)	(1.0)	(0.9)	(1.0)	(1.0)	(1.0)	(1.0)	(1.1)	(1.1)	(9.6)	
Police	(2.2)	(13.5)	(10.1)	(9.0)	(7.3)	(7.8)	(8.5)	(9.5)	(9.5)	(9.9)	(87.3)	
Public Lighting	-	-	-	-	-	-	-	-	-	-	-	-
Public Works (Solid Waste)	-	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.3)	
Recreation	-	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.8)	
Vital Records (Health & Wellness)	(0.3)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(1.8)	
LEGISLATIVE AGENCIES												
Auditor General / Inspector General	-	(0.3)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.5)	(0.5)	(0.5)	(3.9)	
Board of Zoning Appeals	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.2)	
City Clerk	(0.3)	(0.4)	(0.1)	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.7	
City Council	0.0	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	3.9	
Election Commission	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	
Ombudsperson	-	(0.0)	(0.6)	(1.0)	(1.0)	(1.0)	(1.0)	(1.1)	(1.1)	(1.1)	(7.9)	
OTHER AGENCIES												
Non-Departmental (36D Initiatives)	-	0.0	0.6	0.6	0.7	0.7	0.7	0.8	0.8	0.8	5.7	
ENTERPRISE AGENCIES												
Airport	-	(0.6)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(3.7)	
Buildings and Safety	0.4	(4.3)	(0.4)	2.3	2.7	3.6	3.6	3.2	3.7	3.7	18.4	
DDOT - Transportation	(0.9)	(3.5)	0.7	(2.4)	(3.8)	(4.4)	(4.4)	(5.1)	(5.6)	(6.6)	(36.1)	
Municipal Parking	(0.1)	(0.4)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(1.0)	
OTHER												
Blight	(3.2)	(115.6)	(49.5)	(40.0)	(43.0)	(48.0)	(52.0)	(45.0)	(25.0)	(19.0)	(440.3)	
TOTAL	\$ (10.0)	\$ (164.6)	\$ (91.3)	\$ (79.9)	\$ (78.6)	\$ (81.0)	\$ (85.0)	\$ (78.3)	\$ (57.5)	\$ (51.1)	\$ (777.4)	

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Consolidated by Department

Technology Infrastructure

(\$ in millions)

	For the Fiscal Year Ended										10-Year Total	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
EXECUTIVE AGENCIES												
Administrative Hearings	\$ -	\$ (0.5)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(0.5)
Finance/Budget	(1.7)	(24.5)	(20.0)	(16.1)	(6.7)	(4.1)	(6.7)	(5.3)	(5.5)	(4.2)	(4.2)	(94.8)
Fire	-	(1.3)	(0.2)	(0.2)	(0.2)	(0.2)	(0.8)	(0.4)	(0.2)	(0.2)	(0.2)	(3.5)
General Services	-	-	-	-	-	-	-	-	-	-	-	-
Human Resources	-	(0.5)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(1.3)
Labor Relations	-	-	-	-	-	-	-	-	-	-	-	-
Human Rights / Board of Ethics	-	(0.1)	-	-	-	-	-	-	-	-	-	(0.1)
Human Services	-	-	-	-	-	-	-	-	-	-	-	-
Law	(0.5)	-	-	-	-	-	-	-	-	-	-	(0.5)
Mayor's Office	-	-	-	-	-	-	-	-	-	-	-	-
Planning & Development	-	(0.6)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.8)
Police	(0.9)	(12.2)	(10.2)	(2.2)	(2.2)	(2.2)	(2.2)	(2.2)	(2.2)	(2.2)	(2.2)	(38.4)
Public Lighting	-	-	-	-	-	-	-	-	-	-	-	-
Public Works (Solid Waste)	-	-	-	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	-	-	-
Vital Records (Health & Wellness)	-	-	-	-	-	-	-	-	-	-	-	-
LEGISLATIVE AGENCIES												
Auditor General / Inspector General	-	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.4)
Board of Zoning Appeals	-	-	-	-	-	-	-	-	-	-	-	-
City Clerk	-	-	-	-	-	-	-	-	-	-	-	-
City Council	-	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.2)
Election Commission	(0.0)	-	-	-	-	-	-	-	-	-	-	(0.0)
Ombudsperson	-	-	(3.0)	(0.5)	(0.5)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(7.0)
OTHER AGENCIES												
Non-Departmental (36D Initiatives)	-	(1.6)	(0.8)	(0.4)	(0.4)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(4.2)
ENTERPRISE AGENCIES												
Airport	-	(0.0)	-	-	-	-	-	-	-	-	-	(0.0)
Buildings and Safety	-	-	-	-	-	-	-	-	-	-	-	-
DDOT - Transportation	-	-	-	-	-	-	-	-	-	-	-	-
Municipal Parking	-	-	-	-	-	-	-	-	-	-	-	-
OTHER												
Blight	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	\$ (3.1)	\$ (41.3)	\$ (34.4)	\$ (19.6)	\$ (10.1)	\$ (7.4)	\$ (10.7)	\$ (8.8)	\$ (8.8)	\$ (7.5)	\$ (151.7)	

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Consolidated by Department

Capital Expenditures

(\$ in millions)

	For the Fiscal Year Ended										10-Year
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
EXECUTIVE AGENCIES											
Administrative Hearings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Finance/Budget	-	-	-	-	-	-	-	-	-	-	-
Fire	(3.1)	(5.9)	(9.9)	(7.5)	(5.8)	(9.7)	(9.8)	(8.6)	(5.5)	(5.5)	(71.3)
General Services	(1.2)	(5.1)	(7.2)	(4.8)	(3.8)	(3.6)	(3.6)	(3.8)	(3.7)	(3.7)	(40.3)
Human Resources	-	-	(1.0)	-	-	-	-	-	-	-	(1.0)
Labor Relations	-	-	-	-	-	-	-	-	-	-	-
Human Rights / Board of Ethics	-	-	-	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-	-	-	-	-
Law	-	-	-	-	-	-	-	-	-	-	-
Mayor's Office	-	-	-	-	-	-	-	-	-	-	-
Planning & Development	-	-	-	-	-	-	-	-	-	-	-
Police	(0.7)	(13.7)	(6.5)	(0.1)	(0.5)	(0.2)	(3.3)	(3.1)	(3.0)	(3.0)	(34.2)
Public Lighting	-	-	-	-	-	-	-	-	-	-	-
Public Works (Solid Waste)	-	-	-	-	-	-	-	-	-	-	-
Recreation	(0.9)	(4.8)	(4.1)	(4.8)	(4.0)	(4.5)	(3.9)	(3.3)	(3.3)	(3.3)	(37.0)
Vital Records (Health & Wellness)	-	-	(5.1)	-	-	-	-	-	-	-	(5.1)
LEGISLATIVE AGENCIES											
Auditor General / Inspector General	-	-	-	-	-	-	-	-	-	-	-
Board of Zoning Appeals	-	-	-	-	-	-	-	-	-	-	-
City Clerk	-	-	-	-	-	-	-	-	-	-	-
City Council	-	-	-	-	-	-	-	-	-	-	-
Election Commission	-	-	(0.4)	(0.6)	(0.3)	-	(0.5)	(0.5)	(0.5)	(0.5)	(3.3)
Ombudsperson	-	-	-	-	-	-	-	-	-	-	-
OTHER AGENCIES											
Non-Departmental (36D Initiatives)	-	(1.0)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(5.0)
ENTERPRISE AGENCIES											
Airport	-	(0.4)	(5.0)	(5.3)	(5.0)	-	-	-	-	-	(15.7)
Buildings and Safety	-	(0.4)	-	-	-	-	-	-	-	-	(0.4)
DDOT - Transportation	-	(1.6)	(2.0)	(2.3)	(2.5)	(1.0)	(1.0)	-	-	-	(10.3)
Municipal Parking	-	(0.7)	(0.1)	(0.1)	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(2.0)
OTHER											
Blight	-	-	-	-	-	-	-	-	-	-	-
TOTAL	\$ (5.9)	\$ (33.5)	\$ (41.7)	\$ (26.1)	\$ (22.4)	\$ (19.5)	\$ (22.7)	\$ (20.0)	\$ (16.7)	\$ (16.8)	\$ (225.4)

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Consolidated by Department

Other Infrastructure

(\$ in millions)

	For the Fiscal Year Ended										10-Year
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
EXECUTIVE AGENCIES											
Administrative Hearings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Finance/Budget	-	-	-	-	-	-	-	-	-	-	-
Fire	(6.2)	(11.7)	(9.0)	(5.9)	(5.7)	(4.9)	(5.1)	(4.5)	(3.0)	(2.7)	(58.6)
General Services	(2.1)	(4.2)	(3.1)	(3.1)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(16.1)
Human Resources	-	-	-	-	-	-	-	-	-	-	-
Labor Relations	-	-	-	-	-	-	-	-	-	-	-
Human Rights / Board of Ethics	-	-	-	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-	-	-	-	-
Law	-	-	-	-	-	-	-	-	-	-	-
Mayor's Office	-	-	-	-	-	-	-	-	-	-	-
Planning & Development	-	-	-	-	-	-	-	-	-	-	-
Police	-	(9.5)	(11.7)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(91.3)
Public Lighting	-	-	-	-	-	-	-	-	-	-	-
Public Works (Solid Waste)	-	-	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	-	-
Vital Records (Health & Wellness)	-	-	-	-	-	-	-	-	-	-	-
LEGISLATIVE AGENCIES											
Auditor General / Inspector General	-	-	-	-	-	-	-	-	-	-	-
Board of Zoning Appeals	-	-	-	-	-	-	-	-	-	-	-
City Clerk	-	-	-	-	-	-	-	-	-	-	-
City Council	-	-	-	-	-	-	-	-	-	-	-
Election Commission	-	-	-	-	-	-	-	-	-	-	-
Ombudsperson	-	-	-	-	-	-	-	-	-	-	-
OTHER AGENCIES											
Non-Departmental (36D Initiatives)	-	-	-	-	-	-	-	-	-	-	-
ENTERPRISE AGENCIES											
Airport	-	-	-	-	-	-	-	-	-	-	-
Buildings and Safety	-	-	-	-	-	-	-	-	-	-	-
DDOT - Transportation	-	-	-	-	-	-	-	-	-	-	-
Municipal Parking	-	(0.4)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(1.4)
OTHER											
Blight	-	-	-	-	-	-	-	-	-	-	-
TOTAL	\$ (8.3)	\$ (25.8)	\$ (24.0)	\$ (19.1)	\$ (16.4)	\$ (15.7)	\$ (15.8)	\$ (15.2)	\$ (13.7)	\$ (13.4)	\$ (167.4)

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Consolidated by Department

Reorganization Costs

(\$ in millions)

	For the Fiscal Year Ended										10-Year
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
EXECUTIVE AGENCIES											
Administrative Hearings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Finance/Budget	(2.4)	(7.9)	(3.7)	(0.5)	(0.9)	(0.6)	(1.4)	(0.6)	(0.9)	(0.6)	(19.6)
Fire	(0.3)	-	-	-	-	-	-	-	-	-	(0.3)
General Services	-	(0.4)	-	-	-	-	-	-	-	-	(0.4)
Human Resources	-	(1.4)	(1.0)	-	-	-	-	-	-	-	(2.4)
Labor Relations	-	-	-	-	-	-	-	-	-	-	-
Human Rights / Board of Ethics	-	-	-	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-	-	-	-	-
Law	-	(0.1)	-	-	-	-	-	-	-	-	(0.1)
Mayor's Office	-	-	-	-	-	-	-	-	-	-	-
Planning & Development	(0.6)	(6.8)	(0.8)	-	-	-	(1.0)	(1.0)	-	-	(10.2)
Police	-	(0.6)	(0.4)	-	-	-	-	-	-	-	(1.0)
Public Lighting	-	-	-	-	-	-	-	-	-	-	-
Public Works (Solid Waste)	-	-	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	-	-
Vital Records (Health & Wellness)	-	-	-	-	-	-	-	-	-	-	-
LEGISLATIVE AGENCIES											
Auditor General / Inspector General	-	-	-	-	-	-	-	-	-	-	-
Board of Zoning Appeals	-	-	-	-	-	-	-	-	-	-	-
City Clerk	-	-	-	-	-	-	-	-	-	-	-
City Council	-	-	-	-	-	-	-	-	-	-	-
Election Commission	-	-	-	-	-	-	-	-	-	-	-
Ombudsperson	-	-	-	-	-	-	-	-	-	-	-
OTHER AGENCIES											
Non-Departmental (36D Initiatives)	-	(1.0)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(3.7)
ENTERPRISE AGENCIES											
Airport	-	-	-	-	-	-	-	-	-	-	-
Buildings and Safety	-	-	-	-	-	-	-	-	-	-	-
DDOT - Transportation	-	-	-	-	-	-	-	-	-	-	-
Municipal Parking	-	-	-	-	-	-	-	-	-	-	-
OTHER											
Blight	-	-	-	-	-	-	-	-	-	-	-
TOTAL	\$ (3.2)	\$ (18.2)	\$ (6.3)	\$ (0.9)	\$ (1.2)	\$ (1.0)	\$ (2.7)	\$ (2.0)	\$ (1.2)	\$ (1.0)	\$ (37.7)

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Consolidated by Department

Surplus / (Deficit)

(\$ in millions)

	For the Fiscal Year Ended										10-Year Total	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
EXECUTIVE AGENCIES												
Administrative Hearings	\$ -	\$ (0.5)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.6)
Finance/Budget	(2.1)	(29.5)	(19.0)	(11.7)	(2.6)	(0.3)	(4.0)	(2.3)	(3.2)	(2.1)	(2.1)	(76.7)
Fire	(6.5)	(20.5)	(21.2)	(2.8)	1.2	(10.6)	(10.2)	(5.4)	1.0	3.7	(71.3)	(71.3)
General Services	(4.3)	(16.7)	(20.9)	(18.7)	(15.3)	(15.3)	(15.4)	(15.7)	(15.8)	(16.0)	(154.2)	(154.2)
Human Resources	-	(3.8)	(5.2)	(3.2)	(3.3)	(3.3)	(3.4)	(3.4)	(3.5)	(3.5)	(32.7)	(32.7)
Labor Relations	-	(0.3)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(6.8)	(6.8)
Human Rights / Board of Ethics	-	(0.5)	(0.4)	(0.4)	(0.3)	(0.3)	(0.3)	(0.3)	(0.2)	(0.3)	(3.0)	(3.0)
Human Services	-	-	-	-	-	-	-	-	-	-	-	-
Law	(0.5)	1.5	1.0	1.0	0.9	0.9	0.8	0.8	0.7	0.7	7.8	7.8
Mayor's Office	(1.3)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(2.1)	(2.1)
Planning & Development	(1.0)	(8.5)	(1.8)	(1.0)	(1.0)	(1.0)	(2.1)	(2.1)	(1.1)	(1.1)	(20.6)	(20.6)
Police	(3.8)	(45.8)	(35.4)	(17.6)	(16.4)	(16.5)	(20.3)	(21.2)	(21.1)	(21.4)	(219.6)	(219.6)
Public Lighting	-	-	-	-	-	-	-	-	-	-	-	-
Public Works (Solid Waste)	-	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.3)	(0.3)
Recreation	(0.9)	(4.8)	(4.1)	(4.8)	(4.1)	(4.5)	(3.9)	(3.4)	(3.4)	(3.4)	(37.3)	(37.3)
Vital Records (Health & Wellness)	(0.3)	(0.2)	(5.3)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(6.9)	(6.9)
LEGISLATIVE AGENCIES												
Auditor General / Inspector General	-	(0.4)	(0.4)	(0.4)	(0.4)	(0.5)	(0.6)	(0.5)	(0.5)	(0.5)	(4.2)	(4.2)
Board of Zoning Appeals	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.2)	(0.2)
City Clerk	(0.3)	(0.4)	(0.1)	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.7	0.7
City Council	0.0	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	3.8	3.8
Election Commission	0.0	0.1	(0.3)	(0.6)	(0.2)	0.0	(0.5)	(0.5)	(0.5)	(0.5)	(2.9)	(2.9)
Ombudsperson	-	(0.0)	(3.6)	(1.5)	(1.5)	(1.6)	(1.6)	(1.6)	(1.7)	(1.7)	(14.9)	(14.9)
OTHER AGENCIES												
Non-Departmental (36D Initiatives)	-	2.2	7.2	7.9	8.2	8.6	8.9	9.2	9.5	9.9	71.7	71.7
ENTERPRISE AGENCIES												
Airport	-	(1.0)	(5.4)	(5.7)	(5.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(19.4)	(19.4)
Buildings and Safety	0.5	(4.5)	(0.3)	2.5	2.9	3.7	3.8	3.3	3.8	3.8	19.7	19.7
DDOT - Transportation	(2.6)	(10.8)	(2.8)	(4.8)	(1.7)	0.9	5.1	4.9	8.5	8.5	5.1	5.1
Municipal Parking	(0.1)	4.1	6.6	6.6	6.6	6.5	6.5	6.5	6.5	6.4	55.9	55.9
OTHER												
Blight	(0.2)	(55.3)	(40.5)	(40.0)	(43.0)	(48.0)	(52.0)	(45.0)	(25.0)	(19.0)	(367.9)	(367.9)
TOTAL	\$ (23.4)	\$ (195.5)	\$ (152.6)	\$ (95.8)	\$ (75.9)	\$ (82.1)	\$ (90.0)	\$ (77.5)	\$ (46.6)	\$ (37.3)	\$ (876.7)	\$ (876.7)

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Consolidated by Department

Incremental Headcount

	For the Fiscal Year Ended									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
EXECUTIVE AGENCIES										
Administrative Hearings	-	-	-	-	-	-	-	-	-	-
Finance/Budget	28	120	121	121	112	112	112	112	112	112
Fire	161	97	84	182	193	165	153	135	129	117
General Services	112	112	112	112	112	112	112	112	112	112
Human Resources	4	19	22	22	22	22	22	22	22	22
Labor Relations	-	3	11	11	11	11	11	11	11	11
Human Rights / Board of Ethics	-	6	6	6	6	6	6	6	6	6
Human Services	-	-	-	-	-	-	-	-	-	-
Law	-	9	17	17	17	17	17	17	17	17
Mayor's Office	31	31	31	31	31	31	31	31	31	31
Planning & Development	16	(32)	(34)	(34)	(34)	(34)	(34)	(34)	(34)	(34)
Police	125	250	250	210	175	162	149	149	149	149
Public Lighting	-	-	-	-	-	-	-	-	-	-
Public Works (Solid Waste)	-	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	-
Vital Records (Health & Wellness)	-	-	-	-	-	-	-	-	-	-
LEGISLATIVE AGENCIES										
Auditor General / Inspector General	-	4	4	4	4	4	4	4	4	4
Board of Zoning Appeals	-	-	-	-	-	-	-	-	-	-
City Clerk	-	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
City Council	-	-	-	-	-	-	-	-	-	-
Election Commission	-	-	-	-	-	-	-	-	-	-
Ombudsperson	-	-	20	20	20	20	20	20	20	20
OTHER AGENCIES										
Non-Departmental (36D Initiatives)	-	(15)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)
ENTERPRISE AGENCIES										
Airport	-	1	1	1	1	1	1	1	1	1
Buildings and Safety	2	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
DDOT - Transportation	-	-	50	113	131	133	134	138	149	163
Municipal Parking	1	7	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)
OTHER										
Blight	-	-	-	-	-	-	-	-	-	-
TOTAL	480	609	660	781	766	727	704	690	694	696

City of Detroit
Ten-Year Plan of Adjustment
Executive Agencies - Department Detail

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Executive Agencies

Department of Administrative Hearings (DAH)

(\$ in millions)

	For the Fiscal Year Ended										10-Year Total	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
Revenues												
1. Collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. a. Increased Collection Rate	-	-	-	-	-	-	-	-	-	-	-	-
3. b. Collection of Past Due	-	-	-	-	-	-	-	-	-	-	-	-
4. Pricing / Fees	-	-	-	-	-	-	-	-	-	-	-	-
5. Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-
6. Other	-	-	-	-	-	-	-	-	-	-	-	-
7. Total Revenues	-	-	-	-	-	-	-	-	-	-	-	-
Expenditures												
8. Permanent Labor	-	-	-	-	-	-	-	-	-	-	-	-
9. Professional & Contract Services	-	-	-	-	-	-	-	-	-	-	-	-
10. Labor Costs / Service Contracts	-	-	-	-	-	-	-	-	-	-	-	-
11. Active Benefits	-	-	-	-	-	-	-	-	-	-	-	-
12. Training	-	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)
13. Materials and Supplies	-	-	-	-	-	-	-	-	-	-	-	-
14. Utilities	-	-	-	-	-	-	-	-	-	-	-	-
15. Purchased services	-	-	-	-	-	-	-	-	-	-	-	-
16. Risk management / insurance	-	-	-	-	-	-	-	-	-	-	-	-
17. Contributions to non EP funds	-	-	-	-	-	-	-	-	-	-	-	-
18. Transfers In / Out (General Fund)	-	-	-	-	-	-	-	-	-	-	-	-
19. Grant related expenses	-	-	-	-	-	-	-	-	-	-	-	-
20. Maintenance	-	-	-	-	-	-	-	-	-	-	-	-
21. All Other	-	-	-	-	-	-	-	-	-	-	-	-
22. Total Operating Expenditures	-	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)
23. Total Operating Surplus (Deficit)	-	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)
Reorganization / Investment												
24. Technology Infrastructure	-	(0.5)	-	-	-	-	-	-	-	-	-	(0.5)
25. Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
26. Other Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
27. Reorganization Costs	-	-	-	-	-	-	-	-	-	-	-	-
28. Total Reorganization / Investment	-	(0.5)	-	-	-	-	-	-	-	-	-	(0.5)
29. Total Surplus (Deficit)	\$ -	\$ (0.5)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.6)
30. Incremental Headcount (FTE)	-	-	-	-	-	-	-	-	-	-	-	-

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Executive Agencies

Department of Administrative Hearings (DAH)

(\$ in millions)

	10-Year Total	Assumptions / Comments
Revenues		
1. Collections	\$ -	
2. a. Increased Collection Rate	-	
3. b. Collection of Past Due	-	
4. Pricing / Fees	-	
5. Grant Revenue	-	
6. Other	-	
7. Total Revenues	-	
Expenditures		
8. Permanent Labor	-	
9. Professional & Contract Services	-	
10. Labor Costs / Service Contracts	-	
11. Active Benefits	-	
12. Training	(0.1)	Training cost for all department employees - \$2.0k per employee through FY '16, \$1.5k thereafter to establish a continuous training program
13. Materials and Supplies	-	
14. Utilities	-	
15. Purchased services	-	
16. Risk management / insurance	-	
17. Contributions to non EP funds	-	
18. Transfers In / Out (General Fund)	-	
19. Grant related expenses	-	
20. Maintenance	-	
21. All Other	-	
22. Total Operating Expenditures	(0.1)	
23. Total Operating Surplus (Deficit)	(0.1)	
Reorganization / Investment		
24. Technology Infrastructure	(0.5)	Investment in case tracking system
25. Capital Expenditures	-	
26. Other Infrastructure	-	
27. Reorganization Costs	-	
28. Total Reorganization / Investment	\$ (0.5)	
29. Total Surplus (Deficit)	\$ (0.6)	
30. Incremental Headcount (FTE)	-	

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Executive Agencies

Finance Department (Finance)

(\$ in millions)

