

Construction work in progress, major capital assets acquired, and projects completed during the year ended June 30, 2025 included the following:

The Water and Sewerage Department is engaged in numerous projects that are part of its five-year capital improvement program, including water main replacements, fire hydrant replacements, sewer system rehabilitation, vehicle and equipment purchases, and information technology upgrades. The program is being financed primarily from lease payments from the Great Lakes Water Authority and proceeds from the issuance of revenue bonds by the Great Lakes Water Authority. The total amount of construction contract commitments outstanding at June 30, 2025 was approximately \$148 million and \$86 million for the Water Fund and Sewage Disposal Fund, respectively.

The Transportation Fund (DDOT) opened a new bus terminal and maintenance center equipped with modern facilities at a total cost of \$160 million, of which \$63 million was added to working capital for FY2025. These increased costs were fully supported by a higher General Fund subsidy and the state’s Local Bus Operating Assistance grant, which together sustained the elevated level of operating expenditure.

For more details on Capital Assets see Note 6.

Long-term Debt

At June 30, 2025, the City had total bonded debt of \$2.07 billion outstanding, \$1.72 billion of which are general obligation bonds backed by the full faith and credit of the City, and \$346.2 million in revenue bonds or other indebtedness.

	Summary of Capital Assets June 30, 2025 and 2024 (In Thousands)					
	Governmental Activities		Business Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
General Obligation Bonds	\$ 1,462,791	\$ 1,465,698	\$ 259,345	\$ 265,431	\$ 1,722,136	\$ 1,731,129
Revenue Bonds and Other Indebtedness	76,470	94,971	269,741	275,675	346,211	370,646
Total	\$ 1,539,261	\$ 1,560,669	\$ 529,086	\$ 541,106	\$ 2,068,347	\$ 2,101,775

Total primary government general obligation bonded debt decreased by \$9.0 million during the year ended June 30, 2025. The decrease is due to refinancing the outstanding 2014F Income Tax Bonds and paying scheduled principal payments on other debt obligations, offset by the issuance of \$46.3 million in Series 2024 UTGO bonds and \$44.5 million in Supplemental Installment Purchase Agreements.

Total primary government revenue bonds decreased by \$24.4 million during the year ended June 30, 2025. The decrease relates to payments made on the 2017 Michigan Transportation Fund Bonds (\$10.1 million) and payment or full defeasance of HUD Notes (\$8.4 million). In addition, Business-type activities revenue bond debt was reduced by \$5.9 million.

For more details on Long-term Debt see Note 7.

The City’s credit ratings on uninsured general obligation bonds as of June 30, 2025 were:

Moody’s Investors Service, Inc.	Baa1
Standard & Poor’s Corporation	BBB

In Fiscal Year 2025, Moody’s raised Detroit’s credit rating one notch from Baa2 to Baa1 with a positive outlook, marking the fourth consecutive year in which the City saw a credit rating upgrade. Moody’s cited the City’s continued effectiveness to bolster financial resiliency and maintain solid operating performance as key reasons for the upgrade. S&P affirmed its BBB rating for the City, maintaining the outlook as stable.