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TO: Tyrone Clifton, Director
Detroit Building Authority

FROM: David Whitaker, Director
Legislative Policy Division Staff

DATE: March 10, 2020

RE: 2020-2021 Budget Analysis

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

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing on **Monday, March 16, 2020 at 11:00 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

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

Detroit Building Authority

FY 2020-2021 Budget Analysis by the Legislative Policy Division

Issues and Questions

The **Detroit Building Authority** (DBA) is primarily responsible for administering capital projects, as determined by each respective City Department, with identified capital or grant funds. Critical functions include: encumbering funds through Contracts of Lease; managing the bid, RFP/RFQ process; issuing contract awards; securing the necessary clearances; advising contractors of Executive Order 2007-1 requirements; execution of contract documents; monitor design development and construction for each DBA capital project; review and approve contract invoices; oversee payments to vendors.

In addition, the DBA is responsible for the following:

- Creating and maintaining a database of all City-owned commercial property.
- Maintaining and managing all of the properties within the database.
- Managing the sale of the property, which includes tracking the applications through the process, marketing of properties, obtaining City and Council approvals, and finalizing the sale transaction.
- Managing City leases, which consist of property leased by and from the City, cellular towers and billboard leases.

Page B 35-10- General Fund Expenditure 1000 **appropriation # 00277 - Non-Departmental Detroit Building Authority** is recommended to be reduced by \$480,633 (-27.5%) in FY 21 by the Mayor, as illustrated below:

	EXPENDITURES			
	00277 - Non-Departmental DBA (General Fund 1000)			
	FY 2020 Adopted Budget	FY 2021 Recommended Budget	FY 2021 Increase/ (Decrease)	FY 2021 % Increase/ (Decrease)
Expenditures	\$1,749,532	\$1,268,899	(\$480,633)	-27.5%

Page B 35-12- Blight Fund 1003 **appropriation # 00277 - Non-Departmental Detroit Building Authority** is recommended to be eliminated in FY 21 by the Mayor, as illustrated below:

	EXPENDITURES			
	00277 - Non-Departmental DBA (Fund 1003 - Blight Investments)			
	FY 2020 Adopted Budget	FY 2021 Recommended Budget	FY 2021 Increase/ (Decrease)	FY 2021 % Increase/ (Decrease)
Expenditures	\$2,000,000	\$0	(\$2,000,000)	-100%

Page B 35-14- General Fund Revenue 1000 **appropriation # 00277 - Non-Departmental Detroit Building Authority** is recommended to increase by \$500,000 (100%) in FY 21 by the Mayor, as illustrated below:

	REVENUES			
	00277 - Non-Departmental DBA (General Fund Revenue 1000)			
	FY 2020 Adopted Budget	FY 2021 Recommended Budget	FY 2021 Increase/ (Decrease)	FY 2021 % Increase/ (Decrease)
Expenditures	\$500,000	\$1,000,000	\$500,000	100%

Page B 35-16- The DBA currently has 13 budgeted positions in **FY 20** and the Mayor has recommended the reduction of 4 FTE's (-30.8%) to a total of 9 FTE's for **FY 21**, as illustrated below:

FY2021 - 2024 Positions

Department # - Department Name	FY2020	FY2021	FY2022	FY2023	FY2024
Fund # - Fund Name	Adopted	Mayor	Forecast	Forecast	Forecast
Appropriation # - Appropriation Name	by FTE	by FTE	by FTE	by FTE	by FTE
Cost Center # - Cost Center Name					
Job Code - Job Title					
35 - Non-Departmental	164	128	128	128	128
1000 - General Fund	143	106	106	106	106
00277 - Non Dept Detroit Building Authority	13	9	9	9	9
350310 - Detroit Building Authority	13	9	9	9	9
013376 - Executive Administrative Assistant II	1	1	1	1	1
111003 - Project Manager & Analytics Specialist III	2	1	1	1	1
111004 - Project Manager & Analytics Specialist IV	1	0	0	0	0
931324 - Special Area Maintenance Project Superintendent	3	3	3	3	3
931626 - Administrative Assistant - Grade II - Detroit Buildin	2	2	2	2	2
932015 - Executive Management Team - DBA	4	2	2	2	2