	For the Fiscal Year Ended										10-Year Total	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
Revenues												
1. Collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. a. Increased Collection Rate	1.2	4.9	4.9	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2	47.4
3. b. Collection of Past Due	1.5	3.0	3.0	2.5	-	-	-	-	-	-	-	10.0
4. Pricing / Fees	-	-	-	-	-	-	-	-	-	-	-	-
5. Grant Revenue	-	-	0.5	1.0	1.0	1.0	1.1	1.1	1.1	1.1	1.1	7.9
6. Other	-	-	-	-	-	-	-	-	-	-	-	-
7. Total Revenues	2.7	7.9	8.4	8.7	6.2	6.2	6.3	6.3	6.3	6.3	6.3	65.4
Expenditures												
8. Permanent Labor	(0.3)	(5.0)	(6.3)	(6.5)	(6.7)	(6.8)	(7.0)	(7.1)	(7.2)	(7.4)	(7.4)	(60.4)
9. Professional & Contract Services	(0.0)	0.7	0.8	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	7.6
10. Labor Costs / Service Contracts	(0.4)	(4.3)	(5.5)	(5.6)	(5.8)	(6.0)	(6.1)	(6.2)	(6.4)	(6.5)	(6.5)	(52.8)
11. Active Benefits	(0.2)	(2.2)	(2.8)	(2.9)	(3.0)	(3.1)	(3.1)	(3.2)	(3.3)	(3.3)	(3.3)	(27.2)
12. Training	(0.0)	(0.4)	(0.8)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(5.6)
13. Materials and Supplies	(0.0)	2.0	2.0	2.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	35.8
14. Utilities	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.2)
15. Purchased services	-	-	0.5	0.5	0.7	0.5	0.7	0.5	0.7	0.5	0.7	4.4
16. Risk management / insurance	-	-	3.0	3.0	2.5	2.5	2.0	2.0	1.5	1.5	1.5	18.0
17. Contributions to non EP funds	-	-	-	-	-	-	-	-	-	-	-	-
18. Transfers In / Out (General Fund)	-	-	-	-	-	-	-	-	-	-	-	-
19. Grant related expenses	-	-	-	-	-	-	-	-	-	-	-	-
20. Maintenance	-	-	-	-	-	-	-	-	-	-	-	-
21. All Other	(0.1)	-	-	-	-	-	-	-	-	-	-	(0.1)
22. Total Operating Expenditures	(0.7)	(5.0)	(3.7)	(3.8)	(1.2)	(1.7)	(2.2)	(2.6)	(3.1)	(3.6)	(3.6)	(27.6)
23. Total Operating Surplus (Deficit)	2.0	2.9	4.7	4.9	5.0	4.5	4.1	3.6	3.2	2.8	2.8	37.7
Reorganization / Investment												
24. Technology Infrastructure	(1.7)	(24.5)	(20.0)	(16.1)	(6.7)	(4.1)	(6.7)	(5.3)	(5.5)	(4.2)	(4.2)	(94.8)
25. Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
26. Other Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
27. Reorganization Costs	(2.4)	(7.9)	(3.7)	(0.5)	(0.9)	(0.6)	(1.4)	(0.6)	(0.9)	(0.6)	(0.6)	(19.6)
28. Total Reorganization / Investment	(4.1)	(32.4)	(23.7)	(16.7)	(7.6)	(4.8)	(8.1)	(5.9)	(6.4)	(4.8)	(4.8)	(114.5)
29. Total Surplus (Deficit)	\$ (2.1)	\$ (29.5)	\$ (19.0)	\$ (11.7)	\$ (2.6)	\$ (0.3)	\$ (4.0)	\$ (2.3)	\$ (3.2)	\$ (2.1)	\$ (2.1)	\$ (76.7)
30. Incremental Headcount (FTE)	28	120	121	121	112	112	112	112	112	112	112	112

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Executive Agencies

Finance Department (Finance)

(\$ in millions)

	10-Year Total	Assumptions / Comments
Revenues		
1. Collections	\$ -	
2. a. Increased Collection Rate	47.4	Incremental collections primarily related to Income Tax non-filer project and Income Tax Task Force (\$30.6MM); incremental revenue from Treasury related to additional staffing for collection activities (\$13.5MM), additional Treasury collections related to the hiring of a third-party collection agency (\$3.4MM)
3. b. Collection of Past Due	10.0	Collection of past due income tax receivables, net of 3rd party collection fees
4. Pricing / Fees	-	
5. Grant Revenue	7.9	Additional grant related revenue from establishment of a Grants administration function
6. Other	-	
7. Total Revenues	65.4	
Expenditures		
8. Permanent Labor	(60.4)	FTE increases - Grants (27), Treasury (25), ITS (15), Accounting and Finance Admin. (14), Risk Management and Workers' Compensation (13), Assessing (6), Income Tax (7) and Purchasing (5)
9. Professional & Contract Services	7.6	Reduction to income tax contractual services subsequent to implementation of CityTax software solution
10. Labor Costs / Service Contracts	(52.8)	
11. Active Benefits	(27.2)	Benefits at 45.0% of Permanent Labor costs
12. Training	(5.6)	Training cost for all department employees - \$2.0k per employee through FY '16, \$1.5k thereafter to establish a continuous training program
13. Materials and Supplies	35.8	Purchase savings generated from process related enhancements, consolidation of vendors, and other Purchasing Division restructuring initiatives
14. Utilities	(0.2)	Grant related
15. Purchased services	4.4	Savings related to phasing out of third party accounting related projects
16. Risk management / insurance	18.0	Estimated savings related to a improved risk management function and workers' compensation claim process
17. Contributions to non EP funds	-	
18. Transfers In / Out (General Fund)	-	
19. Grant related expenses	-	
20. Maintenance	-	
21. All Other	(0.1)	
22. Total Operating Expenditures	(27.6)	
23. Total Operating Surplus (Deficit)	37.7	
Reorganization / Investment		
24. Technology Infrastructure	(94.8)	Incremental IT costs are primarily related to new ERP system (\$29.0MM), hardware upgrades (\$12.7MM), Data Center Back-up (\$10.9MM), software upgrades (\$10.4MM), implementation of CityTax (\$5.6MM), installation of a document management system (\$5.4MM), other infrastructure (\$4.2MM), enhanced security system (\$3.8MM), and Workbrain upgrades (\$3.6MM)
25. Capital Expenditures	-	
26. Other Infrastructure	-	
27. Reorganization Costs	(19.6)	Primarily related to Assessing Division Corrective Action Plan (\$15.5M) and Treasury restructuring project
28. Total Reorganization / Investment	(114.5)	
29. Total Surplus (Deficit)	\$ (76.7)	
30. Incremental Headcount (FTE)	112	

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Executive Agencies

Fire Department (DFD)

(\$ in millions)

	For the Fiscal Year Ended										10-Year Total	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
Revenues												
1. Collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. a. Increased Collection Rate	0.9	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.7	3.7	3.7	33.7
3. b. Collection of Past Due	-	-	-	-	-	-	-	-	-	-	-	-
4. Pricing / Fees	-	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	8.2
5. Grant Revenue	1.1	3.5	2.0	13.7	14.4	2.0	2.0	2.0	2.0	2.0	2.0	44.8
6. Other	-	0.1	0.1	0.1	0.1	0.1	0.1	0.1	-	-	-	0.4
7. Total Revenues	2.0	8.1	6.6	18.3	19.0	6.7	6.6	6.6	6.6	6.6	6.6	87.0
Expenditures												
8. Permanent Labor	1.1	(4.3)	(4.3)	(3.9)	(3.6)	(1.0)	(0.2)	1.7	2.9	4.4	(7.4)	(7.4)
9. Professional & Contract Services	(0.1)	-	-	-	-	-	-	-	-	-	-	(0.1)
10. Labor Costs / Service Contracts	1.0	(4.3)	(4.3)	(3.9)	(3.6)	(1.0)	(0.2)	1.7	2.9	4.4	(7.5)	(7.5)
11. Active Benefits	0.4	(1.3)	(0.7)	(1.9)	(1.8)	(0.7)	(0.4)	0.4	0.9	1.6	(3.6)	(3.6)
12. Training	(0.3)	(4.1)	(3.7)	(1.6)	(0.7)	(0.6)	(0.5)	(0.6)	(0.7)	(0.4)	(13.6)	(13.6)
13. Materials and Supplies	-	-	-	-	-	-	-	-	-	-	-	-
14. Utilities	-	-	-	-	-	-	-	-	-	-	-	-
15. Purchased services	-	-	-	-	-	-	-	-	-	-	-	-
16. Risk management / insurance	-	-	-	-	-	-	-	-	-	-	-	-
17. Contributions to non EP funds	-	-	-	-	-	-	-	-	-	-	-	-
18. Transfers In / Out (General Fund)	-	-	-	-	-	-	-	-	-	-	-	-
19. Grant related expenses	-	-	-	-	-	-	-	-	-	-	-	-
20. Maintenance	-	-	-	-	-	-	-	-	-	-	-	-
21. All Other	-	-	-	-	-	-	-	-	-	-	-	-
22. Total Operating Expenditures	1.1	(9.8)	(8.8)	(7.5)	(6.2)	(2.4)	(1.2)	1.5	3.0	5.5	(24.6)	(24.6)
23. Total Operating Surplus (Deficit)	3.1	(1.6)	(2.2)	10.8	12.8	4.2	5.4	8.1	9.6	12.1	62.4	62.4
Reorganization / Investment												
24. Technology Infrastructure	-	(1.3)	(0.2)	(0.2)	(0.2)	(0.2)	(0.8)	(0.4)	(0.2)	(0.2)	(3.5)	(3.5)
25. Capital Expenditures	(3.1)	(5.9)	(9.9)	(7.5)	(5.8)	(9.7)	(9.8)	(8.6)	(5.5)	(5.5)	(71.3)	(71.3)
26. Other Infrastructure (Fleet)	(6.2)	(11.7)	(9.0)	(5.9)	(5.7)	(4.9)	(5.1)	(4.5)	(3.0)	(2.7)	(58.6)	(58.6)
27. Reorganization Costs	(0.3)	-	-	-	-	-	-	-	-	-	(0.3)	(0.3)
28. Total Reorganization / Investment	(9.6)	(18.9)	(19.1)	(13.6)	(11.6)	(14.8)	(15.6)	(13.5)	(8.6)	(8.4)	(133.6)	(133.6)
29. Total Surplus (Deficit)	\$ (6.5)	\$ (20.5)	\$ (21.2)	\$ (2.8)	\$ 1.2	\$ (10.6)	\$ (10.2)	\$ (5.4)	\$ 1.0	\$ 3.7	\$ (71.3)	(71.3)
30. Incremental Headcount (FTE)	161	97	84	182	193	165	153	135	129	117	117	117

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Executive Agencies

Fire Department (DFD)

(\$ in millions)

	10-Year Total	Assumptions / Comments
Revenues		
1. Collections	\$ -	
2. a. Increased Collection Rate	33.7	Increased collections from additional EMS and fleet personnel (\$26.8MM) and increased Fire Marshall personnel (\$6.9MM)
3. b. Collection of Past Due	-	
4. Pricing / Fees	8.2	Includes fire recovery billing for false alarms, vehicle fires, vehicle accidents
5. Grant Revenue	44.8	Assumes ability to receive SAFER grant funding in FY '17 and FY '18 and continued access to \$2.0MM annually from FEMA grants for equipment related training
6. Other	0.4	Sale of closed facilities
7. Total Revenue	<u>87.0</u>	
Expenditures		
8. Permanent Labor	(7.4)	Labor estimate includes ideal staffing levels while taking into account attrition, efficiencies, reductions in overtime, multifunctioning department EMT / SAFER grant requirements
9. Professional & Contract Services	(0.1)	
10. Labor Costs / Service Contracts	(7.5)	
11. Active Benefits	(3.6)	Increased headcount and overtime assumptions
12. Training	(13.6)	Training cost for all civilian department employees - \$2.0k per employee through FY '16, \$1.5k thereafter to establish a continuous training program; Cross-training for uniform personnel (Medical First Responders and Fire Fighting)
13. Materials and Supplies	-	
14. Utilities	-	
15. Purchased services	-	
16. Risk management / insurance	-	
17. Contributions to non EP funds	-	
18. Transfers In / Out (General Fund)	-	
19. Grant related expenses	-	
20. Maintenance	-	
21. All Other	-	
22. Total Operating Expenditures	<u>(24.6)</u>	
23. Total Operating Surplus (Deficit)	<u>62.4</u>	
Reorganization / Investment		
24. Technology Infrastructure	(3.5)	Incremental costs for Records Management System
25. Capital Expenditures	(71.3)	Repair and maintenance of existing facilities (\$34.3MM), 7 new firehouses totaling (\$21.0MM) and fleet equipment, turnout gear and breathing units replacement programs (\$19.0MM)
26. Other Infrastructure (Fleet)	(58.6)	Implementation of apparatus (fleet) replacement program of approximately 17 vehicles per year as well as preventative maintenance program
27. Reorganization Costs	(0.3)	
28. Total Reorganization / Investment	<u>(133.6)</u>	
29. Total Surplus (Deficit)	<u>\$ (71.3)</u>	
30. Incremental Headcount (FTE)	117	

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Executive Agencies

General Services Department (GSD)

(\$ in millions)

	For the Fiscal Year Ended										10-Year Total	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
Revenues												
1. Collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. a. Increased Collection Rate	-	-	-	-	-	-	-	-	-	-	-	-
3. b. Collection of Past Due	-	-	-	-	-	-	-	-	-	-	-	-
4. Pricing / Fees	-	-	-	-	-	-	-	-	-	-	-	-
5. Grant Revenue	1.1	2.1	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	26.0
6. Other	-	-	-	-	-	-	-	-	-	-	-	-
7. Total Revenues	1.1	2.1	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	26.0
Expenditures												
8. Permanent Labor	(0.7)	(2.3)	(4.4)	(4.5)	(4.7)	(4.8)	(4.9)	(5.0)	(5.1)	(5.2)	(5.2)	(41.6)
9. Professional & Contract Services	0.2	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	5.2
10. Labor Costs / Service Contracts	(0.5)	(1.9)	(3.9)	(4.0)	(4.1)	(4.2)	(4.3)	(4.4)	(4.4)	(4.5)	(4.6)	(36.4)
11. Active Benefits	(0.3)	(1.1)	(2.0)	(2.0)	(2.1)	(2.2)	(2.2)	(2.2)	(2.2)	(2.3)	(2.3)	(18.7)
12. Training	-	(0.3)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(4.9)
13. Materials and Supplies	(1.2)	(5.5)	(7.3)	(7.3)	(7.3)	(7.3)	(7.3)	(7.3)	(7.3)	(7.3)	(7.3)	(65.1)
14. Utilities	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(2.4)
15. Purchased services	-	(0.7)	-	-	-	-	-	-	-	-	-	(0.7)
16. Risk management / insurance	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.7
17. Contributions to non EP funds	-	-	-	-	-	-	-	-	-	-	-	-
18. Transfers In / Out (General Fund)	-	-	-	-	-	-	-	-	-	-	-	-
19. Grant related expenses	-	-	-	-	-	-	-	-	-	-	-	-
20. Maintenance	-	-	-	-	-	-	-	-	-	-	-	-
21. All Other	0.2	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	4.1
22. Total Operating Expenditures	(2.1)	(9.2)	(13.5)	(13.6)	(13.8)	(14.0)	(14.1)	(14.2)	(14.4)	(14.4)	(14.5)	(123.4)
23. Total Operating Surplus (Deficit)	(1.0)	(7.1)	(10.6)	(10.8)	(10.9)	(11.1)	(11.3)	(11.4)	(11.5)	(11.7)	(11.7)	(97.4)
Reorganization / Investment												
24. Technology Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
25. Capital Expenditures	(1.2)	(5.1)	(7.2)	(4.8)	(3.8)	(3.6)	(3.6)	(3.8)	(3.7)	(3.7)	(3.7)	(40.3)
26. Other Infrastructure (Fleet)	(2.1)	(4.2)	(3.1)	(3.1)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(16.1)
27. Reorganization Costs	-	(0.4)	-	-	-	-	-	-	-	-	-	(0.4)
28. Total Reorganization / Investment	(3.3)	(9.6)	(10.3)	(7.9)	(4.4)	(4.1)	(4.2)	(4.3)	(4.2)	(4.3)	(4.3)	(56.7)
29. Total Surplus (Deficit)	\$ (4.3)	\$ (16.7)	\$ (20.9)	\$ (18.7)	\$ (15.3)	\$ (15.3)	\$ (15.4)	\$ (15.7)	\$ (15.8)	\$ (16.0)	\$ (16.0)	\$ (154.2)
30. Incremental Headcount (FTE)	112	112	112	112	112	112	112	112	112	112	112	112

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Executive Agencies

General Services Department (GSD)

(\$ in millions)

	10-Year Total	Assumptions / Comments
Revenues		
1. Collections	\$ -	
2. a. Increased Collection Rate	-	
3. b. Collection of Past Due	-	
4. Pricing / Fees	-	
5. Grant Revenue	26.0	Street fund reimbursement of additional employees and expenses.
6. Other	-	
7. Total Revenues	26.0	
Expenditures		
8. Permanent Labor	(41.6)	Additional employees to reach standard level of service delivery. Assumes Solid Waste and Custodial Services privatization to enhance service and / or reduce cost beginning Q4 FY '14. Assumes no additional outsourcing being evaluated for all divisions.
9. Professional & Contract Services	5.2	36D court security costs added to 36D baseline (taken out of GSD plan)
10. Labor Costs / Service Contracts	(36.4)	
11. Active Benefits	(18.7)	Benefits at 45.0% of Permanent Labor costs
12. Training	(4.9)	Training cost for all GSD employees - average of \$1500 per year per EE
13. Materials and Supplies	(65.1)	Additional materials and supplies required to achieve required level of service; i.e. Building supplies and expenses (\$20.0MM), fleet maintenance supplies and expenses (excluding solid waste) (\$17.0MM); support additional grounds and parks maintenance requirements (\$15.0MM); increased fuel cost / usage (\$13.0MM)
14. Utilities	(2.4)	
15. Purchased services	(0.7)	Add cost for security of vacant Herman Keiffer building
16. Risk management / insurance	0.7	Reduction of long term absences with improved risk management practices
17. Contributions to non EP funds	-	
18. Transfers In / Out (General Fund)	-	
19. Grant related expenses	-	
20. Maintenance	-	
21. All Other	4.1	
22. Total Operating Expenditures	(123.4)	
23. Total Operating Surplus (Deficit)	(97.4)	
Reorganization / Investment		
24. Technology Infrastructure	-	
25. Capital Expenditures	(40.3)	Facility improvements repairs / upgrades (\$21.6MM) and additional facility space consolidation (\$18.7MM)
26. Other Infrastructure (Fleet)	(16.1)	Replacement / refresh of vehicles (\$6MM) and equipment and upgrade parks (\$10MM)
27. Reorganization Costs	(0.4)	
28. Total Reorganization / Investment	(56.7)	
29. Total Surplus (Deficit)	\$ (154.2)	
30. Incremental Headcount (FTE)	112	

City of Detroit

**10-Year Plan of Adjustment
Restructuring / Reinvestment Initiatives
Human Resources Department
(\$ in millions)**

	For the Fiscal Year Ended										10-Year Total	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
Revenues												
1. Collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. a. Increased Collection Rate	-	-	-	-	-	-	-	-	-	-	-	-
3. b. Collection of Past Due	-	-	-	-	-	-	-	-	-	-	-	-
4. Pricing / Fees	-	-	-	-	-	-	-	-	-	-	-	-
5. Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-
6. Other	-	-	-	-	-	-	-	-	-	-	-	-
7. Total Revenues	-	-	-	-	-	-	-	-	-	-	-	-
Expenditures												
8. Permanent Labor	-	(0.9)	(1.3)	(1.4)	(1.4)	(1.4)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(12.4)
9. Professional & Contract Services	-	-	-	-	-	-	-	-	-	-	-	-
10. Labor Costs / Service Contracts	-	(0.9)	(1.3)	(1.4)	(1.4)	(1.4)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(12.4)
11. Active Benefits	-	(0.4)	(0.6)	(0.6)	(0.6)	(0.6)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(5.6)
12. Training	-	(0.4)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(6.6)
13. Materials and Supplies	-	(0.2)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(2.6)
14. Utilities	-	-	-	-	-	-	-	-	-	-	-	-
15. Purchased services	-	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.9)
16. Risk management / insurance	-	-	-	-	-	-	-	-	-	-	-	-
17. Contributions to non EP funds	-	-	-	-	-	-	-	-	-	-	-	-
18. Transfers In / Out (General Fund)	-	-	-	-	-	-	-	-	-	-	-	-
19. Grant related expenses	-	-	-	-	-	-	-	-	-	-	-	-
20. Maintenance	-	-	-	-	-	-	-	-	-	-	-	-
21. All Other	-	-	-	-	-	-	-	-	-	-	-	-
22. Total Operating Expenditures	-	(1.9)	(3.1)	(3.1)	(3.2)	(3.2)	(3.3)	(3.3)	(3.4)	(3.4)	(3.4)	(28.0)
23. Total Operating Surplus (Deficit)	-	(1.9)	(3.1)	(3.1)	(3.2)	(3.2)	(3.3)	(3.3)	(3.4)	(3.4)	(3.4)	(28.0)
Reorganization / Investment												
24. Technology Infrastructure	-	(0.5)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(1.3)
25. Capital Expenditures	-	-	(1.0)	-	-	-	-	-	-	-	-	(1.0)
26. Other Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
27. Reorganization Costs	-	(1.4)	(1.0)	-	-	-	-	-	-	-	-	(2.4)
28. Total Reorganization / Investment	-	(1.9)	(2.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(4.7)
29. Total Surplus (Deficit)	\$ -	\$ (3.8)	\$ (5.2)	\$ (3.2)	\$ (3.3)	\$ (3.3)	\$ (3.4)	\$ (3.4)	\$ (3.5)	\$ (3.5)	\$ (3.5)	\$ (32.7)
30. Incremental Headcount (FTE)	4	19	22	22	22	22	22	22	22	22	22	22

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Executive Agencies

Human Resources Department (HR)

(\$ in millions)

	10-Year Total	Assumptions / Comments
Revenues		
1. Collections	\$ -	
2. a. Increased Collection Rate	-	
3. b. Collection of Past Due	-	
4. Pricing / Fees	-	
5. Grant Revenue	-	
6. Other	-	
7. Total Revenues	-	
Expenditures		
8. Permanent Labor	(12.4)	FTE increases - Administration (1), Records (2), Central Services (2), Employee Services (3), Recruitment (7), Career Development (5), and Testing (2). FTE increases primarily focused on establishing a functioning recruitment, and selection and training function
9. Professional & Contract Services	-	
10. Labor Costs / Service Contracts	(12.4)	
11. Active Benefits	(5.6)	Benefits at 45.0% of Permanent Labor costs
12. Training	(6.6)	Training cost for all HR employees - \$2.0k per employee through FY '16, \$1.5k thereafter and also includes \$600k - \$650k annual City-wide HR training
13. Materials and Supplies	(2.6)	Estimated training and test development materials and supplies
14. Utilities	-	
15. Purchased services	(0.9)	Estimated cost for recruitment advertising budget
16. Risk management / Insurance	-	
17. Contributions to non EP funds	-	
18. Transfers In / Out (General Fund)	-	
19. Grant related expenses	-	
20. Maintenance	-	
21. All Other	-	
22. Total Operating Expenditures	(28.0)	
23. Total Operating Surplus (Deficit)	(28.0)	
Reorganization / Investment		
24. Technology Infrastructure	(1.3)	Learning center one-time IT costs and related maintenance
25. Capital Expenditures	(1.0)	Estimated capital for training location (\$1.0MM)
26. Other Infrastructure	-	
27. Reorganization Costs	(2.4)	Cultural Change Agent engagement, and job description / classification and market compensation study
28. Total Reorganization / Investment	(4.7)	
29. Total Surplus (Deficit)	\$ (32.7)	
30. Incremental Headcount (FTE)	22.0	

City of Detroit

Ten-Year Plan of Adjustment
 Restructuring and Reinvestment Initiatives - Executive Agencies
 Human Resources Department - Labor Relations Division (LR)
 (\$ in millions)

