

City of Detroit
CITY COUNCIL

LEGISLATIVE POLICY DIVISION

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TO: Bruce Simpson
Office of the Ombudsman

FROM: David Whitaker, Director
Legislative Policy Division Staff 

DATE: March 13, 2019

RE: 2019-2020 Budget Analysis

Attached is our budget analysis regarding your department's budget for the 2019-2020 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing on **Monday, March 25, 2019 at 10:00 a.m.** We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Council members and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

DW:dh:ss

Attachments:

Issues and Questions
Ombudsman Budget Pages

CC: Councilmembers
Auditor General's Office
David Massaron, Acting Chief Financial Officer
Tanya Stoudemire, Budget Director
Stephanie Grimes Washington, Mayor's Office

Ombudsperson (53)

FY 2019-20 Budget Analysis by the Legislative Policy Division

The mission of the Ombudsperson is to improve service delivery through departmental accountability.

The City of Detroit Office of the Ombudsperson was established by Charter referendum on November 6, 1973, became operational in 1974, and was upheld by voters in 2011.

The Detroit City Ombudsperson, an independent governmental official, is appointed by the Detroit City Council. Complaints regarding an act or omission of a city department are received by telephone/fax, U.S. mail, email, or in person. The Office receives inquiries concerning City departments and other governmental agencies, including businesses. Annual statistical reports are presented to the City Council and Mayor. The Office also makes recommendations to remedy systematic problems identified through its investigations.

The Office has jurisdiction to investigate all City agencies, but does not address issues pending legal consideration in the courts, or under review by the City Council.

AGENCY GOALS:

1. Provide efficient, quality and user-friendly services to the public.
2. Restore citizen confidence where misunderstanding, error and omission have decreased confidence in government.
3. Investigate inadequate, archaic or inequitable ordinances, policies not consistently applied, and inequitable or inadequate administrative or service procedures.
4. Advance innovative and practical recommendations to resolve recurring complaints.
5. Update technology and expand agency access through social media

Ombudsperson Budget Summary

| | FY 2018 Actual | | FY 2019 Adopted Budget | | FY 2020 Recommended Budget | |
|--------------------|-------------------|-----------|---------------------------|-----------|-------------------------------|-----------|
| | General Fund | All Funds | General Fund | All Funds | General Fund | All Funds |
| Total Revenues | - | - | - | - | - | - |
| Total Expenditures | 824,082 | 824,082 | 1,011,089 | 1,011,089 | 1,019,758 | 1,019,758 |
| Net Tax Cost | 824,082 | 824,082 | 1,011,089 | 1,011,089 | 1,019,758 | 1,019,758 |

| | FY 2021 Forecast | | FY 2022 Forecast | | FY 2023 Forecast | |
|--------------------|---------------------|-----------|---------------------|-----------|---------------------|-----------|
| | General Fund | All Funds | General Fund | All Funds | General Fund | All Funds |
| Total Revenues | - | - | - | - | - | - |
| Total Expenditures | 905,096 | 905,096 | 918,268 | 918,268 | 931,703 | 931,703 |
| Net Tax Cost | 905,096 | 905,096 | 918,268 | 918,268 | 931,703 | 931,703 |

| | FY 2019 Adopted Budget | | FY 2020 Recommended Budget | | FY 2020 % Increase/(Decrease) | |
|--------------------|---------------------------|-------------|-------------------------------|-------------|----------------------------------|-----------|
| | General Fund | All Funds | General Fund | All Funds | General Fund | All Funds |
| Total Revenues | - | - | - | - | - | - |
| Total Expenditures | \$1,011,089 | \$1,011,089 | \$1,019,758 | \$1,019,758 | 0.9% | 0.9% |
| Net Tax Cost | \$1,011,089 | \$1,011,089 | \$1,019,758 | \$1,019,758 | 0.9% | 0.9% |

As illustrated above¹, for FY 19-20 (FY 20), the Mayor has recommended minor increases in general fund expenses \$ \$8,669 (0.9%).