Issues and questions

1. Of the 13 FTE positions budgeted for the current FY 20, how many are vacant?
2. The Mayor has recommended the reduction of 4 FTE's (-30.8%) going from 13 FTE's to a total of 9 FTE's for **FY 21 (Page B 35-16)**. What's the rationale for this decrease in positions? Are those positions currently filled with City employees? If yes, will those individuals be transferred to perform those functions in another department or agency? If no, please explain the status of the positions.
3. The Mayor has recommended a \$480,633 (-27.5%) decrease in **appropriation # 00277 - Non-Departmental Detroit Building Authority (Page B 35-12)** in FY 21. What is the proposed impact of this reduction to the day-to-day operation in DBA and how will these functions that are no longer budgeted in DBA, be reflected elsewhere in the budget in the upcoming FY 21?

4. **Page B 35-14: Blight Fund 1003 appropriation # 00277 - Non-Departmental Detroit Building Authority \$2,000,000** is recommended to be eliminated from DBA's budget in FY 21 by the Mayor. What is the basis for the elimination of funds for this appropriation? What is the proposed impact on the DBA and blight elimination overall for the City?
5. **Page B 35-14: General Fund Revenue 1000 appropriation # 00277 - Non-Departmental Detroit Building Authority** is recommended to increase by \$500,000 (100%). What is the rationale for this increase and what is the projected impact on the DBA? Is this difference in revenue of \$500,000 reflected elsewhere in the budget?
6. The DBA is also responsible for creating and maintaining a database of all City owned commercial property, in addition to managing and maintaining all of the properties in the database. The DBA is also responsible for managing the sale of property, which includes tracking applications through the process, obtaining City Council approvals and finalizing sale transactions. What is the current status of the database and how often is it updated?
7. Regarding the maintenance of City-owned commercial property, what are the DBA's minimum standards for property maintenance?
8. Regarding the sale of City owned commercial properties, what percentage of the sale proceeds go to the City as general fund revenue and what percentage goes to the DBA as revenue?
9. Please briefly describe the department's new expense initiatives, new funding requests, reforms and savings proposals, and new revenue initiatives/proposals to be implemented in FY 2020. Please provide which appropriation/cost center the new initiative/request/proposal is impacting in FY 2021.

NON-DEPARTMENTAL (35)

BOPC operating sections are as follows:

- Fiscal section monitors the budget of the DPD quarterly.
- Policy section receives proposed directives from DPD and evaluates these directives for best practices and makes policy recommendations to the BOPC.
- Legal Advisory section to the Board advises the Board on legal and policy issues.
- Community outreach section prepares brochures, reports and engages with outside law enforcement support organizations.
- Administrative section coordinates the work of the agency.
- Office of the Chief Investigator (OCI) serves as the investigative entity of the Detroit Board of Police Commissioners. The OCI receives, processes, investigates and issues findings on non-criminal citizen complaints filed against the Detroit Police Department and its personnel. The OCI processes and investigates approximately 1,500 - 1,700 complaints annually.

The City Code Section 55-15-8(a) provides that “The Board of Police Commissioners, shall establish standards, including insurance and bonding requirements, that must be met in order for a tower to qualify for police authorized tow and the police department shall maintain a current list of such qualified towers.” It further provides that “The Board of Police Commissioners shall also promulgate and publish the rules and regulations that it uses to determine which towers shall be called for tows under this chapter. Such rules shall as nearly as practicable, provide for equitable distribution of police authorized towing to all towers on the list of qualified towers.”