	For the Fiscal Year Ended										10-Year Total	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
Revenues												
1. Collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. a. Increased Collection Rate	-	-	-	-	-	-	-	-	-	-	-	-
3. b. Collection of Past Due	-	-	-	-	-	-	-	-	-	-	-	-
4. Pricing / Fees	-	-	-	-	-	-	-	-	-	-	-	-
5. Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-
6. Other	-	-	-	-	-	-	-	-	-	-	-	-
7. Total Revenues	-	-	-	-	-	-	-	-	-	-	-	-
Expenditures												
8. Permanent Labor	-	(0.1)	(0.4)	(0.4)	(0.4)	(0.4)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(3.7)
9. Professional & Contract Services	-	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.9)
10. Labor Costs / Service Contracts	-	(0.2)	(0.5)	(0.5)	(0.5)	(0.5)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(4.6)
11. Active Benefits	-	(0.0)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(1.7)
12. Training	-	(0.0)	(0.1)	(0.1)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.5)
13. Materials and Supplies	-	-	-	-	-	-	-	-	-	-	-	-
14. Utilities	-	-	-	-	-	-	-	-	-	-	-	-
15. Purchased services	-	-	-	-	-	-	-	-	-	-	-	-
16. Risk management / insurance	-	-	-	-	-	-	-	-	-	-	-	-
17. Contributions to non EP funds	-	-	-	-	-	-	-	-	-	-	-	-
18. Transfers In / Out (General Fund)	-	-	-	-	-	-	-	-	-	-	-	-
19. Grant related expenses	-	-	-	-	-	-	-	-	-	-	-	-
20. Maintenance	-	-	-	-	-	-	-	-	-	-	-	-
21. All Other	-	-	-	-	-	-	-	-	-	-	-	-
22. Total Operating Expenditures	-	(0.3)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(6.8)
23. Total Operating Surplus (Deficit)	-	(0.3)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(6.8)
Reorganization / Investment												
24. Technology Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
25. Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
26. Other Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
27. Reorganization Costs	-	-	-	-	-	-	-	-	-	-	-	-
28. Total Reorganization / Investment	-	-	-	-	-	-	-	-	-	-	-	-
29. Total Surplus (Deficit)	\$ -	\$ (0.3)	\$ (0.8)	\$ (0.8)	\$ (0.8)	\$ (0.8)	\$ (0.8)	\$ (0.8)	\$ (0.8)	\$ (0.8)	\$ (0.8)	\$ (6.8)
30. Incremental Headcount (FTE)	-	3	11	11	11	11	11	11	11	11	11	11

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Executive Agencies

Human Resources Department - Labor Relations Division (LR)

(\$ in millions)

	10-Year Total	Assumptions / Comments
Revenues		
1. Collections	\$ -	
2. a. Increased Collection Rate	-	
3. b. Collection of Past Due	-	
4. Pricing / Fees	-	
5. Grant Revenue	-	
6. Other	-	
7. Total Revenues	-	
Expenditures		
8. Permanent Labor	(3.7)	Addition of 11 employees for labor relations and benefits functions. FTE increase primarily relates to establishing proper oversight, monitoring, and compliance with union contracts
9. Professional & Contract Services	(0.9)	
10. Labor Costs / Service Contracts	(4.6)	
11. Active Benefits	(1.7)	Benefits at 45.0% of Permanent Labor costs
12. Training	(0.5)	Training cost for all department employees - \$2.0k per employee through FY '16, \$1.5k thereafter to establish a continuous training program. Also includes incremental \$50 k in FY 2017 and FY 2018.
13. Materials and Supplies	-	
14. Utilities	-	
15. Purchased services	-	
16. Risk management / Insurance	-	
17. Contributions to non EP funds	-	
18. Transfers In / Out (General Fund)	-	
19. Grant related expenses	-	
20. Maintenance	-	
21. All Other	-	
22. Total Operating Expenditures	(6.8)	
23. Total Operating Surplus (Deficit)	(6.8)	
Reorganization / Investment		
24. Technology Infrastructure	-	
25. Capital Expenditures	-	
26. Other Infrastructure	-	
27. Reorganization Costs	-	
28. Total Reorganization / Investment	-	
29. Total Surplus (Deficit)	\$ (6.8)	
30. Incremental Headcount (FTE)	11	

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Executive Agencies

Human Rights / Board of Ethics Department (Human Rights)

(\$ in millions)

	For the Fiscal Year Ended										10-Year Total	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
Revenues												
1. Collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. a. Increased Collection Rate	-	-	0.2	0.2	0.3	0.3	0.3	0.3	0.4	0.4	0.4	2.5
3. b. Collection of Past Due	-	-	-	-	-	-	-	-	-	-	-	-
4. Pricing / Fees	-	-	-	-	-	-	-	-	-	-	-	-
5. Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-
6. Other	-	-	-	-	-	-	-	-	-	-	-	-
7. Total Revenues	-	-	0.2	0.2	0.3	0.3	0.3	0.3	0.4	0.4	0.4	2.5
Expenditures												
8. Permanent Labor	-	(0.2)	(0.3)	(0.3)	(0.3)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(3.1)
9. Professional & Contract Services	-	-	-	-	-	-	-	-	-	-	-	-
10. Labor Costs / Service Contracts	-	(0.2)	(0.3)	(0.3)	(0.3)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(3.1)
11. Active Benefits	-	(0.1)	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(1.4)
12. Training	-	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.9)
13. Materials and Supplies	-	-	-	-	-	-	-	-	-	-	-	-
14. Utilities	-	-	-	-	-	-	-	-	-	-	-	-
15. Purchased services	-	-	-	-	-	-	-	-	-	-	-	-
16. Risk management / insurance	-	-	-	-	-	-	-	-	-	-	-	-
17. Contributions to non EP funds	-	-	-	-	-	-	-	-	-	-	-	-
18. Transfers In / Out (General Fund)	-	-	-	-	-	-	-	-	-	-	-	-
19. Grant related expenses	-	-	-	-	-	-	-	-	-	-	-	-
20. Maintenance	-	-	-	-	-	-	-	-	-	-	-	-
21. All Other	-	-	-	-	-	-	-	-	-	-	-	-
22. Total Operating Expenditures	-	(0.4)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.7)	(5.3)
23. Total Operating Surplus (Deficit)	-	(0.4)	(0.4)	(0.4)	(0.3)	(0.3)	(0.3)	(0.3)	(0.2)	(0.3)	(0.3)	(2.9)
Reorganization / Investment												
24. Technology Infrastructure	-	(0.1)	-	-	-	-	-	-	-	-	-	(0.1)
25. Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
26. Other Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
27. Reorganization Costs	-	-	-	-	-	-	-	-	-	-	-	-
28. Total Reorganization / Investment	-	(0.1)	-	-	-	-	-	-	-	-	-	(0.1)
29. Total Surplus (Deficit)	\$ -	\$ (0.5)	\$ (0.4)	\$ (0.4)	\$ (0.3)	\$ (0.3)	\$ (0.3)	\$ (0.3)	\$ (0.2)	\$ (0.3)	\$ (0.3)	\$ (3.0)
30. Incremental Headcount (FTE)	-	6	6	6	6	6	6	6	6	6	6	6

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Executive Agencies

Human Rights / Board of Ethics Department (Human Rights)

(\$ in millions)

	10-Year Total	Assumptions / Comments
Revenues		
1. Collections	\$ -	
2. a. Increased Collection Rate	2.5	Increased fees from Detroit based businesses
3. b. Collection of Past Due	-	
4. Pricing / Fees	-	
5. Grant Revenue	-	
6. Other	-	
7. Total Revenues	2.5	
Expenditures		
8. Permanent Labor	(3.1)	Addition of 6 employees to ensure compliance from various parties with City's ethics and human rights policies
9. Professional & Contract Services	-	
10. Labor Costs / Service Contracts	(3.1)	
11. Active Benefits	(1.4)	Benefits at 45.0% of Permanent Labor costs
12. Training	(0.9)	Assumes \$100.0k annually for City-wide ethics training
13. Materials and Supplies	-	
14. Utilities	-	
15. Purchased services	-	
16. Risk management / Insurance	-	
17. Contributions to non EP funds	-	
18. Transfers In / Out (General Fund)	-	
19. Grant related expenses	-	
20. Maintenance	-	
21. All Other	-	
22. Total Operating Expenditures	(5.3)	
23. Total Operating Surplus (Deficit)	(2.9)	
Reorganization / Investment		
24. Technology Infrastructure	(0.1)	One time IT costs
25. Capital Expenditures	-	
26. Other Infrastructure	-	
27. Reorganization Costs	-	
28. Total Reorganization / Investment	(0.1)	
29. Total Surplus (Deficit)	\$ (3.0)	
30. Incremental Headcount (FTE)	6	

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Executive Agencies

Law Department (Law)

(\$ in millions)

	For the Fiscal Year Ended										10-Year Total	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
Revenues												
1. Collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. a. Increased Collection Rate	-	-	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	4.4
3. b. Collection of Past Due	-	-	-	-	-	-	-	-	-	-	-	-
4. Pricing / Fees	-	-	-	-	-	-	-	-	-	-	-	-
5. Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-
6. Other	-	-	-	-	-	-	-	-	-	-	-	-
7. Total Revenues	-	-	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	4.4
Expenditures												
8. Permanent Labor	-	(0.7)	(1.5)	(1.5)	(1.5)	(1.6)	(1.6)	(1.6)	(1.7)	(1.7)	(1.7)	(13.4)
9. Professional & Contract Services	-	-	-	-	-	-	-	-	-	-	-	-
10. Labor Costs / Service Contracts	-	(0.7)	(1.5)	(1.5)	(1.5)	(1.6)	(1.6)	(1.6)	(1.7)	(1.7)	(1.7)	(13.4)
11. Active Benefits	-	(0.3)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.8)	(6.0)
12. Training	-	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(1.4)
13. Materials and Supplies	-	-	-	-	-	-	-	-	-	-	-	-
14. Utilities	-	-	-	-	-	-	-	-	-	-	-	-
15. Purchased services	-	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	6.8
16. Risk management / insurance	-	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	18.0
17. Contributions to non EP funds	-	-	-	-	-	-	-	-	-	-	-	-
18. Transfers In / Out (General Fund)	-	-	-	-	-	-	-	-	-	-	-	-
19. Grant related expenses	-	-	-	-	-	-	-	-	-	-	-	-
20. Maintenance	-	-	-	-	-	-	-	-	-	-	-	-
21. All Other	-	-	-	-	-	-	-	-	-	-	-	-
22. Total Operating Expenditures	-	1.6	0.4	0.4	0.4	0.3	0.3	0.2	0.2	0.2	0.1	4.0
23. Total Operating Surplus (Deficit)	-	1.6	1.0	1.0	0.9	0.9	0.8	0.8	0.7	0.7	0.7	8.4
Reorganization / Investment												
24. Technology Infrastructure	(0.5)	-	-	-	-	-	-	-	-	-	-	(0.5)
25. Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
26. Other Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
27. Reorganization Costs	-	(0.1)	-	-	-	-	-	-	-	-	-	(0.1)
28. Total Reorganization / Investment	(0.5)	(0.1)	-	-	-	-	-	-	-	-	-	(0.6)
29. Total Surplus (Deficit)	\$ (0.5)	\$ 1.5	\$ 1.0	\$ 1.0	\$ 0.9	\$ 0.9	\$ 0.8	\$ 0.8	\$ 0.7	\$ 0.7	\$ 0.7	7.8
30. Incremental Headcount (FTE)	-	9	17	17	17	17	17	17	17	17	17	17

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Executive Agencies

Law Department (Law)

(\$ in millions)

	10-Year Total	Assumptions / Comments
Revenues		
1. Collections	\$ -	
2. a. Increased Collection Rate	4.4	Assumes annual improvement to collections due to additional internal legal labor resources
3. b. Collection of Past Due	-	
4. Pricing / Fees	-	
5. Grant Revenue	-	
6. Other	-	
7. Total Revenues	4.4	
Expenditures		
8. Permanent Labor	(13.4)	17 additional employees primarily dedicated to aggressively pursuing receivable collection efforts and to more rigorously defend City against certain legal actions
9. Professional & Contract Services	-	
10. Labor Costs / Service Contracts	(13.4)	
11. Active Benefits	(6.0)	Benefits at 45.0% of Permanent Labor costs
12. Training	(1.4)	Training cost for all department employees - \$2.0k per employee through FY '16, \$1.5k thereafter to establish a continuous training program
13. Materials and Supplies	-	
14. Utilities	-	
15. Purchased services	6.8	Assumes \$750.0k annual reduction in outside legal costs due to additional internal labor resources
16. Risk management / Insurance	18.0	Assumes \$2.0MM annual reduction in lawsuit settlements as a result of additional internal labor resources
17. Contributions to non EP funds	-	
18. Transfers In / Out (General Fund)	-	
19. Grant related expenses	-	
20. Maintenance	-	
21. All Other	-	
22. Total Operating Expenditures	4.0	
23. Total Operating Surplus (Deficit)	8.4	
Reorganization / Investment		
24. Technology Infrastructure	(0.5)	Purchase of City Law IT application
25. Capital Expenditures	-	
26. Other Infrastructure	-	
27. Reorganization Costs	(0.1)	Implementation cost of City Law IT application
28. Total Reorganization / Investment	(0.6)	
29. Total Surplus (Deficit)	\$ 7.8	
30. Incremental Headcount (FTE)	17	

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Executive Agencies

Mayor's Office

(\$ in millions)

	For the Fiscal Year Ended										10-Year Total	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
Revenues												
1. Collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. a. Increased Collection Rate	-	-	-	-	-	-	-	-	-	-	-	-
3. b. Collection of Past Due	-	-	-	-	-	-	-	-	-	-	-	-
4. Pricing / Fees	-	-	-	-	-	-	-	-	-	-	-	-
5. Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-
6. Other	-	-	-	-	-	-	-	-	-	-	-	-
7. Total Revenues	-	-	-	-	-	-	-	-	-	-	-	-
Expenditures												
8. Permanent Labor	(0.8)	(1.3)	(1.3)	(1.3)	(1.4)	(1.4)	(1.4)	(1.4)	(1.5)	(1.5)	(1.5)	(13.3)
9. Professional & Contract Services	-	-	-	-	-	-	-	-	-	-	-	-
10. Labor Costs / Service Contracts	(0.8)	(1.3)	(1.3)	(1.3)	(1.4)	(1.4)	(1.4)	(1.4)	(1.5)	(1.5)	(1.5)	(13.3)
11. Active Benefits	(0.5)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.7)	(0.7)	(0.7)	(6.1)
12. Training	-	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.7)
13. Materials and Supplies	-	-	-	-	-	-	-	-	-	-	-	-
14. Utilities	-	-	-	-	-	-	-	-	-	-	-	-
15. Purchased services	-	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.6
16. Risk management / insurance	-	-	-	-	-	-	-	-	-	-	-	-
17. Contributions to non EP funds	-	-	-	-	-	-	-	-	-	-	-	-
18. Transfers In / Out (General Fund)	-	-	-	-	-	-	-	-	-	-	-	-
19. Grant related expenses	-	-	-	-	-	-	-	-	-	-	-	-
20. Maintenance	-	-	-	-	-	-	-	-	-	-	-	-
21. All Other	-	1.8	1.8	1.8	1.9	1.9	2.0	2.0	2.1	2.1	2.1	17.4
22. Total Operating Expenditures	(1.3)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(2.1)
23. Total Operating Surplus (Deficit)	(1.3)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(2.1)
Reorganization / Investment												
24. Technology Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
25. Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
26. Other Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
27. Reorganization Costs	-	-	-	-	-	-	-	-	-	-	-	-
28. Total Reorganization / Investment	-	-	-	-	-	-	-	-	-	-	-	-
29. Total Surplus (Deficit)	\$ (1.3)	\$ (0.1)	\$ (0.1)	\$ (0.1)	\$ (0.1)	\$ (0.1)	\$ (0.1)	\$ (0.1)	\$ (0.1)	\$ (0.1)	\$ (0.1)	\$ (2.1)
30. Incremental Headcount (FTE)	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Executive Agencies

Mayor's Office

(\$ in millions)

	10-Year Total	Assumptions / Comments
Revenues		
1. Collections	\$ -	
2. a. Increased Collection Rate	-	
3. b. Collection of Past Due	-	
4. Pricing / Fees	-	
5. Grant Revenue	-	
6. Other	-	
7. Total Revenues	-	
Expenditures		
8. Permanent Labor	(13.3)	Additional personnel in new Mayor's team for Neighborhoods and Lean Process Improvement
9. Professional & Contract Services	-	
10. Labor Costs / Service Contracts	(13.3)	
11. Active Benefits	(6.1)	Benefits at 45.0% of Permanent Labor
12. Training	(0.7)	Training cost for all department employees - \$2.0k per employee through FY '16, \$1.5k thereafter to establish a continuous training program
13. Materials and Supplies	-	
14. Utilities	-	
15. Purchased services	0.6	Reduction in Personnel Service Contractors on Mayor's staff
16. Risk management / Insurance	-	
17. Contributions to non EP funds	-	
18. Transfers In / Out (General Fund)	-	
19. Grant related expenses	-	
20. Maintenance	-	
21. All Other	17.4	City-wide savings impact resulting from additional personnel in new Mayor's team for Neighborhoods and Lean Process Improvement
22. Total Operating Expenditures	(2.1)	
23. Total Operating Surplus (Deficit)	(2.1)	
Reorganization / Investment		
24. Technology Infrastructure	-	
25. Capital Expenditures	-	
26. Other Infrastructure	-	
27. Reorganization Costs	-	
28. Total Reorganization / Investment	-	
29. Total Surplus (Deficit)	\$ (2.1)	
30. Incremental Headcount (FTE)	31.0	

City of Detroit

Ten-Year Plan of Adjustment
 Restructuring and Reinvestment Initiatives - Executive Agencies
 Planning and Development Department (PDD)
 (\$ in millions)

	For the Fiscal Year Ended										10-Year Total	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
Revenues												
1. Collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. a. Increased Collection Rate	-	-	-	-	-	-	-	-	-	-	-	-
3. b. Collection of Past Due	-	-	-	-	-	-	-	-	-	-	-	-
4. Pricing / Fees	-	-	-	-	-	-	-	-	-	-	-	-
5. Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-
6. Other	-	-	-	-	-	-	-	-	-	-	-	-
7. Total Revenues	-	-	-	-	-	-	-	-	-	-	-	-
Expenditures												
8. Permanent Labor	(0.3)	(0.8)	(0.7)	(0.7)	(0.7)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(7.3)
9. Professional & Contract Services	-	-	-	-	-	-	-	-	-	-	-	-
10. Labor Costs / Service Contracts	(0.3)	(0.8)	(0.7)	(0.7)	(0.7)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(7.3)
11. Active Benefits	(0.1)	(0.4)	(0.3)	(0.3)	(0.3)	(0.3)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(3.3)
12. Training	-	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(1.0)
13. Materials and Supplies	-	-	-	-	-	-	-	-	-	-	-	-
14. Utilities	-	-	-	-	-	-	-	-	-	-	-	-
15. Purchased services	-	-	-	-	-	-	-	-	-	-	-	-
16. Risk management / insurance	-	-	-	-	-	-	-	-	-	-	-	-
17. Contributions to non EP funds	-	-	-	-	-	-	-	-	-	-	-	-
18. Transfers In / Out (General Fund)	-	-	-	-	-	-	-	-	-	-	-	-
19. Grant related expenses	-	-	-	-	-	-	-	-	-	-	-	-
20. Maintenance	-	-	-	-	-	-	-	-	-	-	-	-
21. All Other	-	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	1.9
22. Total Operating Expenditures	(0.4)	(1.2)	(1.0)	(0.9)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.1)	(1.1)	(9.6)
23. Total Operating Surplus (Deficit)	(0.4)	(1.2)	(1.0)	(0.9)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.1)	(1.1)	(9.6)
Reorganization / Investment												
24. Technology Infrastructure	-	(0.6)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.8)
25. Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
26. Other Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
27. Reorganization Costs	(0.6)	(6.8)	(0.8)	-	-	-	(1.0)	(1.0)	-	-	-	(10.2)
28. Total Reorganization / Investment	(0.6)	(7.3)	(0.9)	(0.0)	(0.0)	(0.0)	(1.0)	(1.0)	(0.0)	(0.0)	(0.0)	(11.0)
29. Total Surplus (Deficit)	\$ (1.0)	\$ (8.5)	\$ (1.8)	\$ (1.0)	\$ (1.0)	\$ (1.0)	\$ (2.1)	\$ (2.1)	\$ (1.1)	\$ (1.1)	\$ (1.1)	\$ (20.6)
30. Incremental Headcount (FTE)	16	(32)	(34)	(34)	(34)	(34)	(34)	(34)	(34)	(34)	(34)	(34)

City of Detroit

Ten-Year Plan of Adjustment
 Restructuring and Reinvestment Initiatives - Executive Agencies
 Planning and Development Department (PDD)
 (\$ in millions)

	10-Year Total	Assumptions / Comments
Revenues		
1. Collections	\$ -	
2. a. Increased Collection Rate	-	
3. b. Collection of Past Due	-	
4. Pricing / Fees	-	
5. Grant Revenue	-	
6. Other	-	
7. Total Revenues	-	
Expenditures		
8. Permanent Labor	(7.3)	Hire City planning and other labor resources, transfer of personnel from City Council to PDD, efficiency improvements from grants management consolidation, and service delivery changes, and privatization of Real Estate, development (portion), neighborhood support (portion), and housing (portion) divisions
9. Professional & Contract Services	-	
10. Labor Costs / Service Contracts	(7.3)	
11. Active Benefits	(3.3)	Benefits at 45.0% of Permanent Labor costs
12. Training	(1.0)	Training cost for all department employees - \$2.0k per employee through FY 15 (starting Jan-15) & '16, \$1.5k thereafter to establish a continuous training program
13. Materials and Supplies	-	
14. Utilities	-	
15. Purchased services	-	
16. Risk management / Insurance	-	
17. Contributions to non EP funds	-	
18. Transfers In / Out (General Fund)	-	
19. Grant related expenses	-	
20. Maintenance	-	
21. All Other	1.9	Savings due to PDD moving facilities from Cadillac Tower to CAYMC
22. Total Operating Expenditures	(9.6)	
23. Total Operating Surplus (Deficit)	(9.6)	
Reorganization / Investment		
24. Technology Infrastructure	(0.8)	IT infrastructure investment
25. Capital Expenditures	-	
26. Other Infrastructure	-	
27. Reorganization Costs	(10.2)	Update master plan and zoning ordinance, develop investment strategy (\$4.7MM), surge resources (accounting staff / consultants) (\$1.9MM), service / delivery model change (\$2.2MM) and PDD facility consolidation (\$1.4MM)
28. Total Reorganization / Investment	(11.0)	
29. Total Surplus (Deficit)	\$ (20.6)	
30. Incremental Headcount (FTE)	(34)	

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Executive Agencies

Police Department (DPD)

(\$ in millions)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Revenues											
1. Collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. a. Increased Collection Rate	-	-	-	-	-	-	-	-	-	-	-
3. b. Collection of Past Due	-	-	-	-	-	-	-	-	-	-	-
4. Pricing / Fees	-	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	18.0
5. Grant Revenue	-	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	14.6
6. Other	-	-	-	-	-	-	-	-	-	-	-
7. Total Revenues	-	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	32.6
Expenditures											
8. Permanent Labor	(1.5)	(7.7)	(3.3)	(3.9)	(2.9)	(3.2)	(3.6)	(4.4)	(4.5)	(4.6)	(39.5)
9. Professional & Contract Services	-	-	-	-	-	-	-	-	-	-	-
10. Labor Costs / Service Contracts	(1.5)	(7.7)	(3.3)	(3.9)	(2.9)	(3.2)	(3.6)	(4.4)	(4.5)	(4.6)	(39.5)
11. Active Benefits	(0.6)	(3.1)	(1.3)	(1.6)	(1.2)	(1.3)	(1.4)	(1.8)	(1.8)	(1.9)	(16.0)
12. Training	-	(0.6)	(1.1)	(0.8)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(6.5)
13. Materials and Supplies	(0.1)	(1.3)	(3.6)	(1.6)	(1.6)	(1.6)	(1.8)	(1.5)	(1.5)	(1.6)	(16.2)
14. Utilities	-	-	-	-	-	-	-	-	-	-	-
15. Purchased services	(0.1)	(0.2)	(0.1)	(0.3)	(0.1)	(0.3)	(0.1)	(0.3)	(0.1)	(0.3)	(1.9)
16. Risk management / insurance	-	-	-	-	-	-	-	-	-	-	-
17. Contributions to non EP funds	-	-	-	-	-	-	-	-	-	-	-
18. Transfers In / Out (General Fund)	-	-	-	-	-	-	-	-	-	-	-
19. Grant related expenses	-	-	-	-	-	-	-	-	-	-	-
20. Maintenance	-	-	-	-	-	-	-	-	-	-	-
21. All Other	-	(0.6)	(0.7)	(0.8)	(0.8)	(0.8)	(0.9)	(0.8)	(0.8)	(0.9)	(7.1)
22. Total Operating Expenditures	(2.2)	(13.5)	(10.1)	(9.0)	(7.3)	(7.8)	(8.5)	(9.5)	(9.5)	(9.9)	(87.3)
23. Total Operating Surplus (Deficit)	(2.2)	(9.9)	(6.5)	(5.3)	(3.7)	(4.2)	(4.8)	(5.9)	(5.9)	(6.3)	(54.7)
Reorganization / Investment											
24. Technology Infrastructure	(0.9)	(12.2)	(10.2)	(2.2)	(2.2)	(2.2)	(2.2)	(2.2)	(2.2)	(2.2)	(38.4)
25. Capital Expenditures	(0.7)	(13.7)	(6.5)	(0.1)	(0.5)	(0.2)	(3.3)	(3.1)	(3.0)	(3.0)	(34.2)
26. Other Infrastructure (Fleet)	-	(9.5)	(11.7)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(91.3)
27. Reorganization Costs	-	(0.6)	(0.4)	-	-	-	-	-	-	-	(1.0)
28. Total Reorganization / Investment	(1.6)	(35.9)	(28.9)	(12.3)	(12.7)	(12.3)	(15.4)	(15.3)	(15.2)	(15.2)	(164.9)
29. Total Surplus (Deficit)	\$ (3.8)	\$ (45.8)	\$ (35.4)	\$ (17.6)	\$ (16.4)	\$ (16.5)	\$ (20.3)	\$ (21.2)	\$ (21.1)	\$ (21.4)	\$ (219.6)
30. Incremental Headcount (FTE)	125	250	250	210	175	162	149	149	149	149	149