¹ Page B53-2 of the City of Detroit Four-Year Financial Plan FY2019-2022

| Positions (by FTE): | 1/1/2019 Actual | FY 2019 Adopted | FY 2020 Recommended | FY 2021 Forecast | FY 2022 Forecast | FY 2023 Forecast |
|------------------------|--------------------|--------------------|------------------------|---------------------|---------------------|---------------------|
| General Fund | 8 | 8 | 6 | 6 | 6 | 6 |
| Non-General Fund | - | - | - | - | - | - |
| Total Positions | 8 | 8 | 6 | 6 | 6 | 6 |

| | FY 2019 Adopted Budget All Funds | FY 2020 Recommended Budget General Fund | FY 2020 % Increase/(Decrease) General Fund |
|--------------------------------------|--|---|--|
| General Fund | 8 | 6 | -25.0% |
| Non General Fund | - | - | - |
| Net Tax Cost | 8 | 6 | -25.0% |
| Net Staff Increase/(Decrease) | | (2) | |

The Mayor has recommended eliminating 2 FTE² positions, thereby reducing the staffing of the Office of the Ombudsman by 25% in FY 20.³

| | FY 2019 Adopted Budget All Funds | FY 2020 Recommended Budget General Fund | FY 2020 Increase/(Decrease) | FY 2020 % Increase/(Decrease) General Fund |
|-------------------|--|---|--------------------------------|--|
| Salaries & Wages | \$676,695 | \$581,372 | (\$95,323) | -14.1% |
| Employee Benefits | <u>\$217,908</u> | <u>\$204,801</u> | <u>(\$13,107)</u> | -6.0% |
| Net Employee Cost | \$894,603 | \$786,173 | (\$108,430) | -12.1% |

Page B 53-5: Employee related costs are reduced by \$108,430 in FY 20, due to reductions in salaries & wages costs (\$95,323) and employee benefits (\$13,107).

| | FY 2019 Adopted Budget All Funds | FY 2020 Recommended Budget General Fund | FY 2020 Increase/(Decrease) | FY 2020 % Increase/(Decrease) General Fund |
|---|--|---|--------------------------------|--|
| Professional & Contractual Services | <u>\$7,000</u> | <u>\$125,825</u> | <u>\$118,825</u> | 1697.5% |
| Net Professional & Contractual Services | \$7,000 | \$125,825 | \$118,825 | 1697.5% |

Page B 53-5: Conversely, Professional & Contractual Services costs increase by \$118,825.

1) The Mayor has recommended eliminating 2 FTE positions, thereby reducing the staffing of the Office of the Ombudsman by 25% in FY 20. What is the projected impact of this forecasted staffing reduction on the Office of the Ombudsman's day to day operations?

2) What is the basis of the \$118,825 increase in Professional & Contractual Services in FY 20?

3) Please describe the department's new expense initiatives, new capital funding requests, operational reform and savings proposals, and new revenue initiatives/proposals to be implemented in FY 2019. Please provide which appropriation/cost center the new initiative/request/proposal is impacting in FY 20.

² Full time equivalent positions

³ As of January 1, 2020, the Office of the Ombudsman is fully staffed with eight (8) actual employees.

4) As the Ombudsman of the City of Detroit, your office has contact with citizens and the departments of the City on a daily basis. What suggestions or initiatives would you recommend to increase revenue or to provide efficiency in service delivery by the City?

5) What are the Office of the Ombudsperson's top accomplishments in the current fiscal year?

OMBUDSPERSON (53)

AGENCY PLAN: MISSION, GOALS AND ACTIVITY SUMMARY

MISSION:

Improve service delivery through departmental accountability.

DESCRIPTION:

The City of Detroit Office of the Ombudsperson was established by Charter referendum on November 6, 1973, became operational in 1974, and was upheld by voters in 2011.

The Detroit City Ombudsperson, an independent governmental official, is appointed by the Detroit City Council. Complaints regarding an act or omission of a city department are received by telephone/fax, U.S. mail, email, or in person.

The Office receives inquiries concerning City departments and other governmental agencies, including businesses. Annual statistical reports are presented to the City Council and Mayor. The Office also makes recommendations to remedy systematic problems identified through its investigations.

The Office has jurisdiction to investigate all City agencies, but does not address issues pending legal considerations in the courts, or under review by the City Council.

