



CITY OF DETROIT  
OFFICE OF THE CHIEF FINANCIAL OFFICER

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**CFO DIRECTIVE**  
**No. 2018-101-007**

**SUBJECT:** Debt Issuance and Management  
**ISSUANCE DATE:** May 1, 2018  
**EFFECTIVE DATE:** May 1, 2018

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**1. AUTHORITY**

- 1.1. State of Michigan Public Act 279 of 1909, Section 117.4s (2), as amended by Public Act 182 of 2014, states the chief financial officer shall supervise all financial and budget activities of the city and coordinate the city's activities relating to budgets, financial plans, financial management, financial reporting, financial analysis, and compliance with the budget and financial plan of the city.
- 1.2. State of Michigan Public Act 34 of 2001 states various requirements relative to the borrowing of money and the issuance of certain debt and securities, as well as other various requirements.
- 1.3. State of Michigan Public Act 227 of 1985 states authorities granted to local units of government regarding the issuance of debt, as well as other various requirements.
- 1.4. State of Michigan Public Act 436 of 2012 allows local units of government to issue financial recovery bonds in amounts greater than limitations established by City Charter or Public Act 436 of 2012.
- 1.5. The 2012 Charter of the City of Detroit, Article 8, Chapter 5, provides various types of, and requirements for, borrowing, as well as other various requirements.
- 1.6. The 1984 Detroit City Code, Chapter 18, Article II, Section 18-2-24 requires the City to issue a tax statement and a bond statement to represent amounts required to be raised to support the adopted budget.
- 1.7. The 1984 Detroit City Code, Chapter 18, Article VII, provides various requirements for registered city bonds.

**2. OBJECTIVES**

- 2.1. To establish the conditions for the issuance and management of debt.
- 2.2. To create policies that minimize the City's debt service and costs, while maintaining and preserving access to the capital markets in a cost-effective manner.
- 2.3. To provide guidelines for the City to manage its debt program in accordance with its financial resources in order to retain the highest possible credit ratings.
- 2.4. To help improve the quality of decision-making, provide justification for the debt structure, identify policy goals, and demonstrate a commitment to long-term financial planning, including a multi-year capital plan.
- 2.5. To outline the legal, credit and policy frameworks under which the City issues its debt obligations and to document pre- and post- issuance objectives.

### 3. PURPOSE

- 3.1. To establish the City's debt issuance and management policy.

### 4. RESPONSIBILITIES

- 4.1. As delegated by the Chief Financial Officer (CFO), the Deputy CFO- Treasurer (Treasurer), in coordination with the Chief Deputy CFO / Finance Director, shall be responsible for the administration and oversight of this Directive and shall ensure coordination of activities with the CFO's Office and the Office of Budget.
- 4.2. The Deputy CFO- Budget Director (Budget Director) shall be responsible for certain activities as stated in this Directive.
- 4.3. The CFO's Office, with assistance from other City departments and agencies as necessary, shall be responsible for certain analyses and communications with credit rating agencies as stated in this Directive.

### 5. POLICY

#### 5.1. Definition of Debt

- 5.1.1. This Directive covers all obligations of the City to repay, with or without interest, in installments and / or at a later date, some amount of money utilized for the purchase, construction, or operation of City resources. This includes, but is not limited to, notes, bond issues, capital leases, and loans of any type (whether from an outside source such as a bank or from another internal fund).
- 5.1.2. This Directive does not cover other obligations such as contracts payable, loans payable (for example U.S. Department of Housing and Development Section 108 loans), and net pension liability obligation (NPO) and / or pension Unfunded Actuarial Liability (UAL) and Other Post-Employment Benefits (OPEB) UAL.

#### 5.2. General Guidelines

- 5.2.1. Debt shall only be incurred for those purposes provided by City Charter and State law, including Public Act 34 of 2001, Public Act 279 of 1909, and other applicable laws.
- 5.2.2. Debt shall only be issued in conformance with all applicable state and federal laws, City Charter and ordinances, and as well as this Directive.
- 5.2.3. Should the City issue a municipal security that contains the limited tax full faith and credit pledge of the City, it shall issue a notice consistent Public Act 34 of 2001.
- 5.2.4. The City shall pay all debt and interest on debt in a timely manner consistent with requirements of the borrowings and shall ensure that all outstanding debt are budgeted.
- 5.2.5. Long-term debt shall not be used to finance current operations. Long-term debt shall only be used for capital purchases or construction identified through the City's capital improvement / budget processes.
- 5.2.6. Short-term debt may be used for certain projects and equipment financings as well as, in rare cases, for operational borrowing; however, the City will minimize the use of short-term cash flow borrowings by maintaining adequate working capital and detailed budget management.