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Executive Agencies

Police Department (DPD)

(\$ in millions)

	10-Year Total	Assumptions / Comments
Revenues		
1. Collections	\$ -	
2. a. Increased Collection Rate	-	
3. b. Collection of Past Due	-	
4. Pricing / Fees	18.0	Increased collections from false alarm calls, new cost recovery, and adoption of State Motor Vehicle Code for greater capture of moving violation fees
5. Grant Revenue	14.6	Anticipated additional grant revenue through identification of new Federal, State, Foundation or other grants
6. Other	-	
7. Total Revenue	32.6	
Expenditures		
8. Permanent Labor	(39.5)	Increased labor cost associated with hiring of 250 civilian positions and redeployment of uniform personnel. Costs savings due to attrition of senior uniform personnel and hiring of less experienced uniform personnel (\$17.6MM in total savings). Cost savings associated with 189 new police officers at lower annual pay rate vs. current average (\$16.7MM in total savings). Reduction of civilians through efficiency gains following implementation of fully integrated public safety IT system.
9. Professional & Contract Services	-	
10. Labor Costs / Service Contracts	(39.5)	
11. Active Benefits	(16.0)	Benefits at 40.5% of Permanent Labor costs (civilians)
12. Training	(6.5)	Training cost for all DPD civilian employees - \$2.0k per EE through FY '16, \$1.5k thereafter
13. Materials and Supplies	(16.2)	Increased replacement cost of tasers / cartridges (\$5.2MM), vests (\$3.1MM), body cameras (\$1.9MM) and other misc. spend (\$6.0MM)
14. Utilities	-	
15. Purchased services	(1.9)	Promotional exams (\$250k every two years) and animal control security (\$70k annually)
16. Risk management / insurance	-	
17. Contributions to non EP funds	-	
18. Transfers In / Out (General Fund)	-	
19. Grant related expenses	-	
20. Maintenance	-	
21. All Other	(7.1)	Savings from facility lease terminations (\$10.2MM), offset by annual costs associated with new facilities (\$14.8MM), increased helicopter maintenance (\$2.3MM) and citizen patrol/reserve costs (\$0.2MM).
22. Total Operating Expenditures	(87.3)	
23. Total Operating Surplus (Deficit)	(54.7)	
Reorganization / Investment		
24. Technology Infrastructure	(38.4)	Primarily related to replacement of prep / handheld radios (\$22.0MM), implementation of fully integrated Public Safety IT system (\$13.8MM) and other IT infrastructure (\$2.5MM)
25. Capital Expenditures	(34.2)	Department-wide improvements / projects (\$17MM), build-out of new precincts and training facility (\$10.0MM), and other precinct/other facility improvements (\$7.2MM)
26. Other Infrastructure (Fleet)	(91.3)	Includes fleet vehicle replacement cycle of 3.5 years. Deferred timing of expenditures for vehicles by two months (originally contemplated \$9.5 MM spend in June 2014).
27. Reorganization Costs	(1.0)	IT temporary positions to assist with implementation of new fully integrated public safety IT system
28. Total Reorganization/Investment	(164.9)	
29. Total Surplus (Deficit)	\$ (219.6)	
30. Incremental Headcount (FTE)	149	

City of Detroit

Ten-Year Plan of Adjustment
 Restructuring and Reinvestment Initiatives - Executive Agencies
 Department of Public Works (DPW) - General Fund
 (\$ in millions)

	For the Fiscal Year Ended										10-Year Total	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
Revenues												
1. Collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. a. Increased Collection Rate	-	-	-	-	-	-	-	-	-	-	-	-
3. b. Collection of Past Due	-	-	-	-	-	-	-	-	-	-	-	-
4. Pricing / Fees	-	-	-	-	-	-	-	-	-	-	-	-
5. Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-
6. Other	-	-	-	-	-	-	-	-	-	-	-	-
7. Total Revenues	-	-	-	-	-	-	-	-	-	-	-	-
Expenditures												
8. Permanent Labor	-	-	-	-	-	-	-	-	-	-	-	-
9. Professional & Contract Services	-	-	-	-	-	-	-	-	-	-	-	-
10. Labor Costs / Service Contracts	-	-	-	-	-	-	-	-	-	-	-	-
11. Active Benefits	-	-	-	-	-	-	-	-	-	-	-	-
12. Training	-	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.3)
13. Materials and Supplies	-	-	-	-	-	-	-	-	-	-	-	-
14. Utilities	-	-	-	-	-	-	-	-	-	-	-	-
15. Purchased services	-	-	-	-	-	-	-	-	-	-	-	-
16. Risk management / insurance	-	-	-	-	-	-	-	-	-	-	-	-
17. Contributions to non EP funds	-	-	-	-	-	-	-	-	-	-	-	-
18. Transfers In / Out (General Fund)	-	-	-	-	-	-	-	-	-	-	-	-
19. Grant related expenses	-	-	-	-	-	-	-	-	-	-	-	-
20. Maintenance	-	-	-	-	-	-	-	-	-	-	-	-
21. All Other	-	-	-	-	-	-	-	-	-	-	-	-
22. Total Operating Expenditures	-	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.3)
23. Total Operating Surplus (Deficit)	-	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.3)
Reorganization / Investment												
24. Technology Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
25. Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
26. Other Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
27. Reorganization Costs	-	-	-	-	-	-	-	-	-	-	-	-
28. Total Reorganization / Investment	-	-	-	-	-	-	-	-	-	-	-	-
29. Total Surplus (Deficit)	\$ -	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.3)
30. Incremental Headcount (FTE)	-	-	-	-	-	-	-	-	-	-	-	-

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Executive Agencies

Department of Public Works (DPW) - General Fund

(\$ in millions)

	10-Year Total	Assumptions / Comments
Revenues		
1. Collections	\$ -	
2. a. Increased Collection Rate	-	
3. b. Collection of Past Due	-	
4. Pricing / Fees	-	
5. Grant Revenue	-	
6. Other	-	
7. Total Revenues	-	
Expenditures		
8. Permanent Labor	-	
9. Professional & Contract Services	-	
10. Labor Costs / Service Contracts	-	
11. Active Benefits	-	
12. Training	(0.3)	Training cost for all department employees - \$2.0k per employee through FY '16, \$1.5k thereafter to establish a continuous training program
13. Materials and Supplies	-	
14. Utilities	-	
15. Purchased services	-	
16. Risk management / Insurance	-	
17. Contributions to non EP funds	-	
18. Transfers In / Out (General Fund)	-	
19. Grant related expenses	-	
20. Maintenance	-	
21. All Other	-	
22. Total Operating Expenditures	(0.3)	
23. Total Operating Surplus (Deficit)	(0.3)	
Reorganization / Investment		
24. Technology Infrastructure	-	
25. Capital Expenditures	-	
26. Other Infrastructure (Fleet)	-	
27. Reorganization Costs	-	
28. Total Reorganization / Investment	-	
29. Total Surplus (Deficit)	\$ (0.3)	
30. Incremental Headcount (FTE)	-	

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Executive Agencies

Recreation

(\$ in millions)

	For the Fiscal Year Ended										10-Year Total	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
Revenues												
1. Collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. a. Increased Collection Rate	-	-	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.5
3. b. Collection of Past Due	-	-	-	-	-	-	-	-	-	-	-	-
4. Pricing / Fees	-	-	-	-	-	-	-	-	-	-	-	-
5. Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-
6. Other	-	-	-	-	-	-	-	-	-	-	-	-
7. Total Revenues	-	-	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.5
Expenditures												
8. Permanent Labor	-	-	-	-	-	-	-	-	-	-	-	-
9. Professional & Contract Services	-	-	-	-	-	-	-	-	-	-	-	-
10. Labor Costs / Service Contracts	-	-	-	-	-	-	-	-	-	-	-	-
11. Active Benefits	-	-	-	-	-	-	-	-	-	-	-	-
12. Training	-	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.8)
13. Materials and Supplies	-	-	-	-	-	-	-	-	-	-	-	-
14. Utilities	-	-	-	-	-	-	-	-	-	-	-	-
15. Purchased services	-	-	-	-	-	-	-	-	-	-	-	-
16. Risk management / insurance	-	-	-	-	-	-	-	-	-	-	-	-
17. Contributions to non EP funds	-	-	-	-	-	-	-	-	-	-	-	-
18. Transfers In / Out (General Fund)	-	-	-	-	-	-	-	-	-	-	-	-
19. Grant related expenses	-	-	-	-	-	-	-	-	-	-	-	-
20. Maintenance	-	-	-	-	-	-	-	-	-	-	-	-
21. All Other	-	-	-	-	-	-	-	-	-	-	-	-
22. Total Operating Expenditures	-	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.8)
23. Total Operating Surplus (Deficit)	-	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.3)
Reorganization / Investment												
24. Technology Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
25. Capital Expenditures	(0.9)	(4.8)	(4.1)	(4.8)	(4.0)	(4.5)	(3.9)	(3.3)	(3.3)	(3.3)	(3.3)	(37.0)
26. Other Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
27. Reorganization Costs	-	-	-	-	-	-	-	-	-	-	-	-
28. Total Reorganization / Investment	(0.9)	(4.8)	(4.1)	(4.8)	(4.0)	(4.5)	(3.9)	(3.3)	(3.3)	(3.3)	(3.3)	(37.0)
29. Total Surplus (Deficit)	\$ (0.9)	\$ (4.8)	\$ (4.1)	\$ (4.8)	\$ (4.1)	\$ (4.5)	\$ (3.9)	\$ (3.4)	\$ (3.4)	\$ (3.4)	\$ (3.4)	\$ (37.3)
30. Incremental Headcount (FTE)	-	-	-	-	-	-	-	-	-	-	-	-

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Executive Agencies

Recreation

(\$ in millions)

	10-Year Total	Assumptions / Comments
Revenues		
1. Collections	\$ -	
2. a. Increased Collection Rate	0.5	Increase collection rates due to full implementation of online registration and collection system and improvements to Hart Plaza
3. b. Collection of Past Due	-	
4. Pricing / Fees	-	
5. Grant Revenue	-	
6. Other	-	
7. Total Revenues	0.5	
Expenditures		
8. Permanent Labor	-	
9. Professional & Contract Services	-	
10. Labor Costs / Service Contracts	-	
11. Active Benefits	-	
12. Training	(0.8)	Training cost for all department employees - \$2.0k per employee through FY '16, \$1.5k thereafter to establish a continuous training program
13. Materials and Supplies	-	
14. Utilities	-	
15. Purchased services	-	
16. Risk management / Insurance	-	
17. Contributions to non EP funds	-	
18. Transfers In / Out (General Fund)	-	
19. Grant related expenses	-	
20. Maintenance	-	
21. All Other	-	
22. Total Operating Expenditures	(0.8)	
23. Total Operating Surplus (Deficit)	(0.3)	
Reorganization / Investment		
24. Technology Infrastructure	-	
25. Capital Expenditures	(37.0)	Park and recreation facility improvements and upgrades (\$34.5MM) and emergency repairs required for recreation centers (\$5.0MM)
26. Other Infrastructure	-	
27. Reorganization Costs	-	
28. Total Reorganization / Investment	(37.0)	
29. Total Surplus (Deficit)	\$ (37.3)	
30. Incremental Headcount (FTE)	-	

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Executive Agencies

Department of Health & Wellness Promotion (DHWP)

(\$ in millions)

	For the Fiscal Year Ended										10-Year Total	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
Revenues												
1. Collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. a. Increased Collection Rate	-	-	-	-	-	-	-	-	-	-	-	-
3. b. Collection of Past Due	-	-	-	-	-	-	-	-	-	-	-	-
4. Pricing / Fees	-	-	-	-	-	-	-	-	-	-	-	-
5. Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-
6. Other	-	-	-	-	-	-	-	-	-	-	-	-
7. Total Revenues	-	-	-	-	-	-	-	-	-	-	-	-
Expenditures												
8. Permanent Labor	-	-	-	-	-	-	-	-	-	-	-	-
9. Professional & Contract Services	-	-	-	-	-	-	-	-	-	-	-	-
10. Labor Costs / Service Contracts	-	-	-	-	-	-	-	-	-	-	-	-
11. Active Benefits	-	-	-	-	-	-	-	-	-	-	-	-
12. Training	-	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)
13. Materials and Supplies	-	-	-	-	-	-	-	-	-	-	-	-
14. Utilities	-	-	-	-	-	-	-	-	-	-	-	-
15. Purchased services	(0.3)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(1.7)
16. Risk management / insurance	-	-	-	-	-	-	-	-	-	-	-	-
17. Contributions to non EP funds	-	-	-	-	-	-	-	-	-	-	-	-
18. Transfers In / Out (General Fund)	-	-	-	-	-	-	-	-	-	-	-	-
19. Grant related expenses	-	-	-	-	-	-	-	-	-	-	-	-
20. Maintenance	-	-	-	-	-	-	-	-	-	-	-	-
21. All Other	-	-	-	-	-	-	-	-	-	-	-	-
22. Total Operating Expenditures	(0.3)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(1.8)
23. Total Operating Surplus (Deficit)	(0.3)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(1.8)
Reorganization / Investment												
24. Technology Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
25. Capital Expenditures	-	-	(5.1)	-	-	-	-	-	-	-	-	(5.1)
26. Other Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
27. Reorganization Costs	-	-	-	-	-	-	-	-	-	-	-	-
28. Total Reorganization / Investment	-	-	(5.1)	-	-	-	-	-	-	-	-	(5.1)
29. Total Surplus (Deficit)	\$ (0.3)	\$ (0.2)	\$ (5.3)	\$ (0.2)	\$ (0.2)	\$ (0.2)	\$ (0.2)	\$ (0.2)	\$ (0.2)	\$ (0.2)	\$ (0.2)	\$ (6.9)
30. Incremental Headcount (FTE)	-	-	-	-	-	-	-	-	-	-	-	-

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Executive Agencies

Department of Health & Wellness Promotion (DHWP)

(\$ in millions)

	10-Year Total	Assumptions / Comments
Revenues		
1. Collections	\$ -	
2. a. Increased Collection Rate	-	
3. b. Collection of Past Due	-	
4. Pricing / Fees	-	
5. Grant Revenue	-	
6. Other	-	
7. Total Revenues	-	
Expenditures		
8. Permanent Labor	-	
9. Professional & Contract Services	-	
10. Labor Costs / Service Contracts	-	
11. Active Benefits	-	
12. Training	(0.1)	Training cost for all department employees - \$2.0k per employee through FY '16, \$1.5k thereafter to establish a continuous training program
13. Materials and Supplies	-	
14. Utilities	-	
15. Purchased services	(1.7)	Public Health Record management and storage fees
16. Risk management / Insurance	-	
17. Contributions to non EP funds	-	
18. Transfers In / Out (General Fund)	-	
19. Grant related expenses	-	
20. Maintenance	-	
21. All Other	-	
22. Total Operating Expenditures	(1.8)	
23. Total Operating Surplus (Deficit)	(1.8)	
Reorganization / Investment		
24. Technology Infrastructure	-	
25. Capital Expenditures	(5.1)	Herman Kiefer demolition costs
26. Other Infrastructure	-	
27. Reorganization Costs	-	
28. Total Reorganization / Investment	(5.1)	
29. Total Surplus (Deficit)	\$ (6.9)	
30. Incremental Headcount (FTE)	-	

City of Detroit
Ten-Year Plan of Adjustment
Legislative Agencies - Department Detail

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Legislative Agencies

Auditor General (AG) and Inspector General (IG)

(\$ in millions)

	For the Fiscal Year Ended										10-Year Total	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
Revenues												
1. Collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. a. Increased Collection Rate	-	-	-	-	-	-	-	-	-	-	-	-
3. b. Collection of Past Due	-	-	-	-	-	-	-	-	-	-	-	-
4. Pricing / Fees	-	-	-	-	-	-	-	-	-	-	-	-
5. Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-
6. Other	-	-	-	-	-	-	-	-	-	-	-	-
7. Total Revenues	-	-	-	-	-	-	-	-	-	-	-	-
Expenditures												
8. Permanent Labor	-	(0.2)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(2.5)
9. Professional & Contract Services	-	-	-	-	-	-	-	-	-	-	-	-
10. Labor Costs / Service Contracts	-	(0.2)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(2.5)
11. Active Benefits	-	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(1.1)
12. Training	-	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.3)
13. Materials and Supplies	-	-	-	-	-	-	-	-	-	-	-	-
14. Utilities	-	-	-	-	-	-	-	-	-	-	-	-
15. Purchased services	-	-	-	-	-	-	-	-	-	-	-	-
16. Risk management / insurance	-	-	-	-	-	-	-	-	-	-	-	-
17. Contributions to non EP funds	-	-	-	-	-	-	-	-	-	-	-	-
18. Transfers In / Out (General Fund)	-	-	-	-	-	-	-	-	-	-	-	-
19. Grant related expenses	-	-	-	-	-	-	-	-	-	-	-	-
20. Maintenance	-	-	-	-	-	-	-	-	-	-	-	-
21. All Other	-	-	-	-	-	-	-	-	-	-	-	-
22. Total Operating Expenditures	-	(0.3)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.5)	(0.5)	(0.5)	(3.9)
23. Total Operating Surplus (Deficit)	-	(0.3)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.5)	(0.5)	(0.5)	(3.9)
Reorganization / Investment												
24. Technology Infrastructure	-	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.4)
25. Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
26. Other Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
27. Reorganization Costs	-	-	-	-	-	-	-	-	-	-	-	-
28. Total Reorganization / Investment	-	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.4)
29. Total Surplus (Deficit)	\$ -	\$ (0.4)	\$ (0.4)	\$ (0.4)	\$ (0.4)	\$ (0.5)	\$ (0.6)	\$ (0.5)	\$ (0.5)	\$ (0.5)	\$ (0.5)	\$ (4.2)
30. Incremental Headcount (FTE)	-	4	4	4	4	4	4	4	4	4	4	4

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Legislative Agencies

Auditor General (AG) and Inspector General (IG)

(\$ in millions)

	10-Year Total	Assumptions / Comments
Revenues		
1. Collections	\$ -	
2. a. Increased Collection Rate	-	
3. b. Collection of Past Due	-	
4. Pricing / Fees	-	
5. Grant Revenue	-	
6. Other	-	
7. Total Revenues	-	
Expenditures		
8. Permanent Labor	(2.5)	Addition of 4 employees to fill current vacancies and increase the frequency of the City's financial and operational audits
9. Professional & Contract Services	-	
10. Labor Costs / Service Contracts	(2.5)	
11. Active Benefits	(1.1)	Benefits at 45.0% of salary and wages
12. Training	(0.3)	Training cost for all department employees - \$2.0k per employee through FY '16, \$1.5k thereafter to establish a continuous training program
13. Materials and Supplies	-	
14. Utilities	-	
15. Purchased services	-	
16. Risk management / insurance	-	
17. Contributions to non EP funds	-	
18. Transfers In / Out (General Fund)	-	
19. Grant related expenses	-	
20. Maintenance	-	
21. All Other	-	
22. Total Operating Expenditures	(3.9)	
23. Total Operating Surplus (Deficit)	(3.9)	
Reorganization / Investment		
24. Technology Infrastructure	(0.4)	Electronic work-papers and incremental hardware / software investment
25. Capital Expenditures	-	
26. Other Infrastructure	-	
27. Reorganization Costs	-	
28. Total Reorganization / Investment	(0.4)	
29. Total Surplus (Deficit)	\$ (4.2)	
30. Incremental Headcount (FTE)	4	

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Legislative Agencies

Board of Zoning Appeals (BZA)

(\$ in millions)

	For the Fiscal Year Ended										10-Year Total	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
Revenues												
1. Collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. a. Increased Collection Rate	-	-	-	-	-	-	-	-	-	-	-	-
3. b. Collection of Past Due	-	-	-	-	-	-	-	-	-	-	-	-
4. Pricing / Fees	-	-	-	-	-	-	-	-	-	-	-	-
5. Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-
6. Other	-	-	-	-	-	-	-	-	-	-	-	-
7. Total Revenues	-	-	-	-	-	-	-	-	-	-	-	-
Expenditures												
8. Permanent Labor	-	-	-	-	-	-	-	-	-	-	-	-
9. Professional & Contract Services	-	-	-	-	-	-	-	-	-	-	-	-
10. Labor Costs / Service Contracts	-	-	-	-	-	-	-	-	-	-	-	-
11. Active Benefits	-	-	-	-	-	-	-	-	-	-	-	-
12. Training	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.2)
13. Materials and Supplies	-	-	-	-	-	-	-	-	-	-	-	-
14. Utilities	-	-	-	-	-	-	-	-	-	-	-	-
15. Purchased services	-	-	-	-	-	-	-	-	-	-	-	-
16. Risk management / insurance	-	-	-	-	-	-	-	-	-	-	-	-
17. Contributions to non EP funds	-	-	-	-	-	-	-	-	-	-	-	-
18. Transfers In / Out (General Fund)	-	-	-	-	-	-	-	-	-	-	-	-
19. Grant related expenses	-	-	-	-	-	-	-	-	-	-	-	-
20. Maintenance	-	-	-	-	-	-	-	-	-	-	-	-
21. All Other	-	-	-	-	-	-	-	-	-	-	-	-
22. Total Operating Expenditures	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.2)
23. Total Operating Surplus (Deficit)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.2)
Reorganization / Investment												
24. Technology Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
25. Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
26. Other Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
27. Reorganization Costs	-	-	-	-	-	-	-	-	-	-	-	-
28. Total Reorganization / Investment	-	-	-	-	-	-	-	-	-	-	-	-
29. Total Surplus (Deficit)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.2)
30. Incremental Headcount (FTE)	-	-	-	-	-	-	-	-	-	-	-	-

City of Detroit

Ten-Year Plan of Adjustment
 Restructuring and Reinvestment Initiatives - Legislative Agencies
 Board of Zoning Appeals (BZA)
 (\$ in millions)

	10-Year Total	Assumptions / Comments
Revenues		
1. Collections	\$ -	
2. a. Increased Collection Rate	-	
3. b. Collection of Past Due	-	
4. Pricing / Fees	-	
5. Grant Revenue	-	
6. Other	-	
7. Total Revenues	-	
Expenditures		
8. Permanent Labor	-	
9. Professional & Contract Services	-	
10. Labor Costs / Service Contracts	-	
11. Active Benefits	-	
12. Training	(0.2)	Training cost for all department employees - \$2.0k per employee through FY '16, \$1.5k thereafter to establish a continuous training program
13. Materials and Supplies	-	
14. Utilities	-	
15. Purchased services	-	
16. Risk management / insurance	-	
17. Contributions to non EP funds	-	
18. Transfers In / Out (General Fund)	-	
19. Grant related expenses	-	
20. Maintenance	-	
21. All Other	-	
22. Total Operating Expenditures	(0.2)	
23. Total Operating Surplus (Deficit)	(0.2)	
Reorganization / Investment		
24. Technology Infrastructure	-	
25. Capital Expenditures	-	
26. Other Infrastructure	-	
27. Reorganization Costs	-	
28. Total Reorganization / Investment	-	
29. Total Surplus (Deficit)	\$ (0.2)	
30. Incremental Headcount (FTE)	-	