The Detroit Building Authority (DBA) is primarily responsible for administering capital projects, as determined by each respective City Department, with identified capital or grant funds. Critical functions include: encumbering funds through Contracts of Lease; managing the bid, RFP/RFQ process; issuing contract awards; securing the necessary clearances; advising contractors of Executive Order 2007-1 requirements; execution of contract documents; monitor design development and construction for each DBA capital project; review and approve contract invoices; oversee payments to vendors.

In addition, the DBA is responsible for the following:

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- Maintaining and managing all of the properties within the database.
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- Managing City leases, which consist of property leased by and from the City, cellular towers and billboard leases.

CITY OF DETROIT
 BUDGET DEVELOPMENT
 FINANCIAL DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER - EXPENDITURES
 DEPARTMENT 35 - NON-DEPARTMENTAL

Department # - Department Name	FY2020 Adopted	FY2021 Mayor	FY2022 Forecast	FY2023 Forecast	FY2024 Forecast
Fund # - Fund Name					
Appropriation # - Appropriation Name					
Cost Center # - Cost Center Name					
35 - Non-Departmental	359,885,105	399,218,485	293,197,711	298,969,808	390,483,786
1000 - General Fund	332,385,105	337,218,485	291,197,711	296,969,808	388,483,786
00199 - Non Dept Public Commemorations	2,925	2,925	2,925	2,925	2,925
350010 - Public Commemorations	2,925	2,925	2,925	2,925	2,925
00204 - Non Dept Organizations For Cities	606,235	596,353	596,253	596,253	596,253
350020 - Dues & Memberships	386,235	386,235	386,235	386,235	386,235
350030 - Other Operations Services	220,000	210,118	210,018	210,018	210,018
* 00277 - Non Dept Detroit Building Authority	1,749,532	1,268,899	1,268,899	1,268,899	1,268,899
350310 - Detroit Building Authority	1,749,532	1,268,899	1,268,899	1,268,899	1,268,899
00335 - Non Dept Parking Programs	97,500	97,500	97,500	97,500	97,500
350060 - Special Parking Programs	97,500	97,500	97,500	97,500	97,500
00341 - Non Dept Tax Support	63,500,000	64,500,000	64,500,000	64,500,000	64,500,000
350080 - DDOT Contribution for Operations	63,500,000	64,500,000	64,500,000	64,500,000	64,500,000
00347 - Non Dept Airport Support	1,605,737	1,675,458	1,675,458	1,675,458	1,675,458
350090 - Airport Contribution for Operations	1,605,737	1,675,458	1,675,458	1,675,458	1,675,458
00396 - Non Dept World Trade Program	250,000	250,000	250,000	250,000	250,000
350140 - Detroit Port Authority	250,000	250,000	250,000	250,000	250,000
00664 - Non Dept CAYMC Building Rent & Rehabilitation	279,217	430,564	430,564	430,564	430,564
350200 - CAYMC Building Rent & Rehabilitation	279,217	430,564	430,564	430,564	430,564
00844 - Charter Commission	576,000	576,000	192,000	-	-
351250 - Charter Revision Commission	576,000	576,000	192,000	-	-
00852 - Non Dept Claims Fund (Insurance Premium)	24,100,000	12,100,000	12,100,000	12,100,000	12,100,000
350220 - Claims Fund (Insurance Premiums)	24,100,000	12,100,000	12,100,000	12,100,000	12,100,000

CITY OF DETROIT
 BUDGET DEVELOPMENT
 FINANCIAL DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER - EXPENDITURES
 DEPARTMENT 35 - NON-DEPARTMENTAL