AGENCY GOALS:

1. Provide efficient, quality and user-friendly services to the public.
2. Restore citizen confidence where misunderstanding, error and omission have decreased confidence in government.
3. Investigate inadequate, archaic or inequitable ordinances, policies not consistently applied, and inequitable or inadequate administrative or service procedures.
4. Advance innovative and practical recommendations to resolve recurring complaints.
5. Update technology and expand agency access through social media.

Department Name: Ombudsman
 Department #: 53

Budget Summary:

| | FY 2018 Actual | | FY 2019 Adopted Budget | | FY 2020 Recommended Budget | |
|--------------------|----------------|-----------|------------------------|-----------|----------------------------|-----------|
| | General Fund | All Funds | General Fund | All Funds | General Fund | All Funds |
| Total Revenues | - | - | - | - | - | - |
| Total Expenditures | 824,082 | 824,082 | 1,011,089 | 1,011,089 | 1,019,758 | 1,019,758 |
| Net Tax Cost | 824,082 | 824,082 | 1,011,089 | 1,011,089 | 1,019,758 | 1,019,758 |

| | FY 2021 Forecast | | FY 2022 Forecast | | FY 2023 Forecast | |
|--------------------|------------------|-----------|------------------|-----------|------------------|-----------|
| | General Fund | All Funds | General Fund | All Funds | General Fund | All Funds |
| Total Revenues | - | - | - | - | - | - |
| Total Expenditures | 905,096 | 905,096 | 918,268 | 918,268 | 931,703 | 931,703 |
| Net Tax Cost | 905,096 | 905,096 | 918,268 | 918,268 | 931,703 | 931,703 |

| Positions (by FTE): | 1/1/2019 Actual | FY 2019 Adopted | FY 2020 Recommended | FY 2021 Forecast | FY 2022 Forecast | FY 2023 Forecast |
|---------------------|-----------------|-----------------|---------------------|------------------|------------------|------------------|
| | General Fund | 8 | 8 | 6 | 6 | 6 |
| Non-General Fund | - | - | - | - | - | - |
| Total Positions | 8 | 8 | 6 | 6 | 6 | 6 |

OMBUDSPERSON (53)

ACTIVITY DESCRIPTION:

INVESTIGATION OF COMPLAINTS

The Office of the Ombudsperson is mandated by the Detroit City Charter to use its independence to receive, investigate, mediate, and resolve citizen complaints against City government, including any action, decision, recommendation, practice, or procedure of any agency. The City Charter also authorizes the agency to review investigations and hearings conducted by other city departments, with subpoena power, to ensure truthful and fair outcomes; recommend changes where investigations reveal that a modification, addition, or elimination of an act or procedure is warranted; establish complaint investigative procedures and maintain records to determine areas of administrative or service failure; initiate standard investigations into areas where compiled data reveals problems of similar or recurring nature; and provide information, referrals, assistance, and recommendations for an appropriate investigation when citizen complaints do not fall within the jurisdiction of services provided by the City of Detroit.

CITY OF DETROIT
 BUDGET DEVELOPMENT
 EXPENDITURES BY SUMMARY CATEGORY - ALL FUNDS

| Department # - Department Name Summary Category | FY2019 Adopted | FY2020 Recommended | FY2021 Forecast | FY2022 Forecast | FY2023 Forecast |
|--|-------------------|-----------------------|--------------------|--------------------|--------------------|
| 53 - Ombudsman | 1,011,089 | 1,019,758 | 905,096 | 918,268 | 931,703 |
| Salaries & Wages | 676,695 | 581,372 | 592,999 | 604,859 | 616,956 |
| Employee Benefits | 217,908 | 204,801 | 206,087 | 207,399 | 208,737 |
| Professional & Contractual Services | 7,000 | 125,825 | 5,000 | 5,000 | 5,000 |
| Operating Supplies | 26,436 | 26,185 | 26,185 | 26,185 | 26,185 |
| Operating Services | 70,140 | 69,914 | 69,914 | 69,914 | 69,914 |
| Capital Outlays | - | - | - | - | - |
| Other Expenses | 12,910 | 11,661 | 4,911 | 4,911 | 4,911 |
| Grand Total | 1,011,089 | 1,019,758 | 905,096 | 918,268 | 931,703 |