- 5.2.7. Use of non-debt revenues to fund some capital projects is desirable as it constitutes “pay-as-you-go” financing and, when applied to debt eligible projects, reduces the debt burden of the City. Decisions to use current non-debt revenue funding within the Capital Agenda / Plan of the City will have an immediate impact on resources available to annual operating budgets, and requires the recognition that certain costs of public facilities and other capital projects should be supported on a current basis rather than paid for over time. As such, current non-debt revenues should be used for any projects in the Capital Agenda / Plan not eligible for debt financing by virtue of limited useful life.
- 5.2.8. In accordance with Generally Accepted Accounting Principles used by state and local governments and Federal / State law, the maturity of the underlying debt may not be more than the useful life of the assets purchased or financed with the debt, not to exceed 30 years; however, an exception may be made with respect to Federally-sponsored loans, provided such an exception is consistent with law and accepted leading practices and industry standards. In addition, debt incurred for operating expenses must be repaid within the same fiscal year of issuance or incurrence.
- 5.2.9. The City shall seek to structure debt with level or declining debt service payments over the life of each individual bond issue or loan. The City will not backload, use wrap-around techniques, balloon payments or other exotic formats to pursue the financing of projects. When refunding opportunities, natural disasters, other non-general fund revenues, or external factors occur, the City may utilize non-level debt methods. However, the use of such methods should be clearly delineated in the CFO’s recommendation to the City Council.
- 5.2.10. The City chooses not to use derivatives or other exotic financial structures in the management of its debt portfolio. Prior to utilizing such structures, the CFO must submit a written management report to the Mayor and the City Council outlining the potential benefits and consequences of doing so.
- 5.2.11. The City shall not pledge any City revenues to its conduit bond financings and has no moral obligation to repay bondholders of conduit financing issued under its authority.
- 5.2.12. The City shall select a method of sale that maximizes the financial benefit to the City. All methods of sale shall be approved by the CFO.
- 5.2.13. All financial reports, bond prospectus and Annual Information Statements shall represent a full, complete and accurate disclosure of financial conditions and operating results. All reports and disclosures shall conform to guidelines established by the Securities Exchange Commission (SEC), the Internal Revenue Service (IRS), this Directive and other requirements determined by the CFO.
- 5.2.14. The City recognizes the value of variable rate debt obligations and that cities have greatly benefited from the use of variable rate debt in the financing of needed infrastructure and capital improvements. However, the City also recognizes there are inherent risks associated with the use of variable rate debt and will implement steps to mitigate these risks, including market fluctuations and interest rate assumptions, bond insurance and liquidity, letters of credit, and arbitrage rules.

- 5.2.15. All costs associated with the initial issuance or incurrence of debt, management and repayments of debt (including interest, principal and fees and / or on-going charges) shall be fully disclosed prior to any action by the City Council.
- 5.2.16. The City will refund debt when it is in the best financial interest of the City to do so. The CFO's Office and the Office of the Treasury shall have the responsibility to analyze outstanding bond issues for refunding opportunities. The decision to refinance must be approved by the City Council, and all plans for current or advance refunding of debt must be in compliance with State laws and regulations.
- 5.2.17. The City shall require any and all professionals engaged in the process of issuing debt to clearly disclose all compensation and consideration received related to the services provided in the debt issuance process by both the City and the lender or conduit issuer, if any. This requirement includes any "soft" costs or compensation in lieu of direct payments.
- 5.2.18. In an effort to maintain and improve its credit ratings, the CFO's Office, with the assistance of other City departments and agencies as necessary, shall keep an open line of communication with the nationally recognized credit rating agencies and shall inform them of major financial events and other applicable City matters in a timely and transparent manner.
- 5.3. Types of Debt and Purpose / Need for Financing
- 5.3.1. There are four primary purposes, in no particular priority order, for which the City may issue debt. The CFO shall review and approve all borrowings prior to submission to the City Council.
- 5.3.1.1. Long-Term General Obligation (GO) Debt for Capital Improvements. All proposed financings for long-term capital improvements shall be identified in the City's Capital Agenda / Plan, as well as the annual adopted budget and Four-Year Financial Plan. Bonds are normally issued with a final maturity of not less than twenty (20) and no more than thirty (30) years, having a level-debt amortization.
- 5.3.1.2. Short-term GO Debt (such as Bond Anticipation Note). This may only be issued with a short-term maturity for the following instances:
- To provide interim financing to take advantage of a favorable interest rates within the rules established by the IRS which shall eventually be refunded with the proceeds of long-term obligations, or;
  - For the application of short-term financing that is not for interim financing, so long as the CFO approves a plan for amortizing the principal amount of the short-term financing in a manner reasonably similar to the City's treatment of fixed-rate bonds.
- 5.3.1.3. Essential Vehicle and Equipment Needs. The City finances certain essential equipment and vehicles. The underlying assets must have a minimum useful life of three (3) years. Short-term financings, including loans and capital lease purchase agreements, are executed to meet such needs.
- 5.3.1.4. Refinancing / Refunding of Existing Debt. The CFO's Office and the Office of the Treasury shall periodically evaluate the City's existing debt portfolio and execute refinancings / refundings when economically beneficial. As a guideline, aggregate new present value savings, expressed as a % of the par

