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City of Detroit

CITY COUNCIL

LEGISLATIVE POLICY DIVISION

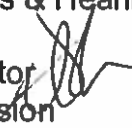
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TO: Miriam Blanks-Smart, Executive Director
Department of Appeals & Hearings

FROM: David Whitaker, Director
Legislative Policy Division 

DATE: March 11, 2020

RE: **2020-2021 Budget Analysis**

Attached is our budget analysis regarding your agency's budget for the upcoming 2020-2021 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing on **Friday, March 13, 2020 at 10:00 am**. 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 Councilmembers and the City Clerk's Office as well.

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

Thank you for your cooperation in this matter.

Attachments
Issues and Questions

cc: Councilmembers
Auditor General's Office
David Massaron, Chief Financial Officer
James George, Agency Chief Financial Officer
Stephanie Washington, Mayor's Office

Department of Appeals and Hearings (45)

FY 2020-21 Budget Analysis by the Legislative Policy Division

Issues and Questions

- 1) Please briefly explain the department's new Expense Initiatives slated for FY 2021. Please provide which Appropriation/Cost Center the new initiatives will affect in FY 2021.
- 2) Please briefly explain the new Capital Funding requests slated in FY 2021. Please provide which Appropriation/Cost Center the new requests will affect in FY 2021.
- 3) Please briefly explain the Operational Reform and Savings Proposals slated for FY 2021. Please provide which Appropriation/Cost Center the new reform/proposals will affect in FY 2021.
- 4) Please briefly explain the new Revenue Initiatives/Proposals slated for FY 2021. Please provide which Appropriation/Cost Center the new initiatives/proposals will affect in FY 2021.
- 5) According to the Office of the Chief Financial Officer (OCFO), the **Department of Appeals and Hearings** had zero vacancies through December 2019.
 - a) Please indicate your number of vacancies as of February 29, 2020.
 - b) What are the titles of the vacant positions?
 - c) Please briefly describe the difficulty of filling the vacancies.
 - d) Please briefly explain the department's strategy to fill the vacant positions.
- 6) Please explain the increase in the amount of Professional and Contractual Services by 13% or \$24,461.
- 7) Please explain the increase of \$757,000 or 42% in department revenues.
- 8) How effective has the agency been in collecting fines and fees?
- 9) Since DAH's inception in 2005, what has been the most challenging part of the operation?

DEPARTMENT OF APPEALS AND HEARINGS (45)

AGENCY PLAN: MISSION, GOALS AND ACTIVITY SUMMARY

MISSION:

The Department of Appeals and Hearings (DAH) provides quality administrative hearings in a timely, efficient and cost-effective manner, with respect for the dignity of individuals and their due process rights.

DESCRIPTION:

The DAH is an independent administrative hearings bureau that adjudicates blight violations, assesses civil fines and costs pursuant to the schedule in the anti-blight ordinances and reviews administrative decisions of City departments and agencies and makes the final agency decisions.

AGENCY GOALS:

1. Adjudicate blight code violations issued by authorized City agents with sensitivity to the violations' impact on the escalating problem of blight in Detroit.
2. Enhance collectability of fines and fees through garnishments and liens utilizing the Department's decisions and orders.
3. Review and make final decisions on administrative decisions of City departments and agencies.

Department Name: Department of Appeals & Hearings
 Department #: 45

Budget Summary:

| | FY 2019 Actual | | FY 2020 Adopted Budget | | FY 2021 Mayor Recommended | |
|---------------------|--------------------|--------------------|------------------------|------------------|---------------------------|--------------------|
| | General Fund | All Funds | General Fund | All Funds | General Fund | All Funds |
| Total Revenues | 2,556,572 | 2,556,572 | 1,800,000 | 1,800,000 | 2,557,000 | 2,557,000 |
| Total Expenditures | 930,811 | 930,811 | 1,108,666 | 1,294,205 | 1,237,417 | 1,237,417 |
| Net Tax Cost | (1,625,760) | (1,625,760) | (691,334) | (505,795) | (1,319,583) | (1,319,583) |