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Legislative Agencies

City Clerk

(\$ in millions)

	For the Fiscal Year Ended										10-Year Total	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
Revenues												
1. Collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. a. Increased Collection Rate	-	-	-	-	-	-	-	-	-	-	-	-
3. b. Collection of Past Due	-	-	-	-	-	-	-	-	-	-	-	-
4. Pricing / Fees	-	-	-	-	-	-	-	-	-	-	-	-
5. Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-
6. Other	-	-	-	-	-	-	-	-	-	-	-	-
7. Total Revenues	-	-	-	-	-	-	-	-	-	-	-	-
Expenditures												
8. Permanent Labor	-	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	1.5
9. Professional & Contract Services	(0.0)	(0.0)	-	-	-	-	-	-	-	-	-	(0.1)
10. Labor Costs / Service Contracts	(0.0)	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	1.4
11. Active Benefits	-	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.7
12. Training	-	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.2)
13. Materials and Supplies	(0.3)	(0.6)	(0.3)	-	-	-	-	-	-	-	-	(1.2)
14. Utilities	-	-	-	-	-	-	-	-	-	-	-	-
15. Purchased services	-	-	-	-	-	-	-	-	-	-	-	-
16. Risk management / insurance	-	-	-	-	-	-	-	-	-	-	-	-
17. Contributions to non EP funds	-	-	-	-	-	-	-	-	-	-	-	-
18. Transfers In / Out (General Fund)	-	-	-	-	-	-	-	-	-	-	-	-
19. Grant related expenses	-	-	-	-	-	-	-	-	-	-	-	-
20. Maintenance	-	-	-	-	-	-	-	-	-	-	-	-
21. All Other	-	-	-	-	-	-	-	-	-	-	-	-
22. Total Operating Expenditures	(0.3)	(0.4)	(0.1)	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.7
23. Total Operating Surplus (Deficit)	(0.3)	(0.4)	(0.1)	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.7
Reorganization / Investment												
24. Technology Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
25. Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
26. Other Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
27. Reorganization Costs	-	-	-	-	-	-	-	-	-	-	-	-
28. Total Reorganization / Investment	-	-	-	-	-	-	-	-	-	-	-	-
29. Total Surplus (Deficit)	\$ (0.3)	\$ (0.4)	\$ (0.1)	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.7
30. Incremental Headcount (FTE)	-	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Legislative Agencies

City Clerk

(\$ in millions)

		10-Year Total	Assumptions / Comments
Revenues			
1.	Collections	\$ -	
2.	a. Increased Collection Rate	-	
3.	b. Collection of Past Due	-	
4.	Pricing / Fees	-	
5.	Grant Revenue	-	
6.	Other	-	
7.	Total Revenues	-	
Expenditures			
8.	Permanent Labor	1.5	Headcount reduction through efficiency improvements, incremental costs associated with Blight remediation assumed to be funded by Blight Initiative, Hardest Hit funds, and other grants
9.	Professional & Contract Services	(0.1)	
10.	Labor Costs / Service Contracts	1.4	
11.	Active Benefits	0.7	Benefits at 45.0% of Permanent Labor costs
12.	Training	(0.2)	Training cost for all department employees - \$2.0k per EE through FY '16, \$1.5k thereafter to establish a continuous training program
13.	Materials and Supplies	(1.2)	Increased materials and supplies costs related to incremental costs associated with Blight remediation notifications and City Council hearings
14.	Utilities	-	
15.	Purchased services	-	
16.	Risk management / insurance	-	
17.	Contributions to non EP funds	-	
18.	Transfers In / Out (General Fund)	-	
19.	Grant related expenses	-	
20.	Maintenance	-	
21.	All Other	-	
22.	Total Operating Expenditures	0.7	
23.	Total Operating Surplus (Deficit)	0.7	
Reorganization / Investment			
24.	Technology Infrastructure	-	
25.	Capital Expenditures	-	
26.	Other Infrastructure	-	
27.	Reorganization Costs	-	
28.	Total Reorganization / Investment	-	
29.	Total Surplus (Deficit)	\$ 0.7	
30.	Incremental Headcount (FTE)	(3)	

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Legislative Agencies

City Council

(\$ in millions)

	For the Fiscal Year Ended										10-Year Total	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
Revenues												
1. Collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. a. Increased Collection Rate	-	-	-	-	-	-	-	-	-	-	-	-
3. b. Collection of Past Due	-	-	-	-	-	-	-	-	-	-	-	-
4. Pricing / Fees	-	-	-	-	-	-	-	-	-	-	-	-
5. Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-
6. Other	-	-	-	-	-	-	-	-	-	-	-	-
7. Total Revenues	-	-	-	-	-	-	-	-	-	-	-	-
Expenditures												
8. Permanent Labor	-	-	-	-	-	-	-	-	-	-	-	-
9. Professional & Contract Services	0.0	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	3.9
10. Labor Costs / Service Contracts	0.0	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	3.9
11. Active Benefits	-	-	-	-	-	-	-	-	-	-	-	-
12. Training	-	-	-	-	-	-	-	-	-	-	-	-
13. Materials and Supplies	-	-	-	-	-	-	-	-	-	-	-	-
14. Utilities	-	-	-	-	-	-	-	-	-	-	-	-
15. Purchased services	-	-	-	-	-	-	-	-	-	-	-	-
16. Risk management / insurance	-	-	-	-	-	-	-	-	-	-	-	-
17. Contributions to non EP funds	-	-	-	-	-	-	-	-	-	-	-	-
18. Transfers In / Out (General Fund)	-	-	-	-	-	-	-	-	-	-	-	-
19. Grant related expenses	-	-	-	-	-	-	-	-	-	-	-	-
20. Maintenance	-	-	-	-	-	-	-	-	-	-	-	-
21. All Other	-	-	-	-	-	-	-	-	-	-	-	-
22. Total Operating Expenditures	0.0	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	3.9
23. Total Operating Surplus (Deficit)	0.0	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	3.9
Reorganization / Investment												
24. Technology Infrastructure	-	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.2)
25. Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
26. Other Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
27. Reorganization Costs	-	-	-	-	-	-	-	-	-	-	-	-
28. Total Reorganization / Investment	-	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.2)
29. Total Surplus (Deficit)	\$ 0.0	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 3.8
30. Incremental Headcount (FTE)	-	-	-	-	-	-	-	-	-	-	-	-

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Legislative Agencies

City Council

(\$ in millions)

	10-Year Total	Assumptions / Comments
Revenues		
1. Collections	\$ -	
2. a. Increased Collection Rate	-	
3. b. Collection of Past Due	-	
4. Pricing / Fees	-	
5. Grant Revenue	-	
6. Other	-	
7. Total Revenues	-	
Expenditures		
8. Permanent Labor	-	
9. Professional & Contract Services	3.9	Savings due to transfer of 6 contractors from CPC / HDAB to PDD
10. Labor Costs / Service Contracts	3.9	
11. Active Benefits	-	
12. Training	-	
13. Materials and Supplies	-	
14. Utilities	-	
15. Purchased services	-	
16. Risk management / insurance	-	
17. Contributions to non EP funds	-	
18. Transfers In / Out (General Fund)	-	
19. Grant related expenses	-	
20. Maintenance	-	
21. All Other	-	
22. Total Operating Expenditures	3.9	
23. Total Operating Surplus (Deficit)	3.9	
Reorganization / Investment		
24. Technology Infrastructure	(0.2)	Assumed \$50K in FY 15 for hardware improvements and annual \$15K increase from current run-rates
25. Capital Expenditures	-	
26. Other Infrastructure	-	
27. Reorganization Costs	-	
28. Total Reorganization / Investment	(0.2)	
29. Total Surplus (Deficit)	\$ 3.8	
30. Incremental Headcount (FTE)	-	

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Legislative Agencies

Department of Elections (Elections)

(\$ in millions)

	For the Fiscal Year Ended										10-Year Total	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
Revenues												
1. Collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. a. Increased Collection Rate	-	-	-	-	-	-	-	-	-	-	-	-
3. b. Collection of Past Due	-	-	-	-	-	-	-	-	-	-	-	-
4. Pricing / Fees	-	-	-	-	-	-	-	-	-	-	-	-
5. Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-
6. Other	-	-	-	-	-	-	-	-	-	-	-	-
7. Total Revenues	-	-	-	-	-	-	-	-	-	-	-	-
Expenditures												
8. Permanent Labor	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4
9. Professional & Contract Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4
10. Labor Costs / Service Contracts	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.8
11. Active Benefits	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2
12. Training	-	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.6)
13. Materials and Supplies	-	-	-	-	-	-	-	-	-	-	-	-
14. Utilities	-	-	-	-	-	-	-	-	-	-	-	-
15. Purchased services	-	-	-	-	-	-	-	-	-	-	-	-
16. Risk management / insurance	-	-	-	-	-	-	-	-	-	-	-	-
17. Contributions to non EP funds	-	-	-	-	-	-	-	-	-	-	-	-
18. Transfers In / Out (General Fund)	-	-	-	-	-	-	-	-	-	-	-	-
19. Grant related expenses	-	-	-	-	-	-	-	-	-	-	-	-
20. Maintenance	-	-	-	-	-	-	-	-	-	-	-	-
21. All Other	-	-	-	-	-	-	-	-	-	-	-	-
22. Total Operating Expenditures	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4
23. Total Operating Surplus (Deficit)	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4
Reorganization / Investment												
24. Technology Infrastructure	(0.0)	-	-	-	-	-	-	-	-	-	-	(0.0)
25. Capital Expenditures	-	-	(0.4)	(0.6)	(0.3)	-	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(3.3)
26. Other Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
27. Reorganization Costs	-	-	-	-	-	-	-	-	-	-	-	-
28. Total Reorganization / Investment	(0.0)	-	(0.4)	(0.6)	(0.3)	-	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(3.3)
29. Total Surplus (Deficit)	\$ 0.0	\$ 0.1	\$ (0.3)	\$ (0.6)	\$ (0.2)	\$ 0.0	\$ (0.5)	\$ (0.5)	\$ (0.5)	\$ (0.5)	\$ (0.5)	\$ (2.9)
30. Incremental Headcount (FTE)	-	-	-	-	-	-	-	-	-	-	-	-

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Legislative Agencies

Department of Elections (Elections)

(\$ in millions)

		10-Year	
		Total	Assumptions / Comments
Revenues			
1.	Collections	\$ -	
2.	a. Increased Collection Rate	-	
3.	b. Collection of Past Due	-	
4.	Pricing / Fees	-	
5.	Grant Revenue	-	
6.	Other	-	
7.	Total Revenues	-	
Expenditures			
8.	Permanent Labor	0.4	Reduction due to elimination of employee with higher salary
9.	Professional & Contract Services	0.4	Reduction due to elimination of 50% of poll workers / ballot counters related to technology investment
10.	Labor Costs / Service Contracts	0.8	
11.	Active Benefits	0.2	Benefits at 4.5.0% of Permanent Labor costs
12.	Training	(0.6)	Training cost for all department employees - \$2.0k per EE through FY '16, \$1.5k thereafter to establish a continuous training program
13.	Materials and Supplies	-	
14.	Utilities	-	
15.	Purchased services	-	
16.	Risk management / insurance	-	
17.	Contributions to non EP funds	-	
18.	Transfers in / Out (General Fund)	-	
19.	Grant related expenses	-	
20.	Maintenance	-	
21.	All Other	-	
22.	Total Operating Expenditures	0.4	
23.	Total Operating Surplus (Deficit)	0.4	
Reorganization / Investment			
24.	Technology Infrastructure	(0.0)	Investment in Ballot counting technology solution
25.	Capital Expenditures	(3.3)	Deferred maintenance / improvements (\$2.0MM), window replacement (\$0.7MM), elevator improvements (\$0.5MM) and roof replacement (\$0.1MM)
26.	Other Infrastructure	-	
27.	Reorganization Costs	-	
28.	Total Reorganization / Investment	(3.3)	
29.	Total Surplus (Deficit)	\$ (2.9)	
30.	Incremental Headcount (FTE)	-	

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Legislative Agencies

Ombudsperson

(\$ in millions)

	For the Fiscal Year Ended										10-Year Total	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
Revenues												
1. Collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. a. Increased Collection Rate	-	-	-	-	-	-	-	-	-	-	-	-
3. b. Collection of Past Due	-	-	-	-	-	-	-	-	-	-	-	-
4. Pricing / Fees	-	-	-	-	-	-	-	-	-	-	-	-
5. Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-
6. Other	-	-	-	-	-	-	-	-	-	-	-	-
7. Total Revenues	-	-	-	-	-	-	-	-	-	-	-	-
Expenditures												
8. Permanent Labor	-	-	(0.4)	(0.6)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(5.2)
9. Professional & Contract Services	-	-	-	-	-	-	-	-	-	-	-	-
10. Labor Costs / Service Contracts	-	-	(0.4)	(0.6)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(5.2)
11. Active Benefits	-	-	(0.2)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(2.4)
12. Training	-	(0.0)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.3)
13. Materials and Supplies	-	-	-	-	-	-	-	-	-	-	-	-
14. Utilities	-	-	-	-	-	-	-	-	-	-	-	-
15. Purchased services	-	-	-	-	-	-	-	-	-	-	-	-
16. Risk management / insurance	-	-	-	-	-	-	-	-	-	-	-	-
17. Contributions to non EP funds	-	-	-	-	-	-	-	-	-	-	-	-
18. Transfers In / Out (General Fund)	-	-	-	-	-	-	-	-	-	-	-	-
19. Grant related expenses	-	-	-	-	-	-	-	-	-	-	-	-
20. Maintenance	-	-	-	-	-	-	-	-	-	-	-	-
21. All Other	-	-	-	-	-	-	-	-	-	-	-	-
22. Total Operating Expenditures	-	(0.0)	(0.6)	(1.0)	(1.0)	(1.0)	(1.0)	(1.1)	(1.1)	(1.1)	(1.1)	(7.9)
23. Total Operating Surplus (Deficit)	-	(0.0)	(0.6)	(1.0)	(1.0)	(1.0)	(1.0)	(1.1)	(1.1)	(1.1)	(1.1)	(7.9)
Reorganization / Investment												
24. Technology Infrastructure	-	-	(3.0)	(0.5)	(0.5)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(7.0)
25. Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
26. Other Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
27. Reorganization Costs	-	-	-	-	-	-	-	-	-	-	-	-
28. Total Reorganization / Investment	-	-	(3.0)	(0.5)	(0.5)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(7.0)
29. Total Surplus (Deficit)	\$ -	\$ (0.0)	\$ (3.6)	\$ (1.5)	\$ (1.5)	\$ (1.6)	\$ (1.6)	\$ (1.6)	\$ (1.6)	\$ (1.7)	\$ (1.7)	\$ (14.9)
30. Incremental Headcount (FTE)	-	-	20	20	20	20	20	20	20	20	20	20

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Legislative Agencies

Ombudsperson

(\$ in millions)

		10-Year Total	Assumptions / Comments
Revenues			
1.	Collections	\$ -	
2.	a. Increased Collection Rate	-	
3.	b. Collection of Past Due	-	
4.	Pricing / Fees	-	
5.	Grant Revenue	-	
6.	Other	-	
7.	Total Revenues	-	
Expenditures			
8.	Permanent Labor	(5.2)	Additional headcount for implementation of 311 system
9.	Professional & Contract Services	-	
10.	Labor Costs / Service Contracts	(5.2)	
11.	Active Benefits	(2.4)	Benefits at 45.0% of Permanent Labor costs
12.	Training	(0.3)	Training cost for all department employees - \$2.0k per employee through FY '16, \$1.5k thereafter to establish a continuous training program
13.	Materials and Supplies	-	
14.	Utilities	-	
15.	Purchased services	-	
16.	Risk management / insurance	-	
17.	Contributions to non EP funds	-	
18.	Transfers In / Out (General Fund)	-	
19.	Grant related expenses	-	
20.	Maintenance	-	
21.	All Other	-	
22.	Total Operating Expenditures	(7.9)	
23.	Total Operating Surplus (Deficit)	(7.9)	
Reorganization / Investment			
24.	Technology Infrastructure	(7.0)	Establishment of technology infrastructure for 311 system and estimated software implementation costs including estimated annual maintenance
25.	Capital Expenditures	-	
26.	Other Infrastructure	-	
27.	Reorganization Costs	-	
28.	Total Reorganization / Investment	(7.0)	
29.	Total Surplus (Deficit)	\$ (14.9)	
30.	Incremental Headcount (FTE)	20	

City of Detroit
Ten-Year Plan of Adjustment
Other Agencies - Department Detail

City of Detroit

Ten-Year Plan of Adjustment
 Restructuring and Reinvestment Initiatives - Other Agencies
 Non-Departmental (36D Initiatives) - General fund
 (\$ in millions)

	For the Fiscal Year Ended										10-Year Total	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
Revenues												
1. Collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. a. Increased Collection Rate	-	3.9	5.5	8.5	8.7	9.0	9.2	9.5	9.8	10.1	74.1	
3. b. Collection of Past Due	-	1.9	2.7	-	-	-	-	-	-	-	4.7	
4. Pricing / Fees	-	-	-	-	-	-	-	-	-	-	-	
5. Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	
6. Other	-	-	-	-	-	-	-	-	-	-	-	
7. Total Revenues	-	5.8	8.2	8.5	8.7	9.0	9.2	9.5	9.8	10.1	78.8	
Expenditures												
8. Permanent Labor	-	0.3	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.9	6.7	
9. Professional & Contract Services	-	-	-	-	-	-	-	-	-	-	-	
10. Labor Costs / Service Contracts	-	0.3	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.9	6.7	
11. Active Benefits	-	0.2	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	3.0	
12. Training	-	(0.5)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(4.0)	
13. Materials and Supplies	-	-	-	-	-	-	-	-	-	-	-	
14. Utilities	-	-	-	-	-	-	-	-	-	-	-	
15. Purchased services	-	-	-	-	-	-	-	-	-	-	-	
16. Risk management / insurance	-	-	-	-	-	-	-	-	-	-	-	
17. Contributions to non EP funds	-	-	-	-	-	-	-	-	-	-	-	
18. Transfers In / Out (General Fund)	-	-	-	-	-	-	-	-	-	-	-	
19. Grant related expenses	-	-	-	-	-	-	-	-	-	-	-	
20. Maintenance	-	-	-	-	-	-	-	-	-	-	-	
21. All Other	-	-	-	-	-	-	-	-	-	-	-	
22. Total Operating Expenditures	-	0.0	0.6	0.6	0.7	0.7	0.7	0.8	0.8	0.8	5.7	
23. Total Operating Surplus (Deficit)	-	5.9	8.8	9.1	9.4	9.7	10.0	10.3	10.6	10.9	84.5	
Reorganization / Investment												
24. Technology Infrastructure	-	(1.6)	(0.8)	(0.4)	(0.4)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(4.2)	
25. Capital Expenditures	-	(1.0)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(5.0)	
26. Other Infrastructure	-	-	-	-	-	-	-	-	-	-	-	
27. Reorganization Costs	-	(1.0)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(3.7)	
28. Total Reorganization / Investment	-	(3.6)	(1.6)	(1.2)	(1.2)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(12.9)	
29. Total Surplus (Deficit)	\$ -	\$ 2.2	\$ 7.2	\$ 7.9	\$ 8.2	\$ 8.6	\$ 8.9	\$ 9.2	\$ 9.5	\$ 9.9	\$ 71.7	
30. Incremental Headcount (FTE)	-	(15)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	

City of Detroit

Ten-Year Plan of Adjustment
 Restructuring and Reinvestment Initiatives - Other Agencies
 Non-Departmental (36D Initiatives) - General fund
 (\$ in millions)

	10-Year Total	Assumptions / Comments
Revenues		
1. Collections	\$ -	
2. a. Increased Collection Rate	74.1	Improved collection rate from current 26% to 50% over the ten-year period to achieve regional average collection rate
3. b. Collection of Past Due	4.7	
4. Pricing / Fees	-	
5. Grant Revenue	-	
6. Other	-	
7. Total Revenues	78.8	
Expenditures		
8. Permanent Labor	6.7	Reduction of 25 FTEs through efficiency and technology improvements
9. Professional & Contract Services	-	
10. Labor Costs / Service Contracts	6.7	
11. Active Benefits	3.0	Benefits at 45.0% of Permanent Labor costs
12. Training	(4.0)	Training cost for all department employees - \$2.0k per employee through FY '16, \$1.5k thereafter to establish a continuous training program
13. Materials and Supplies	-	
14. Utilities	-	
15. Purchased services	-	
16. Risk management / insurance	-	
17. Contributions to non EP funds	-	
18. Transfers In / Out (General Fund)	-	
19. Grant related expenses	-	
20. Maintenance	-	
21. All Other	-	
22. Total Operating Expenditures	5.7	
23. Total Operating Surplus (Deficit)	84.5	
Reorganization / Investment		
24. Technology Infrastructure	(4.2)	Increased technology investment for "paperless" cost initiatives (\$3.7MM) and new telephone system (\$0.5MM)
25. Capital Expenditures	(5.0)	Increased capital expenditures for building maintenance, repairs and upgrades
26. Other Infrastructure	-	
27. Reorganization Costs	(3.7)	Addition of contract employees in to assist with process flow mapping, process change, and other restructuring initiatives
28. Total Reorganization / Investment	(12.9)	
29. Total Surplus (Deficit)	\$ 71.7	
30. Incremental Headcount (FTE)	(25)	

City of Detroit
Ten-Year Plan of Adjustment
Enterprise Agencies - Department Detail

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Enterprise Agencies

Airport

(\$ in millions)

	For the Fiscal Year Ended										10-Year Total	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
Revenue												
1. Collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. a. Increased Collection Rate	-	-	-	-	-	-	-	-	-	-	-	-
3. b. Collection of Past Due	-	-	-	-	-	-	-	-	-	-	-	-
4. Pricing / Fees	-	-	-	-	-	-	-	-	-	-	-	-
5. Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-
6. Other	-	-	-	-	-	-	-	-	-	-	-	-
7. Total Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Expenditures												
8. Permanent Labor	-	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(1.6)
9. Professional & Contract Services	-	-	-	-	-	-	-	-	-	-	-	-
10. Labor Costs / Service Contracts	-	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(1.6)
11. Active Benefits	-	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.7)
12. Training	-	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
13. Materials and Supplies	-	-	-	-	-	-	-	-	-	-	-	-
14. Utilities	-	-	-	-	-	-	-	-	-	-	-	-
15. Purchased services	-	(0.4)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(1.2)
16. Risk management / insurance	-	-	-	-	-	-	-	-	-	-	-	-
17. Contributions to non EP funds	-	-	-	-	-	-	-	-	-	-	-	-
18. Transfers In / Out (General Fund)	-	-	-	-	-	-	-	-	-	-	-	-
19. Grant related expenses	-	-	-	-	-	-	-	-	-	-	-	-
20. Maintenance	-	-	-	-	-	-	-	-	-	-	-	-
21. All Other	-	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.2)
22. Total Operating Expenditures	-	(0.6)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(3.7)
23. Total Operating Surplus (Deficit)	-	(0.6)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(3.7)
Legacy Expenditures												
Pension	-	-	-	-	-	-	-	-	-	-	-	-
Retiree Benefits	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service / POC	-	-	-	-	-	-	-	-	-	-	-	-
Total Legacy Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Reorganization/Investment												
24. Technology Infrastructure	-	(0.0)	-	-	-	-	-	-	-	-	-	(0.0)
25. Capital Expenditures	-	(0.4)	(5.0)	(5.3)	(5.0)	-	-	-	-	-	-	(15.7)
26. Other Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
27. Reorganization Costs	-	-	-	-	-	-	-	-	-	-	-	-
28. Total Reorganization/Investment	-	(0.4)	(5.0)	(5.3)	(5.0)	-	-	-	-	-	-	(15.7)
29. Total Surplus (Deficit)	\$ -	\$ (1.0)	\$ (5.4)	\$ (5.7)	\$ (5.4)	\$ (0.4)	\$ (0.4)	\$ (0.4)	\$ (0.4)	\$ (0.4)	\$ (0.4)	\$ (19.4)
30. Incremental Headcount (FTE)	-	1	1	1	1	1	1	1	1	1	1	1

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Enterprise Agencies

Airport

(\$ in millions)