amounts of the refunded bonds, should achieve a level of 3% and above for a current refunding and 3% and above for an advance refunding. The CFO will consider a refunding only when one or more of the following considerations are met:

- Lower interest rates resulting in debt service cost savings;
- Eliminate restrictive or burdensome bond covenants; or
- When there is a financial benefit to the City as determined by the CFO.

5.3.2. The City may issue Revenue Bonds which are secured by the pledge of a particular stream of revenue for their repayment in contrast to GO debt, which pledges general tax revenues. The revenues pledged may also be those of a special revenue fund or revenue received from or in connection with a project. Revenue supported debt should be limited to ensure that debt service coverage ratios are sufficient and at least equal to or higher than the ratings on the City's outstanding parity debt. Such coverage ratios shall be maintained during the life of any bonds secured by that particular revenue stream.

5.3.3. The City may issue various forms of appropriation-backed debt to fund capital improvements, facilities, and equipment issued directly by the City or another entity as a conduit issuer. Under such arrangement, the City enters into a long-term lease with the conduit issuer and the City's lease payments fund the debt service on the bonds. Appropriation-backed debt is useful in situations where a separate revenue stream is available to partially offset the lease payments, thereby differentiating the project from those funds with GO debt. Because these long-term leases constitute an obligation of the City similar to GO debt, the value of the lease should be included in the City's debt capacity calculations.

5.3.4. The issuance of taxable debt may be useful in situations where private activity or other considerations make tax-exempt debt disadvantageous or ineligible per federal tax code requirements. The City recognizes that taxable debt will generally be at a higher cost because investors are not able to deduct interest earnings from their taxable income, and as such should be cautious of its use. However, taxable debt may be issued in instances where the additional costs, including marketing, legal and other upfront costs over the life of the bond, are outweighed by the advantages of the financing to be achieved.

#### 5.4. Debt Affordability

5.4.1. Notwithstanding any City Charter provision to the contrary, the City's new indebtedness incurred for all public purposes, as well as the maximum interest rate, shall be consistent Public Act 34 of 2001, Public Act 279 of 1909, and other applicable laws.

5.4.2. Debt levels and their related annual costs are important long-term obligations that must be managed within available resources. As part of the City's budget process, the City shall consider trends in revenues and expenditures to its governmental funds and trends in assessed valuation as it considers the portion of its Capital Agenda / Plan to be funded with debt.

5.4.3. Paying principal and interest on general obligation debt is the first claim on City revenues. As such, in order to achieve and / or maintain the highest possible credit rating, the City should adhere to several ratios and guidelines in deciding how

much additional GO debt may be issued. Ultimately, the decision as to whether or not to assume new debt shall be based on the City's ability to afford new debt and service it, as determined by an objective and analytical approach considering, among other conditions, the below factors / ratios. These factors / ratios and other metrics generated by the Office of the Treasury (based on leading government practices of other highly rated municipalities and / or other local government credits, as appropriate) shall be calculated and reported, at a minimum, annually in conjunction with the capital budget processes, the annual financial audit, and as needed for fiscal analysis and reported to the CFO, Mayor and the City Council.