| | FY 2022 Forecast | | FY 2023 Forecast | | FY 2024 Forecast | |
|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | General Fund | All Funds | General Fund | All Funds | General Fund | All Funds |
| Total Revenues | 2,557,000 | 2,557,000 | 2,557,000 | 2,557,000 | 2,557,000 | 2,557,000 |
| Total Expenditures | 1,036,575 | 1,036,575 | 1,051,322 | 1,051,322 | 1,066,365 | 1,066,365 |
| Net Tax Cost | (1,520,425) | (1,520,425) | (1,505,678) | (1,505,678) | (1,490,635) | (1,490,635) |

| Positions (by FTE): | 1/1/2020 Actual | FY 2020 Adopted | FY 2021 Mayor Recommended | FY 2022 Forecast | FY 2023 Forecast | FY 2024 Forecast |
|------------------------|-----------------|-----------------|---------------------------|------------------|------------------|------------------|
| | General Fund | 11 | 9 | 9 | 9 | 9 |
| Non-General Fund | - | - | - | - | - | - |
| Total Positions | 11 | 9 | 9 | 9 | 9 | 9 |

DEPARTMENT OF APPEALS AND HEARINGS (45)

ACTIVITY DESCRIPTION

BLIGHT VIOLATIONS ADJUDICATION

The Department of Appeals and Hearings (DAH) is a quasi-judicial tribunal and administrative appeals bureau that provides expedient, independent and impartial adjudication of municipal ordinance violations and administrative decisions. This activity houses ticket processing, hearing officers and information technology staff. The tribunal is run by a director, manager, support staff and the hearings officers.

The DAH is an innovative approach to enforcing the Detroit City Code as it applies to property maintenance and blight prevention. The department's focus is to resolve blight violations in an effort to improve the quality of life of Detroit residents. Blight violations have a major impact on the quality of life in Detroit and DAH operates effectively to handle those violations.

ADMINISTRATIVE APPEALS

The DAH also provides for an effective, efficient and objective method for reviewing and making final decisions on administrative decisions by City departments and agencies.

Since its opening in 2005, the DAH has conducted over 450,000 hearings.

CITY OF DETROIT
 BUDGET DEVELOPMENT
 EXPENDITURES BY SUMMARY CATEGORY - ALL FUNDS
 DEPARTMENT 45 - DEPARTMENT OF APPEALS & HEARINGS

| Department # - Department Name Summary Category | FY2020 Adopted | FY2021 Mayor | FY2022 Forecast | FY2023 Forecast | FY2024 Forecast |
|--|-------------------|------------------|--------------------|--------------------|--------------------|
| 45 - Department of Appeals & Hearings | 1,294,205 | 1,237,417 | 1,036,575 | 1,051,322 | 1,066,365 |
| Salaries & Wages | 566,606 | 652,618 | 665,670 | 678,983 | 692,563 |
| Employee Benefits | 199,587 | 220,524 | 221,930 | 223,364 | 224,827 |
| Professional & Contractual Services | 193,770 | 218,231 | 2,931 | 2,931 | 2,931 |
| Operating Supplies | 21,208 | 12,208 | 12,208 | 12,208 | 12,208 |
| Operating Services | 124,995 | 131,336 | 131,336 | 131,336 | 131,336 |
| Equipment Acquisition | 185,539 | - | - | - | - |
| Other Expenses | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 |
| Grand Total | 1,294,205 | 1,237,417 | 1,036,575 | 1,051,322 | 1,066,365 |