CITY OF DETROIT
 BUDGET DEVELOPMENT
 EXPENDITURES BY SUMMARY CATEGORY - FUND DETAIL

| Department # - Department Name Fund # - Fund Name Summary Category | FY2019 Adopted | FY2020 Recommended | FY2021 Forecast | FY2022 Forecast | FY2023 Forecast |
|--|-------------------|-----------------------|--------------------|--------------------|--------------------|
| 53 - Ombudsman | 1,011,089 | 1,019,758 | 905,096 | 918,268 | 931,703 |
| 1000 - General Fund | 1,011,089 | 1,019,758 | 905,096 | 918,268 | 931,703 |
| Salaries & Wages | 676,695 | 581,372 | 592,999 | 604,859 | 616,956 |
| Employee Benefits | 217,908 | 204,801 | 206,087 | 207,399 | 208,737 |
| Professional & Contractual Services | 7,000 | 125,825 | 5,000 | 5,000 | 5,000 |
| Operating Supplies | 26,436 | 26,185 | 26,185 | 26,185 | 26,185 |
| Operating Services | 70,140 | 69,914 | 69,914 | 69,914 | 69,914 |
| Other Expenses | 12,910 | 11,661 | 4,911 | 4,911 | 4,911 |
| Grand Total | 1,011,089 | 1,019,758 | 905,096 | 918,268 | 931,703 |

CITY OF DETROIT
 BUDGET DEVELOPMENT
 FINANCIAL DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER
 EXPENDITURES

| Department # - Department Name | FY2019 Adopted | FY2020 Recommended | FY2021 Forecast | FY2022 Forecast | FY2023 Forecast |
|---|-------------------|-----------------------|--------------------|--------------------|--------------------|
| Fund # - Fund Name | | | | | |
| Appropriation # - Appropriation Name | | | | | |
| Cost Center # - Cost Center Name | | | | | |
| 53 - Ombudsman | 1,011,089 | 1,019,758 | 905,096 | 918,268 | 931,703 |
| 1000 - General Fund | 1,011,089 | 1,019,758 | 905,096 | 918,268 | 931,703 |
| 00182 - Ombuds Investigation of Complaints | 1,011,089 | 1,019,758 | 905,096 | 918,268 | 931,703 |
| 530010 - Ombudsperson Investigation of Complaints | 1,011,089 | 1,019,758 | 905,096 | 918,268 | 931,703 |
| Grand Total | 1,011,089 | 1,019,758 | 905,096 | 918,268 | 931,703 |

CITY OF DETROIT
FY2020 - 2023 Positions - Mayor

| 53000-Ombudsman | FY 2018-19 FTE | FY 2019-20 FTE | FY 2020-21 FTE | FY 2021-22 FTE | FY 2022-23 FTE |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Appropriation | Budget | Mayor | Forecast | Forecast | Forecast |
| Cost Center | | | | | |
| Job Code and Title | | | | | |
| 00182-Omb Ombudsperson Investigation of Complaints | | | | | |
| 530010-Ombudsperson Investigation of Complaints | | | | | |
| 010190.City Ombudsman | 1 | 1 | 1 | 1 | 1 |
| 010191.Deputy City Ombudsman | 1 | 1 | 1 | 1 | 1 |
| 011501.Assistant Ombudsman - Grade IV | 2 | 2 | 2 | 2 | 2 |
| 011502.Assistant Ombudsman - Grade III | 1 | 1 | 1 | 1 | 1 |
| 011503.Assistant Ombudsman - Grade II | 1 | 1 | 1 | 1 | 1 |
| 929107.Administrative Special Services Staff II - Exempt | 2 | 0 | 0 | 0 | 0 |
| Total 530010-Ombudsperson Investigation of Complaints | 8 | 6 | 6 | 6 | 6 |
| Total 00182-Omb Ombudsperson Investigation of Complaints | 8 | 6 | 6 | 6 | 6 |
| Agency Total | 8 | 6 | 6 | 6 | 6 |



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