	10-Year Total	Assumptions / Comments
Revenue		
1. Collections	\$ -	
2. a. Increased Collection Rate	-	
3. b. Collection of Past Due	-	
4. Pricing/Fees	-	
5. Pricing / Fees	-	
6. Other	-	
7. Total Revenue	-	
Expenditures		
8. Permanent Labor	(1.6)	Addition of 1 position required to be in compliance with FAA and MDOT standards in addition and adjustments to reflect recent compensation changes
9. Professional & Contract Services	-	
10. Labor Costs / Service Contracts	(1.6)	
11. Active Benefits	(0.7)	Benefits at 45.0% of Permanent Labor
12. Training	(0.0)	Training cost for all department employees - \$2.0k per employee through FY '16, \$1.5k thereafter to establish a continuous training program
13. Materials and Supplies	-	
14. Utilities	-	
15. Purchased services	(1.2)	Assume additional cost for Airport security (\$0.1MM per year) and Master Plan Study (\$0.3MM in FY '15)
16. Risk management/insurance	-	
17. Risk management / insurance	-	
18. Transfers In/Out (General Fund)	-	
19. Transfers In / Out (General Fund)	-	
20. Maintenance	-	
21. All Other	(0.2)	Assume \$25.0K per year for maintenance
22. Total Operating Expenditures	(3.7)	
23. Total Operating Surplus (Deficit)	(3.7)	
Reorganization/Investment		
24. Technology Infrastructure	(0.0)	
25. Capital Expenditures	(15.7)	Executive bay upgrades (\$7.5MM), terminal upgrades (\$2.0MM), new jetway (\$2.0MM) and other capex required for airport operating certificate and master study.
26. Other Infrastructure	-	
27. Reorganization Costs	-	
28. Total Reorganization/Investment	(15.7)	
29. Total Surplus (Deficit)	\$ (19.4)	
30. Incremental Headcount (FTE)	1	

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Enterprise Agencies

Building Safety Engineering Environmental Department (BSEED) - General Fund

(\$ in millions)

	For the Fiscal Year Ended										10-Year Total	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
Revenues												
1. Collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. a. Increased Collection Rate	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	1.7
3. b. Collection of Past Due	-	-	-	-	-	-	-	-	-	-	-	-
4. Pricing / Fees	-	-	-	-	-	-	-	-	-	-	-	-
5. Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-
6. Other	-	-	-	-	-	-	-	-	-	-	-	-
7. Total Revenues	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	1.7
Expenditures												
8. Permanent Labor	(0.0)	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3
9. Professional & Contract Services	-	-	-	-	-	-	-	-	-	-	-	-
10. Labor Costs / Service Contracts	(0.0)	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3
11. Active Benefits	(0.0)	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
12. Training	-	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)
13. Materials and Supplies	-	-	-	-	-	-	-	-	-	-	-	-
14. Utilities	-	-	-	-	-	-	-	-	-	-	-	-
15. Purchased services	-	-	-	-	-	-	-	-	-	-	-	-
16. Risk management / insurance	-	-	-	-	-	-	-	-	-	-	-	-
17. Contributions to non EP funds	-	-	-	-	-	-	-	-	-	-	-	-
18. Transfers In / Out (General Fund)	0.4	(4.4)	(0.5)	2.3	2.7	3.5	3.5	3.1	3.6	3.6	3.6	17.7
19. Grant related expenses	-	-	-	-	-	-	-	-	-	-	-	-
20. Maintenance	-	-	-	-	-	-	-	-	-	-	-	-
21. All Other	-	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.5
22. Total Operating Expenditures	0.4	(4.3)	(0.4)	2.3	2.7	3.6	3.6	3.2	3.7	3.7	3.7	18.4
23. Total Operating Surplus (Deficit)	0.5	(4.2)	(0.3)	2.5	2.9	3.7	3.8	3.3	3.8	3.8	3.8	20.0
Reorganization / Investment												
24. Technology Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
25. Capital Expenditures	-	(0.4)	-	-	-	-	-	-	-	-	-	(0.4)
26. Other Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
27. Reorganization Costs	-	-	-	-	-	-	-	-	-	-	-	-
28. Total Reorganization / Investment	-	(0.4)	-	-	-	-	-	-	-	-	-	(0.4)
29. Total Surplus (Deficit)	\$ 0.5	\$ (4.5)	\$ (0.3)	\$ 2.5	\$ 2.9	\$ 3.7	\$ 3.8	\$ 3.3	\$ 3.8	\$ 3.8	\$ 3.8	\$ 19.7
30. Incremental Headcount (FTE)	2	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Enterprise Agencies

Building Safety Engineering Environmental Department (BSEED) - General Fund

(\$ in millions)

	10-Year Total	Assumptions / Comments
Revenues		
1. Collections	\$ -	
2. a. Increased Collection Rate	1.7	Increase to collection rate due to change in collections process and higher staffing levels
3. b. Collection of Past Due	-	
4. Pricing / Fees	-	
5. Grant Revenue	-	
6. Other	-	
7. Total Revenues	<u>1.7</u>	
Expenditures		
8. Permanent Labor	0.3	Increase due to additional business investigator
9. Professional & Contract Services	-	
10. Labor Costs / Service Contracts	<u>0.3</u>	
11. Active Benefits	0.1	Benefits at 45.0% of Permanent Labor costs
12. Training	(0.1)	
13. Materials and Supplies	-	
14. Utilities	-	
15. Purchased services	-	
16. Risk management / insurance	-	
17. Contributions to non EP funds	-	
18. Transfers In / Out (General Fund)	17.7	Pay-back of BSEED General Fund loan
19. Grant related expenses	-	
20. Maintenance	-	
21. All Other	0.5	Savings on rent through facility consolidation
22. Total Operating Expenditures	<u>18.4</u>	
23. Total Operating Surplus (Deficit)	<u>20.0</u>	
Reorganization / Investment		
24. Technology Infrastructure	-	
25. Capital Expenditures	(0.4)	Costs related to facility build-out to consolidate facilities and improve efficiencies
26. Other Infrastructure	-	
27. Reorganization Costs	-	
28. Total Reorganization / Investment	<u>(0.4)</u>	
29. Total Surplus (Deficit)	<u>\$ 19.7</u>	
30. Incremental Headcount (FTE)	(1)	

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Enterprise Agencies

Detroit Department of Transportation (DDOT)

(\$ in millions)

	For the Fiscal Year Ended										10-Year Total	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
Revenues												
1. Collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. a. Increased Collection Rate	-	-	-	-	-	-	-	-	-	-	-	-
3. b. Collection of Past Due	-	-	-	-	-	-	-	-	-	-	-	-
4. Pricing / Fees	0.4	1.5	5.7	7.1	11.7	13.4	17.5	17.1	21.2	22.0	117.6	
5. Grant Revenue	(2.0)	(7.0)	(7.0)	(7.0)	(7.0)	(7.0)	(7.0)	(7.0)	(7.0)	(7.0)	(65.0)	
6. Other	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.1)	(0.1)	(0.1)	-	(1.2)	
7. Total Revenues	(1.7)	(5.7)	(1.5)	(0.1)	4.6	6.3	10.4	10.0	14.1	15.0	51.4	
Expenditures												
8. Permanent Labor	(0.1)	(0.9)	3.6	2.4	2.0	2.0	2.1	2.0	1.8	1.6	16.6	
9. Professional & Contract Services	(0.3)	(0.4)	(0.4)	(0.5)	(0.6)	(0.6)	(0.7)	(0.7)	(0.7)	(0.8)	(5.8)	
10. Labor Costs / Service Contracts	(0.5)	(1.2)	3.2	1.9	1.5	1.4	1.4	1.3	1.1	0.8	10.8	
11. Active Benefits	(0.1)	(0.7)	(0.9)	(1.6)	(1.8)	(1.9)	(1.9)	(2.0)	(2.2)	(2.4)	(15.6)	
12. Training	-	(0.5)	(0.5)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(5.1)	
13. Materials and Supplies	(0.4)	(0.9)	(1.9)	(3.0)	(4.0)	(4.5)	(5.0)	(5.4)	(5.9)	(6.4)	(37.4)	
14. Utilities	-	-	-	-	-	-	-	-	-	-	-	
15. Purchased services	(0.0)	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)	(0.2)	(1.0)	
16. Risk management / insurance	-	-	1.0	1.0	1.5	1.5	2.0	2.0	2.5	2.5	14.0	
17. Contributions to non EP funds	-	-	-	-	-	-	-	-	-	-	-	
18. Transfers In / Out (General Fund)	-	-	-	-	-	-	-	-	-	-	-	
19. Grant related expenses	-	-	-	-	-	-	-	-	-	-	-	
20. Maintenance	-	-	-	-	-	-	-	-	-	-	-	
21. All Other	(0.0)	(0.0)	(0.1)	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)	(0.3)	(0.3)	(1.7)	
22. Total Operating Expenditures	(0.9)	(3.5)	0.7	(2.4)	(3.3)	(4.4)	(4.4)	(5.1)	(5.6)	(6.6)	(36.1)	
23. Total Operating Surplus (Deficit)	(2.6)	(9.2)	(0.8)	(2.5)	0.8	1.9	6.0	4.9	8.5	8.5	15.4	
Reorganization / Investment												
24. Technology Infrastructure	-	-	-	-	-	-	-	-	-	-	-	
25. Capital Expenditures	-	(1.6)	(2.0)	(2.3)	(2.5)	(1.0)	(1.0)	-	-	-	(10.3)	
26. Other Infrastructure	-	-	-	-	-	-	-	-	-	-	-	
27. Reorganization Costs	-	-	-	-	-	-	-	-	-	-	-	
28. Total Reorganization / Investment	-	(1.6)	(2.0)	(2.3)	(2.5)	(1.0)	(1.0)	-	-	-	(10.3)	
29. Total Surplus (Deficit)	\$ (2.6)	\$ (10.8)	\$ (2.8)	\$ (4.8)	\$ (1.7)	\$ 0.9	\$ 5.1	\$ 4.9	\$ 8.5	\$ 8.5	\$ 5.1	
30. Incremental Headcount (FTE)	-	-	50	113	131	133	134	138	149	163	163	

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Enterprise Agencies

Detroit Department of Transportation (DDOT)

(\$ in millions)

	10-Year Total	Assumptions / Comments
Revenues		
1. Collections	\$ -	
2. a. Increased Collection Rate	-	
3. b. Collection of Past Due	-	
4. Pricing / Fees	117.6	Increase in service miles / routes plus increase in fares
5. Grant Revenue	(65.0)	Assumed redistribution of SEMCOG grant money to SMART and RTA
6. Other	(1.2)	Loss of advertising revenue
7. Total Revenues	<u>51.4</u>	
Expenditures		
8. Permanent Labor	16.6	Reduction in OT (\$50.7MM) offset by headcount increase resulting from increased service (\$15.5MM) and establishment of security force (\$18.6MM)
9. Professional & Contract Services	(5.8)	Operational consultant to achieve revenue, cost, and service improvements
10. Labor Costs / Service Contracts	<u>10.9</u>	
11. Active Benefits	(15.6)	Benefits at 61.5% of permanent labor costs; 40.0% for transit police force
12. Training	(5.1)	Training cost for all DDOT employees
13. Materials and Supplies	(37.4)	Additional cost based on increased miles served. Each mile driven costs \$1.52 per mile for gas, maintenance parts, supplies, etc.
14. Utilities	-	
15. Purchased services	(1.0)	Additional cost based on increased miles served
16. Risk management / insurance	14.0	Reduction of worker's comp cases as a result of improved risk management process and other efficiencies
17. Contributions to non EP funds	-	
18. Transfers In / Out (General Fund)	-	
19. Grant related expenses	-	
20. Maintenance	-	
21. All Other	(1.7)	Additional cost based on increased miles served
22. Total Operating Expenditures	<u>(36.1)</u>	
23. Total Operating Surplus (Deficit)	<u>15.4</u>	
Reorganization / Investment		
24. Technology Infrastructure	-	
25. Capital Expenditures	(10.3)	Non-grant funded facility improvements (\$8.0MM), bus overhauls (\$2.0MM) and new transit police force equipment (\$.4MM)
26. Other Infrastructure	-	
27. Reorganization Costs	-	
28. Total Reorganization / Investment	<u>(10.3)</u>	
29. Total Surplus (Deficit)	<u>\$ 5.1</u>	
30. Incremental Headcount (FTE)	163	

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Enterprise Agencies

Municipal Parking Department (Parking) - General Fund - PVB

(\$ in millions)

	For the Fiscal Year Ended										10-Year Total	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
Revenues												
1. Collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. a. Increased Collection Rate	-	-	-	-	-	-	-	-	-	-	-	-
3. b. Collection of Past Due	-	-	-	-	-	-	-	-	-	-	-	-
4. Pricing / Fees	-	5.6	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	60.3
5. Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-
6. Other	-	-	-	-	-	-	-	-	-	-	-	-
7. Total Revenues	-	5.6	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	60.3
Expenditures												
8. Permanent Labor	(0.0)	(0.2)	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.2
9. Professional & Contract Services	(0.1)	(0.1)	-	-	-	-	-	-	-	-	-	(0.2)
10. Labor Costs / Service Contracts	(0.1)	(0.3)	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.0
11. Active Benefits	(0.0)	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
12. Training	-	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.7)
13. Materials and Supplies	-	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.4)
14. Utilities	-	-	-	-	-	-	-	-	-	-	-	-
15. Purchased services	-	-	-	-	-	-	-	-	-	-	-	-
16. Risk management / insurance	-	-	-	-	-	-	-	-	-	-	-	-
17. Contributions to non EP funds	-	-	-	-	-	-	-	-	-	-	-	-
18. Transfers In / Out (General Fund)	-	-	-	-	-	-	-	-	-	-	-	-
19. Grant related expenses	-	-	-	-	-	-	-	-	-	-	-	-
20. Maintenance	-	-	-	-	-	-	-	-	-	-	-	-
21. All Other	-	-	-	-	-	-	-	-	-	-	-	-
22. Total Operating Expenditures	(0.1)	(0.4)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(1.0)
23. Total Operating Surplus (Deficit)	(0.1)	5.2	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	59.3
Reorganization / Investment												
24. Technology Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
25. Capital Expenditures	-	(0.7)	(0.1)	(0.1)	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(2.0)
26. Other Infrastructure (Fleet)	-	(0.4)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(1.4)
27. Reorganization Costs	-	-	-	-	-	-	-	-	-	-	-	-
28. Total Reorganization / Investment	-	(1.1)	(0.2)	(0.2)	(0.2)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(3.4)
29. Total Surplus (Deficit)	\$ (0.1)	\$ 4.1	\$ 6.6	\$ 6.6	\$ 6.6	\$ 6.5	\$ 6.5	\$ 6.5	\$ 6.5	\$ 6.5	\$ 6.4	\$ 55.9
30. Incremental Headcount (FTE)	1	7	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Enterprise Agencies

Municipal Parking Department (Parking) - General Fund - PVB

(\$ in millions)

	10-Year Total	Assumptions / Comments
Revenues		
1. Collections	\$ -	
2. a. Increased Collection Rate	-	
3. b. Collection of Past Due	-	
4. Pricing / Fees	60.3	Primarily related to parking violation fee increases and added parking enforcement officers to generate additional ticket volume
5. Grant Revenue	-	
6. Other	-	
7. Total Revenues	60.3	
Expenditures		
8. Permanent Labor	0.2	Elimination of non-productive heads offset partially by additional parking enforcement officers
9. Professional & Contract Services	(0.2)	Parking expert to assist with strategic alternatives and master plan
10. Labor Costs / Service Contracts	0.0	
11. Active Benefits	0.1	Benefits at 45.0% of Permanent Labor costs
12. Training	(0.7)	Training cost for all department employees - \$2.0k per employee through FY '16, \$1.5k thereafter to establish a continuous training program
13. Materials and Supplies	(0.4)	Primarily a result of additional parking enforcement officers in vehicles issuing tickets (reference Restructuring Actions)
14. Utilities	-	
15. Purchased services	-	
16. Risk management / insurance	-	
17. Contributions to non EP funds	-	
18. Transfers In / Out (General Fund)	-	
19. Grant related expenses	-	
20. Maintenance	-	
21. All Other	-	
22. Total Operating Expenditures	(1.0)	
23. Total Operating Surplus (Deficit)	59.3	
Reorganization / Investment		
24. Technology Infrastructure	-	
25. Capital Expenditures	(2.0)	Primarily upgrades to Caniff Impound Lot
26. Other Infrastructure (Fleet)	(1.4)	Fleet replacement primarily for parking enforcement officers
27. Reorganization Costs	-	
28. Total Reorganization / Investment	(3.4)	
29. Total Surplus (Deficit)	\$ 55.9	
30. Incremental Headcount (FTE)	(6)	

City of Detroit
Ten-Year Plan of Adjustment
Other - Detail

City of Detroit

Ten-Year Plan of Adjustment
 Restructuring and Reinvestment Initiatives - Other
 Blight / Demolition
 (\$ in millions)

	For the Fiscal Year Ended										10-Year Total	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
Revenues												
1. Collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. a. Increased Collection Rate	-	-	-	-	-	-	-	-	-	-	-	-
3. b. Collection of Past Due	-	-	-	-	-	-	-	-	-	-	-	-
4. Pricing / Fees	-	-	-	-	-	-	-	-	-	-	-	-
5. Grant Revenue	3.0	40.3	9.0	-	-	-	-	-	-	-	-	52.3
6. Other	-	20.0	-	-	-	-	-	-	-	-	-	20.0
7. Total Revenues	3.0	60.3	9.0	-	-	-	-	-	-	-	-	72.3
Expenditures												
8. Permanent Labor	-	-	-	-	-	-	-	-	-	-	-	-
9. Professional & Contract Services	-	-	-	-	-	-	-	-	-	-	-	-
10. Labor Costs / Service Contracts	-	-	-	-	-	-	-	-	-	-	-	-
11. Active Benefits	-	-	-	-	-	-	-	-	-	-	-	-
12. Training	-	-	-	-	-	-	-	-	-	-	-	-
13. Materials and Supplies	-	-	-	-	-	-	-	-	-	-	-	-
14. Utilities	-	-	-	-	-	-	-	-	-	-	-	-
15. Purchased services	(2.0)	(100.0)	(46.0)	(40.0)	(43.0)	(48.0)	(52.0)	(45.0)	(25.0)	(19.0)	(420.0)	
16. Risk management / insurance	-	-	-	-	-	-	-	-	-	-	-	-
17. Contributions to non EP funds	-	-	-	-	-	-	-	-	-	-	-	-
18. Transfers In / Out (General Fund)	-	-	-	-	-	-	-	-	-	-	-	-
19. Grant related expenses	(1.2)	(15.6)	(3.5)	-	-	-	-	-	-	-	-	(20.3)
20. Maintenance	-	-	-	-	-	-	-	-	-	-	-	-
21. All Other	-	-	-	-	-	-	-	-	-	-	-	-
22. Total Operating Expenditures	(3.2)	(115.6)	(49.5)	(40.0)	(43.0)	(48.0)	(52.0)	(45.0)	(25.0)	(19.0)	(440.3)	
23. Total Operating Surplus (Deficit)	(0.2)	(55.3)	(40.5)	(40.0)	(43.0)	(48.0)	(52.0)	(45.0)	(25.0)	(19.0)	(367.9)	
Reorganization / Investment												
24. Technology Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
25. Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
26. Other Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
27. Reorganization Costs	-	-	-	-	-	-	-	-	-	-	-	-
28. Total Reorganization / Investment	-	-	-	-	-	-	-	-	-	-	-	
29. Total Surplus (Deficit)	\$ (0.2)	\$ (55.3)	\$ (40.5)	\$ (40.0)	\$ (43.0)	\$ (48.0)	\$ (52.0)	\$ (45.0)	\$ (25.0)	\$ (19.0)	\$ (367.9)	
30. Incremental Headcount (FTE)	-	-	-	-	-	-	-	-	-	-	-	

City of Detroit

Ten-Year Plan of Adjustment
 Restructuring and Reinvestment Initiatives - Other
 Blight / Demolition
 (\$ in millions)

	10-Year Total	Assumptions / Comments
Revenues		
1. Collections	\$ -	
2. a. Increased Collection Rate	-	
3. b. Collection of Past Due	-	
4. Pricing / Fees	-	
5. Grant Revenue	52.3	Committed funding from Hardest Hit fund
6. Other	20.0	Current Fire escrow account balance
7. Total Revenues	<u>72.3</u>	
Expenditures		
8. Permanent Labor	-	
9. Professional & Contract Services	-	
10. Labor Costs / Service Contracts	-	
11. Active Benefits	-	
12. Training	-	
13. Materials and Supplies	-	
14. Utilities	-	
15. Purchased services	(420.0)	Estimated costs for residential blight removal efforts
16. Risk management / insurance	-	
17. Contributions to non EP funds	-	
18. Transfers In / Out (General Fund)	-	
19. Grant related expenses	(20.3)	Additional cost of demolition related to the committed funding from Hardest Hit fund
20. Maintenance	-	
21. All Other	-	
22. Total Operating Expenditures	<u>(440.3)</u>	
23. Total Operating Surplus (Deficit)	<u>(367.9)</u>	
Reorganization / Investment		
24. Technology Infrastructure	-	
25. Capital Expenditures	-	
26. Other Infrastructure	-	
27. Reorganization Costs	-	
28. Total Reorganization / Investment	<u>-</u>	
29. Total Surplus (Deficit)	<u>\$ (367.9)</u>	
30. Incremental Headcount (FTE)	-	

Exhibit 6

City of Detroit
Ten-Year Plan of Adjustment
Restructuring and Reinvestment Initiatives - Finance Department Detail

Limitations:

The following package represents a summary of our findings and should not be used for any purpose other than that for which it has been designated.

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Our work did not constitute an audit conducted in accordance with generally accepted auditing standards, an examination of internal controls or other attestation or review services in accordance with standards established by the American Institute of Certified Public Accountants. Accordingly, we do not express an opinion or any other form of assurance on the financial statements of the Company or any financial or other information or the Company's internal control.

This package also includes certain estimates and projections that are inherently subject to significant economic, competitive and other uncertainties and contingencies. No representation, express or implied, is made as to the accuracy or completeness of such estimates or projections or of the Company's ability to achieve such projections. Because events and circumstances frequently do not occur as expected, actual results may vary materially from the estimates and projections.

By accepting this package, the recipient shall be deemed to have acknowledged and agreed to the terms of these limitations.