CITY OF DETROIT
 BUDGET DEVELOPMENT
 REVENUES BY SUMMARY CATEGORY - ALL FUNDS
 DEPARTMENT 45 - DEPARTMENT OF APPEALS & HEARINGS

| Department # - Department Name Summary Category | FY2020 Adopted | FY2021 Mayor | FY2022 Forecast | FY2023 Forecast | FY2024 Forecast |
|--|-------------------|------------------|--------------------|--------------------|--------------------|
| 45 - Department of Appeals & Hearings | 1,800,000 | 2,557,000 | 2,557,000 | 2,557,000 | 2,557,000 |
| Revenues from Use of Assets | 158,000 | 207,000 | 207,000 | 207,000 | 207,000 |
| Sales & Charges for Services | 1,642,000 | 2,350,000 | 2,350,000 | 2,350,000 | 2,350,000 |
| Grand Total | 1,800,000 | 2,557,000 | 2,557,000 | 2,557,000 | 2,557,000 |

CITY OF DETROIT
 BUDGET DEVELOPMENT
 EXPENDITURES BY SUMMARY CATEGORY - FUND DETAIL
 DEPARTMENT 45 - DEPARTMENT OF APPEALS & HEARINGS

| Department # - Department Name Fund # - Fund Name Summary Category | FY2020 Adopted | FY2021 Mayor | FY2022 Forecast | FY2023 Forecast | FY2024 Forecast |
|--|-------------------|------------------|--------------------|--------------------|--------------------|
| 45 - Department of Appeals & Hearings | 1,294,205 | 1,237,417 | 1,036,575 | 1,051,322 | 1,066,365 |
| 1000 - General Fund | 1,108,666 | 1,237,417 | 1,036,575 | 1,051,322 | 1,066,365 |
| Salaries & Wages | 566,606 | 652,618 | 665,670 | 678,983 | 692,563 |
| Employee Benefits | 199,587 | 220,524 | 221,930 | 223,364 | 224,827 |
| Professional & Contractual Services | 193,770 | 218,231 | 2,931 | 2,931 | 2,931 |
| Operating Supplies | 21,208 | 12,208 | 12,208 | 12,208 | 12,208 |
| Operating Services | 124,995 | 131,336 | 131,336 | 131,336 | 131,336 |
| Other Expenses | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 |
| 4533 - City of Detroit Capital Projects | 185,539 | - | - | - | - |
| Equipment Acquisition | 185,539 | - | - | - | - |
| Grand Total | 1,294,205 | 1,237,417 | 1,036,575 | 1,051,322 | 1,066,365 |

CITY OF DETROIT
 BUDGET DEVELOPMENT
 REVENUES BY SUMMARY CATEGORY - FUND DETAIL
 DEPARTMENT 45 - DEPARTMENT OF APPEALS & HEARINGS

| Department # - Department Name Fund # - Fund Name Summary Category | FY2020 Adopted | FY2021 Mayor | FY2022 Forecast | FY2023 Forecast | FY2024 Forecast |
|--|-------------------|------------------|--------------------|--------------------|--------------------|
| 45 - Department of Appeals & Hearings | 1,800,000 | 2,557,000 | 2,557,000 | 2,557,000 | 2,557,000 |
| 1000 - General Fund | 1,800,000 | 2,557,000 | 2,557,000 | 2,557,000 | 2,557,000 |
| Revenues from Use of Assets | 158,000 | 207,000 | 207,000 | 207,000 | 207,000 |
| Sales & Charges for Services | 1,642,000 | 2,350,000 | 2,350,000 | 2,350,000 | 2,350,000 |
| Grand Total | 1,800,000 | 2,557,000 | 2,557,000 | 2,557,000 | 2,557,000 |