- Overall Debt as a % of Assessed Valuation. This ratio measures debt levels against the property tax base, which generates the tax revenues that are the main source of debt repayment. Total debt, both existing and proposed, should be kept at about 1.5% of full market value (substantially the same assessed value) of taxable real property in the City.
- Debt Service as a % of the General Fund. This ratio reflects the City's budgetary flexibility to adapt spending levels and respond to changes in economic conditions. Required annual debt service expenditures should be kept at about 10-15% of the City's General Fund. The General Funds excludes other special revenue tax supported funds.
- Overall Debt per Capita. This ratio measures the burden of debt placed on the population supporting the debt and is widely used as a measure of an issuer's ability to repay debt. Total debt outstanding and annual amounts issued, when adjusted for inflation, should not cause real debt per capita (i.e., after elimination the effects of inflation) to rise significantly.
- Ten-year Payout Ratio. This ratio reflects the amortization of the City's outstanding debt. A faster payout is considered a positive credit attribute. The rate of repayment of bond principal should be kept at highest affordable level possible given other budget priorities.
- Per Capita Debt to Per Capita Income. This ratio reflects a community's economic strength as an indicator to income levels relative to debt. Total debt outstanding and annual amounts proposed should not cause the ratio of per capita to per capita income to rise significantly above approximately 5%.

## 5.5. Debt Issuance and Structuring

5.5.1. The ability to borrow cost-effectively depends in large measure upon the City's credit ratings as assessed by the three nationally recognized credit rating services. The CFO's Office shall be responsible for maintaining relationships with the credit rating services that currently assign ratings to the City's various debt obligations. The CFO's Office shall be responsible for determining whether or not a rating shall be requested on a particular financing, and which of the rating agencies shall be asked to provide such rating. Debt structuring practices shall take into account, in no priority order, the following:

- Size - based on capital project needs;

- Term - the City maintains a preference for the shortest possible average maturity considering the project type and availability of annual payment resources;
- Amortization of Bonds - the City generally prefers level principal for general obligation bonds unless a specific revenue has been identified for general obligation bonds or other bonds. However, the City may consider other amortization structures as appropriate and legally permitted by law;
- Interest Rate - to enhance the effectiveness of annual capital budgeting, fixed interest rate structures are the City's preference for long useful life, infrastructure and buildings; and
- Call Provisions - the Financing Team will recommend to the CFO the use of a call option on a case-by-case basis. The City's preference is for optional call provisions when appropriate.

#### 5.6. Issuance and Method of Sale

5.6.1. The City shall issue its debt obligations through a competitive sale unless the CFO determines that such a sale method will not produce the best results for the City. Generally, a negotiated sale process may be used when the City is attempting to market more complex bond transactions such as a new credit structure, or at times when a competitive sale does not produce bids or produces bids that are unsatisfactory to the City. In determining whether to use a competitive or negotiated method of sale, the City shall utilize a sale method expecting to achieve the lowest overall cost of capital depending on the size and characteristics of the proposed issue and the applicable market conditions at the time of sale. The conditions, which indicate the appropriate method for selling a particular bond issue, are generally described below:

##### 5.6.2. Competitive Sale Criteria

- 5.6.2.1. Bond prices are stable and / or demand is strong;
- 5.6.2.2. Debt issuance markets are stable;
- 5.6.2.3. The credit rating is well established and stable;
- 5.6.2.4. There are no complex explanations required during marketing regarding a specific project, media coverage, political structure, political support, tax status, funding, or credit quality;
- 5.6.2.5. The bond type and structural features are conventional; and
- 5.6.2.6. The transaction size is manageable.

##### 5.6.3. Negotiated Sale Criteria

- 5.6.3.1. Bond prices are volatile and / or demand is weak and / or the supply of competing bonds is high;
- 5.6.3.2. Debt issuance markets are less stable and market timing is important for circumstances such as refinancing transactions that are interest rate sensitive;
- 5.6.3.3. Coordination of multiple components of the financing is required;
- 5.6.3.4. The credit rating is not well established and stable;