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City of Detroit
Ten-Year Plan of Adjustment
Restructuring and Reinvestment Initiatives - Finance Department Detail

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Executive Agencies

Finance Department - Grants Management

(\$ in millions)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Revenues											
1. Collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. a. Increased Collection Rate	-	-	-	-	-	-	-	-	-	-	-
3. b. Collection of Past Due	-	-	-	-	-	-	-	-	-	-	-
4. Pricing / Fees	-	-	-	-	-	-	-	-	-	-	-
5. Grant Revenue	-	-	0.5	1.0	1.0	1.0	1.1	1.1	1.1	1.1	7.9
6. Other	-	-	-	-	-	-	-	-	-	-	-
7. Total Revenues	-	-	0.5	1.0	1.0	1.0	1.1	1.1	1.1	1.1	7.9
Expenditures											
8. Permanent Labor	-	(1.0)	(1.2)	(1.2)	(1.3)	(1.3)	(1.3)	(1.3)	(1.4)	(1.4)	(11.4)
9. Professional & Contract Services	-	-	-	-	-	-	-	-	-	-	-
10. Labor Costs / Service Contracts	-	(1.0)	(1.2)	(1.2)	(1.3)	(1.3)	(1.3)	(1.3)	(1.4)	(1.4)	(11.4)
11. Active Benefits	-	(0.4)	(0.5)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(5.1)
12. Training	-	(0.0)	(0.1)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.4)
13. Materials and Supplies	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.2)
14. Utilities	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.2)
15. Purchased services	-	-	-	-	-	-	-	-	-	-	-
16. Risk management / insurance	-	-	-	-	-	-	-	-	-	-	-
17. Contributions to non EP funds	-	-	-	-	-	-	-	-	-	-	-
18. Transfers In / Out (General Fund)	-	-	-	-	-	-	-	-	-	-	-
19. Grant related expenses	-	-	-	-	-	-	-	-	-	-	-
20. Maintenance	-	-	-	-	-	-	-	-	-	-	-
21. All Other	(0.1)	-	-	-	-	-	-	-	-	-	(0.1)
22. Total Operating Expenditures	(0.2)	(1.5)	(1.8)	(1.9)	(1.9)	(1.9)	(2.0)	(2.0)	(2.1)	(2.1)	(17.4)
23. Total Operating Surplus (Deficit)	(0.2)	(1.5)	(1.3)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(1.0)	(1.0)	(9.5)
Reorganization / Investment											
24. Technology Infrastructure	(0.2)	(0.2)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.5)
25. Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-
26. Other Infrastructure	-	-	-	-	-	-	-	-	-	-	-
27. Reorganization Costs	(0.3)	(1.0)	-	-	-	-	-	-	-	-	(1.3)
28. Total Reorganization / Investment	(0.5)	(1.2)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(1.7)
29. Total Surplus (Deficit)	\$ (0.6)	\$ (2.7)	\$ (1.4)	\$ (0.9)	\$ (0.9)	\$ (0.9)	\$ (0.9)	\$ (0.9)	\$ (1.0)	\$ (1.0)	\$ (11.2)
30. Incremental Headcount (FTE)	15	36	36	36	27	27	27	27	27	27	27

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Executive Agencies

Finance Department - Grants Management

(\$ in millions)

	10-Year Total	Assumptions / Comments
Revenues		
1. Collections	\$ -	
2. a. Increased Collection Rate	-	
3. b. Collection of Past Due	-	
4. Pricing / Fees	-	
5. Grant Revenue	7.9	Assumes additional grant dollars received for admin costs; \$0.5 MM in FY 16 and \$1 MM beginning in FY 17 adjusted for inflation each year thereafter
6. Other	-	
7. Total Revenues	<u>7.9</u>	
Expenditures		
8. Permanent Labor	(11.4)	Labor costs to establish and manage grants function for the City
9. Professional & Contract Services	-	
10. Labor Costs / Service Contracts	<u>(11.4)</u>	
11. Active Benefits	(5.1)	Benefits at 45% of Permanent Labor costs
12. Training	(0.4)	Training cost for all Grants Management employees - \$2.0k per employee through FY '16, \$1.5k thereafter to establish a continuous training program
13. Materials and Supplies	(0.2)	Assumed \$20K per year
14. Utilities	(0.2)	Assumed \$20K per year
15. Purchased services	-	
16. Risk management / insurance	-	
17. Contributions to non EP funds	-	
18. Transfers In / Out (General Fund)	-	
19. Grant related expenses	-	
20. Maintenance	-	
21. All Other	(0.1)	Headhunter costs for national search for Grant related personnel.
22. Total Operating Expenditures	<u>(17.4)</u>	
23. Total Operating Surplus (Deficit)	<u>(9.5)</u>	
Reorganization / Investment		
24. Technology Infrastructure	(0.5)	Grants management assumed to require minor investment in technology (\$0.2 MM in FY 14-15 and \$0.01 MM each year thereafter).
25. Capital Expenditures	-	
26. Other Infrastructure	-	
27. Reorganization Costs	(1.3)	Assumes ramp up of "surge labor resources" to enable establishment of division
28. Total Reorganization / Investment	<u>(1.7)</u>	
29. Total Surplus (Deficit)	<u>\$ (11.2)</u>	
30. Incremental Headcount (FTE)	27	

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Executive Agencies

Finance Department - Treasury

(\$ in millions)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Revenues											
1. Collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. a. Increased Collection Rate	0.2	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	16.9
3. b. Collection of Past Due	-	-	-	-	-	-	-	-	-	-	-
4. Pricing / Fees	-	-	-	-	-	-	-	-	-	-	-
5. Grant Revenue	-	-	-	-	-	-	-	-	-	-	-
6. Other	-	-	-	-	-	-	-	-	-	-	-
7. Total Revenues	0.2	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	16.9
Expenditures											
8. Permanent Labor	(0.3)	(1.4)	(1.6)	(1.3)	(1.4)	(1.4)	(1.4)	(1.5)	(1.5)	(1.5)	(13.3)
9. Professional & Contract Services	(0.1)	(0.1)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.4
10. Labor Costs / Service Contracts	(0.4)	(1.4)	(1.5)	(1.3)	(1.3)	(1.3)	(1.4)	(1.4)	(1.4)	(1.5)	(12.9)
11. Active Benefits	(0.1)	(0.6)	(0.7)	(0.6)	(0.6)	(0.6)	(0.6)	(0.7)	(0.7)	(0.7)	(6.0)
12. Training	-	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.8)
13. Materials and Supplies	-	-	-	-	-	-	-	-	-	-	-
14. Utilities	-	-	-	-	-	-	-	-	-	-	-
15. Purchased services	-	-	-	-	-	-	-	-	-	-	-
16. Risk management / insurance	-	-	-	-	-	-	-	-	-	-	-
17. Contributions to non EP funds	-	-	-	-	-	-	-	-	-	-	-
18. Transfers In / Out (General Fund)	-	-	-	-	-	-	-	-	-	-	-
19. Grant related expenses	-	-	-	-	-	-	-	-	-	-	-
20. Maintenance	-	-	-	-	-	-	-	-	-	-	-
21. All Other	-	-	-	-	-	-	-	-	-	-	-
22. Total Operating Expenditures	(0.5)	(2.1)	(2.3)	(2.0)	(2.0)	(2.1)	(2.1)	(2.2)	(2.2)	(2.2)	(19.7)
23. Total Operating Surplus (Deficit)	(0.3)	(0.2)	(0.5)	(0.1)	(0.2)	(0.2)	(0.3)	(0.3)	(0.3)	(0.4)	(2.8)
Reorganization / Investment											
24. Technology Infrastructure	(0.2)	(2.3)	(0.0)	-	-	-	-	-	-	-	(2.5)
25. Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-
26. Other Infrastructure	-	-	-	-	-	-	-	-	-	-	-
27. Reorganization Costs	(0.6)	(1.0)	(0.9)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(2.9)
28. Total Reorganization / Investment	(0.8)	(3.3)	(0.9)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(5.4)
29. Total Surplus (Deficit)	\$ (1.1)	\$ (3.6)	\$ (1.4)	\$ (0.2)	\$ (0.2)	\$ (0.3)	\$ (0.3)	\$ (0.3)	\$ (0.4)	\$ (0.4)	\$ (8.2)
30. Incremental Headcount (FTE)	12	30	31	25	25	25	25	25	25	25	25

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Executive Agencies

Finance Department - Treasury

(\$ in millions)

	10-Year Total	Assumptions / Comments
Revenues		
1. Collections	\$ -	
2. a. Increased Collection Rate	16.9	\$500k incremental revenue for 3 Field Collectors beginning in FY '15, incremental \$3.4 million collections total from third party collection agency
3. b. Collection of Past Due	-	
4. Pricing / Fees	-	
5. Grant Revenue	-	
6. Other	-	
7. Total Revenues	<u>16.9</u>	
Expenditures		
8. Permanent Labor	(13.3)	Represents a net increase of 25 FTEs primarily related to positions necessary to improve the Treasury operations
9. Professional & Contract Services	0.4	Cost of third-party collection agency
10. Labor Costs / Service Contracts	<u>(12.9)</u>	
11. Active Benefits	(6.0)	Benefits at 45% of Permanent Labor costs
12. Training	(0.8)	Training cost for all Treasury employees - \$2.0k per employee through FY '16, \$1.5k thereafter to establish a continuous training program
13. Materials and Supplies	-	
14. Utilities	-	
15. Purchased services	-	
16. Risk management / insurance	-	
17. Contributions to non EP funds	-	
18. Transfers In / Out (General Fund)	-	
19. Grant related expenses	-	
20. Maintenance	-	
21. All Other	-	
22. Total Operating Expenditures	<u>(19.7)</u>	
23. Total Operating Surplus (Deficit)	<u>(2.8)</u>	
Reorganization / Investment		
24. Technology Infrastructure	(2.5)	Website, document management/workflow, call center, DRMS or ERP system integration investment
25. Capital Expenditures	-	
26. Other Infrastructure	-	
27. Reorganization Costs	(2.9)	Treasury function improvement implementation
28. Total Reorganization / Investment	<u>(5.4)</u>	
29. Total Surplus (Deficit)	<u>\$ (8.2)</u>	
30. Incremental Headcount (FTE)	25	

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Executive Agencies

Finance Department - Assessors Office

(\$ in millions)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Revenues											
1. Collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. a. Increased Collection Rate	-	-	-	-	-	-	-	-	-	-	-
3. b. Collection of Past Due	-	-	-	-	-	-	-	-	-	-	-
4. Pricing / Fees	-	-	-	-	-	-	-	-	-	-	-
5. Grant Revenue	-	-	-	-	-	-	-	-	-	-	-
6. Other	-	-	-	-	-	-	-	-	-	-	-
7. Total Revenues	-	-	-	-	-	-	-	-	-	-	-
Expenditures											
8. Permanent Labor	-	(0.2)	(0.3)	(0.3)	(0.3)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(3.1)
9. Professional & Contract Services	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(1.7)
10. Labor Costs / Service Contracts	(0.1)	(0.4)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.6)	(0.6)	(0.6)	(4.8)
11. Active Benefits	-	(0.1)	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(1.4)
12. Training	-	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.6)
13. Materials and Supplies	-	-	-	-	-	-	-	-	-	-	-
14. Utilities	-	-	-	-	-	-	-	-	-	-	-
15. Purchased services	-	-	-	-	-	-	-	-	-	-	-
16. Risk management / insurance	-	-	-	-	-	-	-	-	-	-	-
17. Contributions to non EP funds	-	-	-	-	-	-	-	-	-	-	-
18. Transfers In / Out (General Fund)	-	-	-	-	-	-	-	-	-	-	-
19. Grant related expenses	-	-	-	-	-	-	-	-	-	-	-
20. Maintenance	-	-	-	-	-	-	-	-	-	-	-
21. All Other	-	-	-	-	-	-	-	-	-	-	-
22. Total Operating Expenditures	(0.1)	(0.6)	(0.7)	(0.7)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(6.9)
23. Total Operating Surplus (Deficit)	(0.1)	(0.6)	(0.7)	(0.7)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(6.9)
Reorganization / Investment											
24. Technology Infrastructure	(0.1)	(0.2)	-	-	-	-	-	-	-	-	(0.3)
25. Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-
26. Other Infrastructure	-	-	-	-	-	-	-	-	-	-	-
27. Reorganization Costs	(1.5)	(5.8)	(2.8)	(0.5)	(0.8)	(0.6)	(1.4)	(0.6)	(0.9)	(0.6)	(15.5)
28. Total Reorganization / Investment	(1.6)	(6.1)	(2.8)	(0.5)	(0.8)	(0.6)	(1.4)	(0.6)	(0.9)	(0.6)	(15.8)
29. Total Surplus (Deficit)	\$ (1.7)	\$ (6.6)	\$ (3.5)	\$ (1.2)	\$ (1.6)	\$ (1.4)	\$ (2.1)	\$ (1.4)	\$ (1.7)	\$ (1.4)	\$ (22.6)
30. Incremental Headcount (FTE)	-	6	6	6	6	6	6	6	6	6	6

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Executive Agencies

Finance Department - Assessors Office

(\$ in millions)

	10-Year Total	Assumptions / Comments
Revenues		
1. Collections	\$ -	
2. a. Increased Collection Rate	-	
3. b. Collection of Past Due	-	
4. Pricing / Fees	-	
5. Grant Revenue	-	
6. Other	-	
7. Total Revenues	<u>-</u>	
Expenditures		
8. Permanent Labor	(3.1)	Represents 6 FTEs including 4 Appraisers, 1 Business System Support Analyst and 1 Appraisal Tech
9. Professional & Contract Services	(1.7)	Level IV Assessor
10. Labor Costs / Service Contracts	<u>(4.8)</u>	
11. Active Benefits	(1.4)	Benefits at 45% of Permanent Labor costs
12. Training	(0.6)	Training cost for all Assessor's Office employees - \$2.0k per employee through FY '16, \$1.5k thereafter to establish a continuous training program
13. Materials and Supplies	-	
14. Utilities	-	
15. Purchased services	-	
16. Risk management / insurance	-	
17. Contributions to non EP funds	-	
18. Transfers In / Out (General Fund)	-	
19. Grant related expenses	-	
20. Maintenance	-	
21. All Other	-	
22. Total Operating Expenditures	<u>(6.9)</u>	
23. Total Operating Surplus (Deficit)	<u>(6.9)</u>	
Reorganization / Investment		
24. Technology Infrastructure	(0.3)	Document management and work flow
25. Capital Expenditures	-	
26. Other Infrastructure	-	
27. Reorganization Costs	(15.5)	Third party cost to reassess and revalue all properties within Detroit
28. Total Reorganization / Investment	<u>(15.8)</u>	
29. Total Surplus (Deficit)	<u>\$ (22.6)</u>	
30. Incremental Headcount (FTE)	6	

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Executive Agencies

Finance Department - ITS

(\$ in millions)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Revenues											
1. Collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. a. Increased Collection Rate	-	-	-	-	-	-	-	-	-	-	-
3. b. Collection of Past Due	-	-	-	-	-	-	-	-	-	-	-
4. Pricing / Fees	-	-	-	-	-	-	-	-	-	-	-
5. Grant Revenue	-	-	-	-	-	-	-	-	-	-	-
6. Other	-	-	-	-	-	-	-	-	-	-	-
7. Total Revenues	-	-	-	-	-	-	-	-	-	-	-
Expenditures											
8. Permanent Labor	(0.1)	(0.8)	(1.1)	(1.1)	(1.1)	(1.2)	(1.2)	(1.2)	(1.2)	(1.3)	(10.3)
9. Professional & Contract Services	-	-	-	-	-	-	-	-	-	-	-
10. Labor Costs / Service Contracts	(0.1)	(0.8)	(1.1)	(1.1)	(1.1)	(1.2)	(1.2)	(1.2)	(1.2)	(1.3)	(10.3)
11. Active Benefits	(0.0)	(0.4)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.6)	(0.6)	(4.6)
12. Training	-	(0.1)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(1.3)
13. Materials and Supplies	-	-	-	-	-	-	-	-	-	-	-
14. Utilities	-	-	-	-	-	-	-	-	-	-	-
15. Purchased services	-	-	-	-	-	-	-	-	-	-	-
16. Risk management / insurance	-	-	-	-	-	-	-	-	-	-	-
17. Contributions to non EP funds	-	-	-	-	-	-	-	-	-	-	-
18. Transfers In / Out (General Fund)	-	-	-	-	-	-	-	-	-	-	-
19. Grant related expenses	-	-	-	-	-	-	-	-	-	-	-
20. Maintenance	-	-	-	-	-	-	-	-	-	-	-
21. All Other	-	-	-	-	-	-	-	-	-	-	-
22. Total Operating Expenditures	(0.1)	(1.3)	(1.8)	(1.8)	(1.8)	(1.8)	(1.9)	(1.9)	(1.9)	(2.0)	(16.3)
23. Total Operating Surplus (Deficit)	(0.1)	(1.3)	(1.8)	(1.8)	(1.8)	(1.8)	(1.9)	(1.9)	(1.9)	(2.0)	(16.3)
Reorganization / Investment											
24. Technology Infrastructure	(1.1)	(19.9)	(19.4)	(15.5)	(6.1)	(3.5)	(6.1)	(4.7)	(4.9)	(3.6)	(84.8)
25. Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-
26. Other Infrastructure	-	-	-	-	-	-	-	-	-	-	-
27. Reorganization Costs	-	-	-	-	-	-	-	-	-	-	-
28. Total Reorganization / Investment	(1.1)	(19.9)	(19.4)	(15.5)	(6.1)	(3.5)	(6.1)	(4.7)	(4.9)	(3.6)	(84.8)
29. Total Surplus (Deficit)	\$ (1.2)	\$ (21.2)	\$ (21.2)	\$ (17.3)	\$ (7.9)	\$ (5.4)	\$ (7.9)	\$ (6.6)	\$ (6.8)	\$ (5.6)	\$ (101.0)
30. Incremental Headcount (FTE)	1	15	15	15	15	15	15	15	15	15	15

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Executive Agencies

Finance Department - ITS

(\$ in millions)

	10-Year Total	Assumptions / Comments
Revenues		
1. Collections	\$ -	
2. a. Increased Collection Rate	-	
3. b. Collection of Past Due	-	
4. Pricing / Fees	-	
5. Grant Revenue	-	
6. Other	-	
7. Total Revenues	-	
Expenditures		
8. Permanent Labor	(10.3)	Represents an increase of 15 FTEs in order to implement ITS related restructuring projects
9. Professional & Contract Services	-	
10. Labor Costs / Service Contracts	(10.3)	
11. Active Benefits	(4.6)	Benefits at 45% of Permanent Labor costs
12. Training	(1.3)	Training cost for all ITS employees - \$2.0k per employee through FY '16, \$1.5k thereafter to establish a continuous training program
13. Materials and Supplies	-	
14. Utilities	-	
15. Purchased services	-	
16. Risk management / insurance	-	
17. Contributions to non EP funds	-	
18. Transfers In / Out (General Fund)	-	
19. Grant related expenses	-	
20. Maintenance	-	
21. All Other	-	
22. Total Operating Expenditures	(16.3)	
23. Total Operating Surplus (Deficit)	(16.3)	
Reorganization / Investment		
24. Technology Infrastructure	(84.8)	Primarily related to City-wide ERP solution (\$29.0M), City-wide hardware/software and OS upgrades (\$25.0 MM), Data Center back-up (\$10.9 MM), City-wide document imaging and management (\$5.4M), City-wide network infrastructure (\$4.9M), City-wide Security System (\$3.8M), upgrade Workbrain software (\$3.7M) and help desk software (\$2.0M)
25. Capital Expenditures	-	
26. Other Infrastructure	-	
27. Reorganization Costs	-	
28. Total Reorganization / Investment	(84.8)	
29. Total Surplus (Deficit)	\$ (101.0)	
30. Incremental Headcount (FTE)	15	

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Executive Agencies

Finance Department - Income Tax

(\$ in millions)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Revenues											
1. Collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. a. Increased Collection Rate	1.0	3.0	3.1	3.3	3.3	3.3	3.3	3.3	3.3	3.3	30.5
3. b. Collection of Past Due	1.5	3.0	3.0	2.5	-	-	-	-	-	-	10.0
4. Pricing / Fees	-	-	-	-	-	-	-	-	-	-	-
5. Grant Revenue	-	-	-	-	-	-	-	-	-	-	-
6. Other	-	-	-	-	-	-	-	-	-	-	-
7. Total Revenues	2.5	6.0	6.1	5.8	3.3	3.3	3.3	3.3	3.3	3.3	40.5
Expenditures											
8. Permanent Labor	-	(0.1)	(0.1)	(0.4)	(0.4)	(0.4)	(0.5)	(0.5)	(0.5)	(0.5)	(3.5)
9. Professional & Contract Services	0.1	0.9	0.9	1.0	1.0	1.0	1.0	1.0	1.0	1.0	9.0
10. Labor Costs / Service Contracts	0.1	0.8	0.8	0.6	0.6	0.6	0.5	0.5	0.5	0.5	5.6
11. Active Benefits	-	(0.1)	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(1.6)
12. Training	-	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.6)
13. Materials and Supplies	-	-	-	-	-	-	-	-	-	-	-
14. Utilities	-	-	-	-	-	-	-	-	-	-	-
15. Purchased services	-	-	-	-	-	-	-	-	-	-	-
16. Risk management / insurance	-	-	-	-	-	-	-	-	-	-	-
17. Contributions to non EP funds	-	-	-	-	-	-	-	-	-	-	-
18. Transfers In / Out (General Fund)	-	-	-	-	-	-	-	-	-	-	-
19. Grant related expenses	-	-	-	-	-	-	-	-	-	-	-
20. Maintenance	-	-	-	-	-	-	-	-	-	-	-
21. All Other	-	-	-	-	-	-	-	-	-	-	-
22. Total Operating Expenditures	0.1	0.7	0.6	0.3	0.3	0.3	0.3	0.3	0.2	0.2	3.4
23. Total Operating Surplus (Deficit)	2.6	6.7	6.7	6.2	3.6	3.6	3.6	3.6	3.6	3.6	43.9
Reorganization / Investment											
24. Technology Infrastructure	(0.1)	(1.7)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(5.2)
25. Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-
26. Other Infrastructure	-	-	-	-	-	-	-	-	-	-	-
27. Reorganization Costs	-	-	-	-	-	-	-	-	-	-	-
28. Total Reorganization / Investment	(0.1)	(1.7)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(5.2)
29. Total Surplus (Deficit)	\$ 2.5	\$ 5.0	\$ 6.3	\$ 5.7	\$ 3.2	\$ 3.2	\$ 3.2	\$ 3.2	\$ 3.2	\$ 3.2	\$ 38.8
30. Incremental Headcount (FTE)	-	2	2	8	8	8	8	8	8	8	8

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Executive Agencies

Finance Department - Income Tax

(\$ in millions)

	10-Year Total	Assumptions / Comments
Revenues		
1. Collections	\$ -	
2. a. Increased Collection Rate	30.5	Primarily related to Non-filer project and other revenue initiatives
3. b. Collection of Past Due	10.0	Collection of past due income tax receivables, net of 3rd party collection fees
4. Pricing / Fees	-	
5. Grant Revenue	-	
6. Other	-	
7. Total Revenues	<u>40.5</u>	
Expenditures		
8. Permanent Labor	(3.5)	Represents a net increase of 8 FTEs primarily related to creating a more robust Compliance/Audit function
9. Professional & Contract Services	9.0	Reduction to income tax contractual services subsequent to implementation of new income tax software system (\$9.2M)
10. Labor Costs / Service Contracts	<u>5.6</u>	
11. Active Benefits	(1.6)	Benefits at 45% of Permanent Labor costs
12. Training	(0.6)	Training cost for all Income Tax employees - \$2.0k per employee through FY '16, \$1.5k thereafter to establish a continuous training program
13. Materials and Supplies	-	
14. Utilities	-	
15. Purchased services	-	
16. Risk management / insurance	-	
17. Contributions to non EP funds	-	
18. Transfers In / Out (General Fund)	-	
19. Grant related expenses	-	
20. Maintenance	-	
21. All Other	-	
22. Total Operating Expenditures	<u>3.4</u>	
23. Total Operating Surplus (Deficit)	<u>43.9</u>	
Reorganization / Investment		
24. Technology Infrastructure	(5.2)	New income tax software system
25. Capital Expenditures	-	
26. Other Infrastructure	-	
27. Reorganization Costs	-	
28. Total Reorganization / Investment	<u>(5.2)</u>	
29. Total Surplus (Deficit)	<u>\$ 38.8</u>	
30. Incremental Headcount (FTE)	8	

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Executive Agencies

Finance Department - Budget

(\$ in millions)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Revenues											
1. Collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. a. Increased Collection Rate	-	-	-	-	-	-	-	-	-	-	-
3. b. Collection of Past Due	-	-	-	-	-	-	-	-	-	-	-
4. Pricing / Fees	-	-	-	-	-	-	-	-	-	-	-
5. Grant Revenue	-	-	-	-	-	-	-	-	-	-	-
6. Other	-	-	-	-	-	-	-	-	-	-	-
7. Total Revenues	-	-	-	-	-	-	-	-	-	-	-
Expenditures											
8. Permanent Labor	-	-	-	-	-	-	-	-	-	-	-
9. Professional & Contract Services	-	-	-	-	-	-	-	-	-	-	-
10. Labor Costs / Service Contracts	-	-	-	-	-	-	-	-	-	-	-
11. Active Benefits	-	-	-	-	-	-	-	-	-	-	-
12. Training	-	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.2)
13. Materials and Supplies	-	-	-	-	-	-	-	-	-	-	-
14. Utilities	-	-	-	-	-	-	-	-	-	-	-
15. Purchased services	-	-	-	-	-	-	-	-	-	-	-
16. Risk management / insurance	-	-	-	-	-	-	-	-	-	-	-
17. Contributions to non EP funds	-	-	-	-	-	-	-	-	-	-	-
18. Transfers In / Out (General Fund)	-	-	-	-	-	-	-	-	-	-	-
19. Grant related expenses	-	-	-	-	-	-	-	-	-	-	-
20. Maintenance	-	-	-	-	-	-	-	-	-	-	-
21. All Other	-	-	-	-	-	-	-	-	-	-	-
22. Total Operating Expenditures	-	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.2)
23. Total Operating Surplus (Deficit)	-	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.2)
Reorganization / Investment											
24. Technology Infrastructure	-	-	-	-	-	-	-	-	-	-	-
25. Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-
26. Other Infrastructure	-	-	-	-	-	-	-	-	-	-	-
27. Reorganization Costs	-	-	-	-	-	-	-	-	-	-	-
28. Total Reorganization / Investment	-	-	-	-	-	-	-	-	-	-	-
29. Total Surplus (Deficit)	\$ -	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.2)
30. Incremental Headcount (FTE)	-	-	-	-	-	-	-	-	-	-	-