CITY OF DETROIT
BUDGET DEVELOPMENT
FINANCIAL DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER - EXPENDITURES
DEPARTMENT 45 - DEPARTMENT OF APPEALS & HEARINGS

| Department # - Department Name Fund # - Fund Name Appropriation # - Appropriation Name Cost Center # - Cost Center Name | FY2020 Adopted | FY2021 Mayor | FY2022 Forecast | FY2023 Forecast | FY2024 Forecast |
|--|-------------------|------------------|--------------------|--------------------|--------------------|
| 45 - Department of Appeals & Hearings | 1,294,205 | 1,237,417 | 1,036,575 | 1,051,322 | 1,066,365 |
| 1000 - General Fund | 1,108,666 | 1,237,417 | 1,036,575 | 1,051,322 | 1,066,365 |
| 11159 - DAH Blight Violation Adjudication | 1,108,666 | 1,237,417 | 1,036,575 | 1,051,322 | 1,066,365 |
| 450010 - DAH Administration | 1,108,666 | 1,237,417 | 1,036,575 | 1,051,322 | 1,066,365 |
| 4533 - City of Detroit Capital Projects | 185,539 | - | - | - | - |
| 20507 - CoD Capital Projects 2019 | 185,539 | - | - | - | - |
| 450010 - DAH Administration | 185,539 | - | - | - | - |
| Grand Total | 1,294,205 | 1,237,417 | 1,036,575 | 1,051,322 | 1,066,365 |

CITY OF DETROIT
BUDGET DEVELOPMENT
FINANCIAL DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER - REVENUES
DEPARTMENT 45 - DEPARTMENT OF APPEALS & HEARINGS

| Department # - Department Name | FY2020 Adopted | FY2021 Mayor | FY2022 Forecast | FY2023 Forecast | FY2024 Forecast |
|---|-------------------|------------------|--------------------|--------------------|--------------------|
| Fund # - Fund Name | | | | | |
| Appropriation # - Appropriation Name | | | | | |
| Cost Center # - Cost Center Name | | | | | |
| 45 - Department of Appeals & Hearings | 1,800,000 | 2,557,000 | 2,557,000 | 2,557,000 | 2,557,000 |
| 1000 - General Fund | 1,800,000 | 2,557,000 | 2,557,000 | 2,557,000 | 2,557,000 |
| 11159 - DAH Blight Violation Adjudication | 1,800,000 | 2,557,000 | 2,557,000 | 2,557,000 | 2,557,000 |
| 450010 - DAH Administration | 1,800,000 | 2,557,000 | 2,557,000 | 2,557,000 | 2,557,000 |
| Grand Total | 1,800,000 | 2,557,000 | 2,557,000 | 2,557,000 | 2,557,000 |

CITY OF DETROIT
 BUDGET DEVELOPMENT
 POSITION DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER
 DEPARTMENT 45 - DEPARTMENT OF APPEALS & HEARINGS

| Department # - Department Name | FY2020 Adopted by FTE | FY2021 Mayor by FTE | FY2022 Forecast by FTE | FY2023 Forecast by FTE | FY2024 Forecast by FTE |
|---|-----------------------------|---------------------------|------------------------------|------------------------------|------------------------------|
| 45 - Department of Appeals & Hearings | 9 | 9 | 9 | 9 | 9 |
| 1000 - General Fund | 9 | 9 | 9 | 9 | 9 |
| 11159 - DAH Blight Violation Adjudication | 9 | 9 | 9 | 9 | 9 |
| 450010 - DAH Administration | 9 | 9 | 9 | 9 | 9 |
| 010170 - Director of Administrative Hearings | 1 | 1 | 1 | 1 | 1 |
| 010908 - Manager I - Administrative Hearings | 1 | 1 | 1 | 1 | 1 |
| 012051 - Head Clerk | 4 | 4 | 4 | 4 | 4 |
| 012234 - Administrative Assistant - Grade II - Administrative | 1 | 1 | 1 | 1 | 1 |
| 091198 - Manager of Administrative Hearings | 1 | 1 | 1 | 1 | 1 |
| 15112102 - Sys Analyst II (Info Tech Spc II) | 1 | 1 | 1 | 1 | 1 |
| Grand Total | 9 | 9 | 9 | 9 | 9 |