- 5.6.3.5. Sale and marketing of the bonds will require complex explanations about the City's projects, media coverage, political structure, political support, tax status, funding, or credit quality;
- 5.6.3.6. The bond type and / or structural features are non-standard;
- 5.6.3.7. Early structuring and market participation by underwriters is desired;
- 5.6.3.8. Large transaction size; and
- 5.6.3.9. Strong retail participation is desired and expected to enhance pricing efforts.
- 5.6.4. Direct Bank Loans or Limited Public Offering. The City may sell debt obligations through a direct bank loan or limited public offering when appropriate.
- 5.6.5. Credit Enhancement. The City may use credit enhancements to improve marketability of City obligations. Types of credit enhancement include letters of credit, bond insurance, cash or bond funded reserves, or other public or private credit enhancements. The rationale for credit enhancements shall be documented.
- 5.6.6. Offering Documentation. Offering documentation shall be used for all types of debt issued of the City and purchased by public or private third parties.
- 5.7. Composition of Service Providers / Financing Team
  - 5.7.1. Members of the Financing Team may be selected by the City at the direction and approval of the CFO and, when applicable, the Law Department and City Council through the following methods: (1) Request for Qualifications (RFQ), (2) Request for Proposals (RFP), or (3) other processes as determined by the CFO in accordance with laws and regulations.
  - 5.7.2. The City's Financial Advisor may be requested by the City to assist the City in the selection of other service providers, including but not limited to underwriter, trustee, escrow agents, verification agents, and printers. Selection of other service providers will reflect economic inclusion and diversity goals established by the City.
  - 5.7.3. Services Providers / Financing Team. The CFO is responsible for establishing a competitive solicitation and selection process for securing professional services that are required to develop and implement the City's debt program. Goals of the solicitation and selection process shall include, but is not limited to, the following: encouraging participation from qualified service provides, both national and local, and securing services at competitive prices. Service Providers / Financing Team entities may include, but is not limited to, the following:
    - 5.7.3.1. Bond Counsel. Bond Counsel shall be selected for any and all debt issuances. The Corporation Counsel, pursuant to City Charter Section 7.5-201, and in consultation with the CFO, shall select Bond Counsel in accordance with the City's procurement policies and procedures. Bond Counsel will be responsible for preparing the necessary ordinances, legal agreements and other documents necessary to execute a financing. All debt issued by the City will include an approving legal opinion of a nationally recognized bond counsel.
    - 5.7.3.2. Disclosure Counsel. The City may retain Disclosure Counsel for all public issuances. Disclosure Counsel may be required to deliver a customary



10(b)-5 opinion on City offering documents and work with City staff to develop and draft all disclosure documents for a bond financing.

- 5.7.3.3. Financial Advisor. The City shall use the services of an Independent Registered Municipal Financial Advisor (IRMA) as its advisor. The Financial Advisor shall advise and assist the City in structuring the transaction and timing, in addition to other general financial planning / analyses as requested by the City. If there are any potential conflicts of interest, they should be waived by the CFO prior to appointment or restrictions on conflicting relationships must be disclosed prior to the appointment. Financial Advisors must meet all standards related to avoidance of conflict of interest as set forth in SEC and Municipal Securities Rulemaking Board (MSRB) rules and regulations.
- 5.7.3.4. Underwriter. Underwriters must meet all standards related to avoidance of conflict of interest as set forth in SEC and MSRB rules and regulations. For a competitive or negotiated sale, the criteria used to select an underwriter shall be the bid providing the lowest true interest cost to the City and other factors determined by the CFO. The City will maintain a list of Underwriters to use for debt issuance pursuant to a RFQ process and as approved by the CFO. Firms eligible to submit a response to the RFQ must be listed in the most recent edition of the Bond Buyer Red Book or a similar publication if the Bond Buyer Red Book is no longer published. Firms that merge or leave the industry are dropped from the eligibility list and may be replaced with another qualified firm as determined by the CFO. The CFO shall select an Underwriter for each debt issuance. Underwriters will be required to demonstrate sufficient capitalization and experience related to the debt issuance being proposed. The CFO will consider the following additional criteria, in no priority order, when selecting an Underwriter and / or members of an underwriting syndicate:
- Overall experience;
  - Experience with the particular size and type of financing;
  - Familiarity with City issues;
  - Experience of the public finance team assigned to the financing;
  - Previous experience as managing or co-managing underwriter;
  - Type of firm (i.e. national, regional, local, MBE, etc.);
  - Location of firm and presence in the City and the State;
  - Demonstrated commitment to the City;
  - Financial market knowledge;
  - Investor and distribution capability;
  - Financial strength, as evidenced by the firm's current financial statements;
  - Resources to complete the financing;
  - Compensation; and

- Other items as determined by the CFO.

Underwriters must present all Municipal Advisor Rule documentation prior to any communications with representatives of the City in relation to a contemplated financing. All transaction fees will be evaluated by the CFO or their designee and, if requested by the City, the City's Financial Advisor. All transactions fees shall be approved by the CFO or their designee using a methodology determined by the CFO or their designee prior to the distribution of any offering documentation.

