



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER

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CFO DIRECTIVE
No. 2018-101-029

SUBJECT: Fiscal Impact Statements

ISSUANCE DATE: September 14, 2018

EFFECTIVE DATE: September 14, 2018

1. AUTHORITY

- 1.1. State of Michigan Public Act 279 of 1909, Section 4s(2)(d), as amended by Public Act 182 of 2014, states the chief financial officer shall submit in writing to the mayor and the governing body of the City his or her opinion on the effect that policy or budgetary decisions made by the mayor or the governing body of the City will have on the City's annual budget and its four-year financial plan ("Fiscal Impact Statement")

2. OBJECTIVES

- 2.1. To provide financial information to the Mayor and the City Council when they consider action on proposed local policy or budgetary decision items.
- 2.2. To provide financial information to the Mayor and the City Council on proposed or enacted policy or budgetary items decided by another governmental entity that may have a fiscal impact on the City, as determined by the Chief Financial Officer (CFO).

3. PURPOSE

- 3.1. To establish the City's policy on preparing and submitting Fiscal Impact Statements to the Mayor and City Council.

4. SCOPE

- 4.1. This Directive applies to all City departments, divisions and agencies.
- 4.2. This Directive applies to all items defined in this Memorandum as "Items Requiring Fiscal Impact Statements."

5. RESPONSIBILITIES

- 5.1. The Deputy CFO / Budget Director shall be responsible for the administration and oversight of this Directive.
- 5.2. All City departments, divisions, and agencies shall adhere to and provide the information necessary for the OCFO to implement this Directive.

6. POLICY

- 6.1. All City departments, divisions, and agencies shall inform the OCFO of potential Items Requiring Fiscal Impact Statements prior to their submission for approval.
- 6.2. Once it is determined by the CFO a Fiscal Impact Statement is required, the Office of Budget shall prepare and / or review all Fiscal Impact Statements.
- 6.3. The CFO shall issue Fiscal Impact Statements for all Items Requiring Fiscal Impact Statements. All Fiscal Impact Statements must be approved by the CFO prior to issuance.

6.4. The Office of Budget shall prescribe the format for all Fiscal Impact Statements.

6.5. Other OCFO divisions may prepare Fiscal Impact Statements and / or related analyses for review by the Office of Budget.

7. DEFINITIONS

7.1. *Fiscal Impact Statement*: A document, issued as a CFO Memorandum, that estimates the effect of proposed legislation and other major policy or budgetary decision items on the City's annual budget and four-year financial plan. A Fiscal Impact Statement may include additional fiscal information beyond the impact on the City's annual budget and four-year financial plan. Fiscal Impact Statements are not intended to convey any statements nor opinions on the advisability of the associated policy or budgetary decision item itself. They are meant only to provide data on the fiscal impact on the City's annual budget and four-year financial plan.

7.2. *Items Requiring Fiscal Impact Statements*: Pending or enacted decision items with a significant fiscal impact on the City, as determined by the CFO, which may include:

7.2.1. Federal, state, and local legislation, determined to have a fiscal impact by the CFO.

7.2.2. New or revised collective bargaining agreements.

7.2.3. Changes in City tax policy.

7.2.4. New or revised City tax incentives, such as abatements and exemptions.

7.2.5. New or revised fees and other revenues charged by the City.

7.2.6. Lease or sale of property or other assets owned by the City.

7.2.7. Acquisition or lease by the City of external property or other assets.

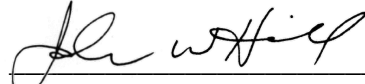
7.2.8. City issuance or restructuring of bonded debt or other forms of indebtedness.

7.2.9. New or revised City pension or other employee for active employees, retirees, and anyone otherwise entitled to such benefits.

7.2.10. Proposals to privatize City services, notwithstanding the requirements of Section 6-307 of Chapter 3 of Article 6 of the 1984 Detroit City Code, and proposals to insource previously privatized City services.

7.2.11. Other items with a fiscal impact on the City, as determined by the CFO.

APPROVED



John W. Hill

Chief Financial Officer, City of Detroit