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Executive Agencies

Finance Department - Budget

(\$ in millions)

	10-Year Total	Assumptions / Comments
Revenues		
1. Collections	\$ -	
2. a. Increased Collection Rate	-	
3. b. Collection of Past Due	-	
4. Pricing / Fees	-	
5. Grant Revenue	-	
6. Other	-	
7. Total Revenues	<u>-</u>	
Expenditures		
8. Permanent Labor	-	
9. Professional & Contract Services	-	
10. Labor Costs / Service Contracts	-	
11. Active Benefits	-	
12. Training	(0.2)	Training cost for all Budget employees - \$2.0k per employee through FY '16, \$1.5k thereafter to establish a continuous training program
13. Materials and Supplies	-	
14. Utilities	-	
15. Purchased services	-	
16. Risk management / insurance	-	
17. Contributions to non EP funds	-	
18. Transfers In / Out (General Fund)	-	
19. Grant related expenses	-	
20. Maintenance	-	
21. All Other	-	
22. Total Operating Expenditures	<u>(0.2)</u>	
23. Total Operating Surplus (Deficit)	<u>(0.2)</u>	
Reorganization / Investment		
24. Technology Infrastructure	-	
25. Capital Expenditures	-	
26. Other Infrastructure	-	
27. Reorganization Costs	-	
28. Total Reorganization / Investment	<u>-</u>	
29. Total Surplus (Deficit)	<u>\$ (0.2)</u>	
30. Incremental Headcount (FTE)	-	

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Executive Agencies

Finance Department - Purchasing

(\$ in millions)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Revenues											
1. Collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. a. Increased Collection Rate	-	-	-	-	-	-	-	-	-	-	-
3. b. Collection of Past Due	-	-	-	-	-	-	-	-	-	-	-
4. Pricing / Fees	-	-	-	-	-	-	-	-	-	-	-
5. Grant Revenue	-	-	-	-	-	-	-	-	-	-	-
6. Other	-	-	-	-	-	-	-	-	-	-	-
7. Total Revenues	-	-	-	-	-	-	-	-	-	-	-
Expenditures											
8. Permanent Labor	-	(0.3)	(0.3)	(0.3)	(0.3)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(3.1)
9. Professional & Contract Services	-	-	-	-	-	-	-	-	-	-	-
10. Labor Costs / Service Contracts	-	(0.3)	(0.3)	(0.3)	(0.3)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(3.1)
11. Active Benefits	-	(0.1)	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(1.4)
12. Training	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.3)
13. Materials and Supplies	-	2.0	2.0	2.0	5.0	5.0	5.0	5.0	5.0	5.0	36.0
14. Utilities	-	-	-	-	-	-	-	-	-	-	-
15. Purchased services	-	-	-	-	-	-	-	-	-	-	-
16. Risk management / insurance	-	-	-	-	-	-	-	-	-	-	-
17. Contributions to non EP funds	-	-	-	-	-	-	-	-	-	-	-
18. Transfers In / Out (General Fund)	-	-	-	-	-	-	-	-	-	-	-
19. Grant related expenses	-	-	-	-	-	-	-	-	-	-	-
20. Maintenance	-	-	-	-	-	-	-	-	-	-	-
21. All Other	-	-	-	-	-	-	-	-	-	-	-
22. Total Operating Expenditures	(0.0)	1.6	1.5	1.5	4.5	4.5	4.5	4.4	4.4	4.4	31.3
23. Total Operating Surplus (Deficit)	(0.0)	1.6	1.5	1.5	4.5	4.5	4.5	4.4	4.4	4.4	31.3
Reorganization / Investment											
24. Technology Infrastructure	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(1.0)
25. Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-
26. Other Infrastructure	-	-	-	-	-	-	-	-	-	-	-
27. Reorganization Costs	-	-	-	-	-	-	-	-	-	-	-
28. Total Reorganization / Investment	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(1.0)
29. Total Surplus (Deficit)	\$ (0.1)	\$ 1.5	\$ 1.4	\$ 1.4	\$ 4.4	\$ 4.4	\$ 4.4	\$ 4.3	\$ 4.3	\$ 4.3	\$ 30.3
30. Incremental Headcount (FTE)	-	5	5	5	5	5	5	5	5	5	5

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Executive Agencies

Finance Department - Purchasing

(\$ in millions)

	10-Year Total	Assumptions / Comments
Revenues		
1. Collections	\$ -	
2. a. Increased Collection Rate	-	
3. b. Collection of Past Due	-	
4. Pricing / Fees	-	
5. Grant Revenue	-	
6. Other	-	
7. Total Revenues	<u>-</u>	
Expenditures		
8. Permanent Labor	(3.1)	Includes 5 incremental employees related primarily to establishing a contract management function
9. Professional & Contract Services	-	
10. Labor Costs / Service Contracts	<u>(3.1)</u>	
11. Active Benefits	(1.4)	Benefits at 45% of Permanent Labor costs
12. Training	(0.3)	Training cost for Purchasing employees - \$2.0k per employee through FY '16, \$1.5k thereafter to establish a continuous training program
13. Materials and Supplies	36.0	Savings generated from additional staffing, purchasing process enhancements and consolidation of vendors
14. Utilities	-	
15. Purchased services	-	
16. Risk management / insurance	-	
17. Contributions to non EP funds	-	
18. Transfers In / Out (General Fund)	-	
19. Grant related expenses	-	
20. Maintenance	-	
21. All Other	-	
22. Total Operating Expenditures	<u>31.3</u>	
23. Total Operating Surplus (Deficit)	<u>31.3</u>	
Reorganization / Investment		
24. Technology Infrastructure	(1.0)	eProcurement system to improve quantity and quality of bidders for RFQ's and RFP's
25. Capital Expenditures	-	
26. Other Infrastructure	-	
27. Reorganization Costs	-	
28. Total Reorganization / Investment	<u>(1.0)</u>	
29. Total Surplus (Deficit)	<u>\$ 30.3</u>	
30. Incremental Headcount (FTE)	5	

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Executive Agencies

Finance Department - Accounting/Finance Administration

(\$ in millions)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Revenues											
1. Collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. a. Increased Collection Rate	-	-	-	-	-	-	-	-	-	-	-
3. b. Collection of Past Due	-	-	-	-	-	-	-	-	-	-	-
4. Pricing / Fees	-	-	-	-	-	-	-	-	-	-	-
5. Grant Revenue	-	-	-	-	-	-	-	-	-	-	-
6. Other	-	-	-	-	-	-	-	-	-	-	-
7. Total Revenues	-	-	-	-	-	-	-	-	-	-	-
Expenditures											
8. Permanent Labor	-	(0.9)	(1.3)	(1.3)	(1.3)	(1.3)	(1.4)	(1.4)	(1.4)	(1.5)	(11.7)
9. Professional & Contract Services	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.2)
10. Labor Costs / Service Contracts	(0.0)	(0.9)	(1.3)	(1.3)	(1.3)	(1.4)	(1.4)	(1.4)	(1.5)	(1.5)	(12.0)
11. Active Benefits	-	(0.4)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.7)	(5.3)
12. Training	-	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.9)
13. Materials and Supplies	-	-	-	-	-	-	-	-	-	-	-
14. Utilities	-	-	-	-	-	-	-	-	-	-	-
15. Purchased services	-	-	0.5	0.5	0.7	0.5	0.7	0.5	0.7	0.5	4.4
16. Risk management / insurance	-	-	-	-	-	-	-	-	-	-	-
17. Contributions to non EP funds	-	-	-	-	-	-	-	-	-	-	-
18. Transfers In / Out (General Fund)	-	-	-	-	-	-	-	-	-	-	-
19. Grant related expenses	-	-	-	-	-	-	-	-	-	-	-
20. Maintenance	-	-	-	-	-	-	-	-	-	-	-
21. All Other	-	-	-	-	-	-	-	-	-	-	-
22. Total Operating Expenditures	(0.0)	(1.3)	(1.5)	(1.5)	(1.3)	(1.6)	(1.4)	(1.7)	(1.5)	(1.8)	(13.7)
23. Total Operating Surplus (Deficit)	(0.0)	(1.3)	(1.5)	(1.5)	(1.3)	(1.6)	(1.4)	(1.7)	(1.5)	(1.8)	(13.7)
Reorganization / Investment											
24. Technology Infrastructure	-	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.7)
25. Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-
26. Other Infrastructure	-	-	-	-	-	-	-	-	-	-	-
27. Reorganization Costs	-	-	-	-	-	-	-	-	-	-	-
28. Total Reorganization / Investment	-	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.7)
29. Total Surplus (Deficit)	\$ (0.0)	\$ (1.4)	\$ (1.5)	\$ (1.6)	\$ (1.4)	\$ (1.7)	\$ (1.5)	\$ (1.8)	\$ (1.6)	\$ (1.9)	\$ (14.4)
30. Incremental Headcount (FTE)	-	13	13	13	13	13	13	13	13	13	13

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Executive Agencies

Finance Department - Accounting/Finance Administration

(\$ in millions)

	10-Year Total	Assumptions / Comments
Revenues		
1. Collections	\$ -	
2. a. Increased Collection Rate	-	
3. b. Collection of Past Due	-	
4. Pricing / Fees	-	
5. Grant Revenue	-	
6. Other	-	
7. Total Revenues	<u>-</u>	
Expenditures		
8. Permanent Labor	(11.7)	Includes a net increase of 13 FTEs primarily related to accounting and fulfillment of positions that are currently performed by third party vendors
9. Professional & Contract Services	(0.2)	PSC's related to performing cash flow forecasting
10. Labor Costs / Service Contracts	<u>(12.0)</u>	
11. Active Benefits	(5.3)	Benefits at 45% of Permanent Labor costs
12. Training	(0.9)	Training cost for all Accounting/Finance Administrative employees - \$2.0k per employee through FY '16, \$1.5k thereafter to establish a continuous training program
13. Materials and Supplies	-	
14. Utilities	-	
15. Purchased services	4.4	Savings related to less reliance on third-party vendor for accounting related activities (\$5.7M) partially offset by additional costs for benefit plan audits (\$1.3M)
16. Risk management / insurance	-	
17. Contributions to non EP funds	-	
18. Transfers In / Out (General Fund)	-	
19. Grant related expenses	-	
20. Maintenance	-	
21. All Other	-	
22. Total Operating Expenditures	<u>(13.7)</u>	
23. Total Operating Surplus (Deficit)	<u>(13.7)</u>	
Reorganization / Investment		
24. Technology Infrastructure	(0.7)	Added users for GL Wand and additional copy machine lease
25. Capital Expenditures	-	
26. Other Infrastructure	-	
27. Reorganization Costs	-	
28. Total Reorganization / Investment	<u>(0.7)</u>	
29. Total Surplus (Deficit)	<u>\$ (14.4)</u>	
30. Incremental Headcount (FTE)	13	

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Executive Agencies

Finance Department - Risk Management

(\$ in millions)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Revenues											
1. Collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. a. Increased Collection Rate	-	-	-	-	-	-	-	-	-	-	-
3. b. Collection of Past Due	-	-	-	-	-	-	-	-	-	-	-
4. Pricing / Fees	-	-	-	-	-	-	-	-	-	-	-
5. Grant Revenue	-	-	-	-	-	-	-	-	-	-	-
6. Other	-	-	-	-	-	-	-	-	-	-	-
7. Total Revenues	-	-	-	-	-	-	-	-	-	-	-
Expenditures											
8. Permanent Labor	-	(0.3)	(0.4)	(0.4)	(0.4)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(4.0)
9. Professional & Contract Services	-	-	-	-	-	-	-	-	-	-	-
10. Labor Costs / Service Contracts	-	(0.3)	(0.4)	(0.4)	(0.4)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(4.0)
11. Active Benefits	-	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(1.8)
12. Training	-	(0.0)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.4)
13. Materials and Supplies	-	-	-	-	-	-	-	-	-	-	-
14. Utilities	-	-	-	-	-	-	-	-	-	-	-
15. Purchased services	-	-	-	-	-	-	-	-	-	-	-
16. Risk management / insurance	-	-	3.0	3.0	2.5	2.5	2.0	2.0	1.5	1.5	18.0
17. Contributions to non EP funds	-	-	-	-	-	-	-	-	-	-	-
18. Transfers In / Out (General Fund)	-	-	-	-	-	-	-	-	-	-	-
19. Grant related expenses	-	-	-	-	-	-	-	-	-	-	-
20. Maintenance	-	-	-	-	-	-	-	-	-	-	-
21. All Other	-	-	-	-	-	-	-	-	-	-	-
22. Total Operating Expenditures	-	(0.5)	2.3	2.3	1.8	1.8	1.3	1.3	0.8	0.7	11.8
23. Total Operating Surplus (Deficit)	-	(0.5)	2.3	2.3	1.8	1.8	1.3	1.3	0.8	0.7	11.8
Reorganization / Investment											
24. Technology Infrastructure	-	-	-	-	-	-	-	-	-	-	-
25. Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-
26. Other Infrastructure	-	-	-	-	-	-	-	-	-	-	-
27. Reorganization Costs	-	-	-	-	-	-	-	-	-	-	-
28. Total Reorganization / Investment	-	-	-	-	-	-	-	-	-	-	-
29. Total Surplus (Deficit)	\$ -	\$ (0.5)	\$ 2.3	\$ 2.3	\$ 1.8	\$ 1.8	\$ 1.3	\$ 1.3	\$ 0.8	\$ 0.7	\$ 11.8
30. Incremental Headcount (FTE)	-	13	13	13	13	13	13	13	13	13	13

City of Detroit

Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives - Executive Agencies

Finance Department - Risk Management

(\$ in millions)

	10-Year Total	Assumptions / Comments
Revenues		
1. Collections	\$ -	
2. a. Increased Collection Rate	-	
3. b. Collection of Past Due	-	
4. Pricing / Fees	-	
5. Grant Revenue	-	
6. Other	-	
7. Total Revenues	<u>-</u>	
Expenditures		
8. Permanent Labor	(4.0)	Represents an increase of 13 FTEs including 5 safety positions, 7 workers' compensation positions and 1 data manager
9. Professional & Contract Services	-	
10. Labor Costs / Service Contracts	<u>(4.0)</u>	
11. Active Benefits	(1.8)	Benefits at 45% of Permanent Labor costs
12. Training	(0.4)	Training cost for all Risk Management employees - \$2.0k per employee through FY '16, \$1.5k thereafter to establish a continuous training program
13. Materials and Supplies	-	
14. Utilities	-	
15. Purchased services	-	
16. Risk management / insurance	18.0	Estimated workers' compensation claims reduction driven by additional labor resources and improved processes
17. Contributions to non EP funds	-	
18. Transfers In / Out (General Fund)	-	
19. Grant related expenses	-	
20. Maintenance	-	
21. All Other	-	
22. Total Operating Expenditures	<u>11.8</u>	
23. Total Operating Surplus (Deficit)	<u>11.8</u>	
Reorganization / Investment		
24. Technology Infrastructure	-	
25. Capital Expenditures	-	
26. Other Infrastructure	-	
27. Reorganization Costs	-	
28. Total Reorganization / Investment	<u>-</u>	
29. Total Surplus (Deficit)	<u>\$ 11.8</u>	
30. Incremental Headcount (FTE)	13	

Exhibit 7

City of Detroit

Cost Saving Initiatives by Fiscal Year
(\$ in millions)

Cost Saving Initiatives	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Total
Net savings due to attrition of senior uniform personnel and hiring of less experienced uniform personnel	-	2.4	10.1	7.2	6.7	5.8	4.6	3.7	3.7	3.7	47.9
Reduction of civilians through efficiency gains following implementation of fully integrated public safety IT system	-	-	-	2.4	4.6	5.6	6.5	6.7	6.8	6.9	39.6
Detroit Police Dept.	-	2.4	10.1	9.6	11.3	11.4	11.2	10.4	10.5	10.7	87.6
Savings from headcount reductions in Treasury	-	0.0	0.0	0.4	0.4	0.5	0.5	0.5	0.5	0.5	3.3
Savings related to certain positions within Income Tax	-	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.2
Savings related to certain positions within Risk Management	-	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.5
Savings related to certain positions within Accounting	-	0.4	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7	5.4
Savings related to phasing out 3rd party vendor	-	0.3	0.5	0.7	0.7	0.7	0.7	0.7	0.7	0.7	5.7
Savings related CityTax implementation	0.2	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	9.2
Savings generated from process related enhancements, consolidation of vendors, and other Purchasing Division restructuring initiatives	-	2.0	2.0	2.0	5.0	5.0	5.0	5.0	5.0	5.0	36.0
Estimated savings related to a improved risk management function and workers' compensation claim process	-	-	3.0	3.0	2.5	2.5	2.0	2.0	1.5	1.5	18.0
Finance Dept.	0.2	3.9	7.3	7.9	10.4	10.5	10.0	10.0	9.5	9.6	79.3
Estimated savings related to a improved risk management function and workers' compensation claim process	-	-	1.0	1.0	1.5	1.5	2.0	2.0	2.5	2.5	14.0
Reduction in overtime	-	1.0	5.8	5.9	6.0	6.1	6.3	6.4	6.5	6.7	50.7
Detroit Dept. of Trans.	-	1.0	6.8	6.9	7.5	7.6	8.3	8.4	9.0	9.2	64.7
Attrition, efficiencies due to multifunctioning department, reductions in overtime	-	8.5	7.9	10.8	10.6	6.8	7.2	4.3	3.4	1.2	60.6
Detroit Fire Dept.	-	8.5	7.9	10.8	10.6	6.8	7.2	4.3	3.4	1.2	60.6
Assumes \$750k annual reduction in outside legal counsel due to additional internal labor resources	-	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	6.8
Assumes \$2MM annual reduction in lawsuit settlements as a result of additional internal labor resources	-	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	18.0
Law Dept.	-	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	24.8
Pay-back of BSEED General Fund loan	0.4	(4.4)	(0.5)	2.3	2.7	3.5	3.5	3.1	3.6	3.6	17.7
Savings on rent through facility consolidation	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.5
Labor efficiency savings as a result of space consolidation	(0.0)	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.4
Buildings & Safety	0.4	(4.3)	(0.4)	2.4	2.8	3.6	3.6	3.2	3.7	3.7	18.6
Reduction of 25 FTEs through efficiency and technology improvements	-	0.5	1.1	1.1	1.1	1.1	1.2	1.2	1.2	1.2	9.8
36th District Court	-	0.5	1.1	1.1	1.1	1.1	1.2	1.2	1.2	1.2	9.8
Savings due to privatization of custodial services (headcount reduction)	-	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	3.2
Reduction of workers' comp cases as a result of improved risk management process and other efficiencies	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.7
General Services Dept.	0.0	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	3.9
Elimination of certain non-productive positions	-	-	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	3.8
Municipal Parking	-	-	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	3.8
Headcount reduction through efficiency improvements	-	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	2.2
City Clerk	-	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	2.2
Savings due to PDD moving facilities from Cadillac Tower to CAYMC	-	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	1.9
Planning & Dev. Dept.	-	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	1.9
Headcount reduction through efficiency improvements	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.6
Reduction in headcount due to technological investment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4
Dept. of Elections	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.0
Cost Saving Initiatives	0.7	15.6	37.0	42.8	48.0	45.3	45.7	41.7	41.6	39.8	358.2

Exhibit 8

City of Detroit

Revenue Initiatives by Fiscal Year
(\$ in millions)

Revenue Initiatives	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Total
Sale of closed facilities	-	0.1	0.1	0.1	0.1	0.1	0.1	0.1	-	-	0.4
DFD - Includes Fire Recovery USA billing for false alarms, vehicle fires, (multi-vehicle accident) MVAs	-	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	8.2
DFD - Assumes ability to receive SAFER grant funding in FY 2017 and FY 2018 and continued access to \$2.0MM annually from FEMA grants for equipment related training	1.1	3.5	2.0	13.7	14.4	2.0	2.0	2.0	2.0	2.0	44.8
DFD - Increased collections from additional EMS fleet (\$27.0MM) and increased FM inspectors (\$7.0MM)	0.9	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.7	3.7	33.7
Detroit Fire Dept.	2.0	8.1	6.6	18.3	19.0	6.7	6.6	6.6	6.6	6.6	87.0
Non-Departmental (36th DC) - Increased Collection Rate and Past Due Collections	-	5.8	8.2	8.5	8.7	9.0	9.2	9.5	9.8	10.1	78.8
36th District Court	-	5.8	8.2	8.5	8.7	9.0	9.2	9.5	9.8	10.1	78.8
Blight Grant Revenue - Hardest Hit Funds	3.0	40.3	9.0	-	-	-	-	-	-	-	52.3
Blight - Fire Escrow Balance	-	4.0	4.0	4.0	4.0	4.0	-	-	-	-	20.0
Blight	3.0	44.3	13.0	4.0	4.0	4.0	-	-	-	-	72.3
Finance - Revenue related to newly established Grant Administrative function	-	-	0.5	1.0	1.0	1.0	1.1	1.1	1.1	1.1	7.9
Finance Dept. Revenue Upside - Incremental collections primarily related to non-filer project and Income Tax Task Force (\$30.9MM), incremental revenue for Treasury related to additional staffing (\$13.5MM), Treasury related collections related to third-party collection agency (\$3.4MM)	1.2	4.9	4.9	5.2	5.2	5.2	5.2	5.2	5.2	5.2	47.4
Finance - Collection of past due income tax receivables, net of 3rd party collection fees	1.5	3.0	3.0	2.5	-	-	-	-	-	-	10.0
Finance Dept.	2.7	7.9	8.4	8.7	6.2	6.2	6.3	6.3	6.3	6.3	65.4
Parking - Primarily related to parking violation fee increases	-	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	38.7
Parking - Primarily related to additional parking enforcement officers to generate additional ticket volume	-	1.3	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	21.6
Municipal Parking	-	5.6	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	60.3
Loss of advertising revenue	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.1)	(0.1)	(0.1)	-	(1.2)
DDOT Increased Fares - Increase in fares (\$70.5 M)	-	-	3.1	3.2	6.6	7.8	11.3	10.4	13.9	14.2	70.5
DDOT Increased Fares - Increase service miles/routes	0.4	1.5	2.6	3.8	5.1	5.6	6.2	6.7	7.3	7.9	47.2
DDOT - Redistribution of ACT 51 grant sharing with funding of RTA	(2.0)	(7.0)	(7.0)	(7.0)	(7.0)	(7.0)	(7.0)	(7.0)	(7.0)	(7.0)	(65.0)
Detroit Dept. of Trans.	(1.7)	(5.7)	(1.5)	(0.1)	4.6	6.3	10.4	10.0	14.1	15.0	51.4
DPD - Assumed additional collections from increased pricing on alarm and other fees	-	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	18.0
DPD - Anticipated additional grant revenue through identification of new Federal, State, Foundation or other grants	-	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	14.6
Detroit Police Dept.	-	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	32.6
GSD - Reimbursement from Street Fund related to additional employees and department cost	1.1	2.1	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	26.0
General Services Dept.	1.1	2.1	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	26.0
Law - Assumes annual improvement to collections due to additional internal legal labor resources	-	-	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	4.4
Law Dept.	-	-	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	4.4
Human Rights - Increased fees from Detroit based businesses	-	-	0.2	0.2	0.3	0.3	0.3	0.3	0.4	0.4	2.5
Human Rights	-	-	0.2	0.2	0.3	0.3	0.3	0.3	0.4	0.4	2.5
Increase to collection rate due to change in collections process and higher staffing levels	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	1.7
Buildings & Safety	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	1.7
Increase collection rates due to full implementation of online registration and collection system and improvements to Hart Plaza	-	-	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.5
Recreation	-	-	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.5
Revenue Initiatives	7.2	72.0	49.1	53.7	56.9	46.5	46.9	46.8	51.3	52.5	482.9