- 5.7.3.5. Trustee / Paying Fiscal Agent. A Trustee / Paying Agent is the institution, usually a commercial bank or trust company, appointed in the indenture or bond resolution to act as the agent of the issuer to pay principal and interest from monies provided by or on behalf of the issuer. Paying Agent duties are typically limited to receiving money from the issuer and paying principal and interest to bondholders on behalf of the issuer. A Trustee, in addition to performing the duties of a Paying Agent, is responsible for establishing and holding the funds and accounts relating to the bond issue, including accounts for bond proceeds and pledged revenues, determining that the conditions for disbursement of proceeds and revenues have been met, and, in some cases, collecting revenues and executing investments. The Trustee / Paying Agent solicitation and selection is typically coordinated by the Financial Advisor in consultation with the City for a new bond issuance. The City will monitor the ongoing performance of a Trustee / Paying Agent.
- 5.7.3.6. Other Service Providers. Other professionals may be selected by CFO or their designee on an as needed basis subject to the processes and approvals described in this Directive, as well as applicable law and other regulations. These include, but are not be limited to, the services of escrow agents, bond insurance providers, credit and liquidity banks, verification agents, title insurance companies and services related to printing.
- 5.8. Post-Issuance Management and Compliance. The Office of the Treasury shall be responsible for verifying compliance with all undertakings, covenants, and agreements for each bond issuance on an ongoing annual basis, in addition to various debt certifications that may be required by the CFO and, if applicable, State law.
- 5.9. Investment of Bond Proceeds. The Treasurer shall direct the Trustee to invest the proceeds of a bond sale until those proceeds are used for the intended purpose. The investments shall be made to minimize negative arbitrage to the greatest extent possible and to ensure the highest level of security.
- 5.10. Transparency, Reporting, and Disclosure
- 5.10.1. The City shall provide full and complete financial disclosure to credit rating agencies, Electronic Municipal Market Access (EMMA), other levels of government, and the public in order to share clear, comprehensible, and accurate financial information.
- 5.10.2. The CFO's Office shall ensure relevant information is posted to the City's public website and the City's investors relations public website. The CFO's Office shall review the information on these websites no less than quarterly to ensure the most recent information is available. The CFO's Office shall continuously review new methods and tools to improve and enhance transparency.

5.10.3. The Office of the Treasury shall monitor key credit / debt indicators and shall report those indicators to the CFO's Office, at a minimum, on an annual basis. The indicators, adjusted to take into account a planned debt issuance, shall also be reported to the CFO as part of the CFO's review of a proposed debt issuance. These indicators include, but are not limited to, the following:

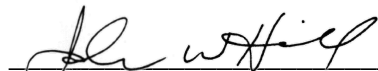
- Full Value Per Capita
- Fund Balance as a % of revenues
- Net Direct Debt/Operating Revenues
- Net Direct Debt/Full Value

The CFO's Office may periodically request additional key credit / debt indicators from the Office of the Treasury. As such, the Treasurer shall ensure leading practice / industry standard credit / debt indicators are maintained and updated, at a minimum, annually.

5.10.4. Arbitrage Rebate Reporting. The Office of the Treasury shall maintain a system of record keeping and reporting to meet the arbitrage rebate compliance requirements as required by the federal tax code. This shall include tracking investment earnings on bond proceeds, calculating rebate-able earnings, and remitting any rebate payments to the federal government. No less than every five (5) years, the Treasurer may lead a process to select a qualified third party (such third party may include Bond Counsel) to assist the City in fulfilling its obligations with regard to arbitrage compliance.

5.10.5. Ongoing Disclosure. The City shall meet continuing disclosure requirements in a timely and comprehensive manner, as stipulated by the SEC Rule 15(c)2-12 and other applicable laws, rules and regulations, as well as set forth in the continuing disclosure agreements implemented with each financing. The Office of the Treasury shall be responsible for providing ongoing disclosure information to the Municipal Securities Rulemaking Board's MSRB Electronic Municipal Market Access (EMMA) system, the central repository designated by the SEC for ongoing disclosures by municipal issuers. Annually, the Office of the Treasury shall conduct an audit of EMMA filings of outstanding continuing disclosure obligations to determine compliance with provisions of existing continuing disclosure agreements. The Treasurer may lead a process to select a qualified third party (such third party may include Bond Counsel or Disclosure Counsel) to assist the City in the maintenance of its continuing disclosure undertakings.

**APPROVED**



John. W. Hill

*Chief Financial Officer, City of Detroit*