Department # - Department Name	FY2020 Adopted	FY2021 Mayor	FY2022 Forecast	FY2023 Forecast	FY2024 Forecast
Fund # - Fund Name					
Appropriation # - Appropriation Name					
Cost Center # - Cost Center Name					
13853 - Non Dept Note B Payment	13,957,059	13,956,221	13,956,221	13,956,221	13,956,221
351025 - Note B Payment	13,957,059	13,956,221	13,956,221	13,956,221	13,956,221
13854 - Non Dept Retirement Systems	45,000,000	70,000,000	55,000,000	60,000,000	166,000,000
351026 - Retirement Systems - UAAL	-	-	-	-	166,000,000
351051 - Discretionary Pension Contributions	45,000,000	70,000,000	55,000,000	60,000,000	-
13965 - Non Dept Quality of Life Exit Financing Debt Service	32,508,286	33,047,217	33,028,701	33,309,946	20,692,216
351023 - Quality of Life Exit Financing Debt Service	32,508,286	33,047,217	33,028,701	33,309,946	20,692,216
14001 - Non Dept Budget Reserve	45,000,000	30,000,000	-	-	-
352101 - Budget Reserve	45,000,000	30,000,000	-	-	-
20253 - Blight Remediation Projects	13,000,000	13,000,000	13,000,000	12,500,000	12,000,000
350014 - Land Bank Operations	13,000,000	13,000,000	13,000,000	12,500,000	12,000,000
20539 - Non Dept Board of Police Commissioners	3,734,458	3,716,736	3,745,725	3,745,725	3,745,725
350002 - Board of Police Commissioners	3,734,458	3,716,736	3,745,725	3,745,725	3,745,725
20649 - Surveillance Technology	1,800,827	-	-	-	-
351020 - Non-Departmental	1,800,827	-	-	-	-
1003 - Blight Remediation Fund	12,000,000	-	-	-	-
00277 - Non Dept Detroit Building Authority	2,000,000	-	-	-	-
350310 - Detroit Building Authority	2,000,000	-	-	-	-
20253 - Blight Remediation Projects	10,000,000	-	-	-	-
350011 - Blight Remediation	10,000,000	-	-	-	-
3921 - Other Special Revenue Fund	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
13366 - Non Dept P.E.G. Fees	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
350324 - P.E.G. Fees	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000

CITY OF DETROIT
 BUDGET DEVELOPMENT
 FINANCIAL DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER - REVENUES
 DEPARTMENT 35 - NON-DEPARTMENTAL

Department # - Department Name	FY2020 Adopted	FY2021 Mayor	FY2022 Forecast	FY2023 Forecast	FY2024 Forecast
Fund # - Fund Name					
Appropriation # - Appropriation Name					
Cost Center # - Cost Center Name					
35 - Non-Departmental	1,083,351,040	1,038,491,974	944,661,320	956,772,107	1,056,586,332
1000 - General Fund	975,851,040	981,491,974	942,661,320	954,772,107	1,054,586,332
* 00277 - Non Dept Detroit Building Authority	500,000	1,000,000	1,000,000	1,000,000	1,000,000
350310 - Detroit Building Authority	500,000	1,000,000	1,000,000	1,000,000	1,000,000
00852 - Non Dept Claims Fund (Insurance Premium)	17,100,000	5,100,000	5,100,000	5,100,000	5,100,000
350220 - Claims Fund (Insurance Premiums)	17,100,000	5,100,000	5,100,000	5,100,000	5,100,000
04739 - Non Dept General Revenue	873,259,040	896,312,768	907,301,659	919,233,327	931,868,929
350350 - Property Tax & Other Related Revenue	124,530,000	125,750,000	125,620,000	124,992,000	125,121,000
350360 - State Shared Taxes	210,666,000	210,606,000	212,326,000	214,058,000	215,834,000
350380 - Investment & Other Interest Earnings	21,258,000	20,068,000	19,521,000	18,983,000	18,407,000
350620 - Income Tax	299,985,000	315,237,000	321,755,000	330,300,000	338,720,000
351020 - Non-Departmental	32,497,040	36,807,768	38,357,659	39,281,327	40,250,929
351050 - Wagering Tax	184,323,000	187,844,000	189,722,000	191,619,000	193,536,000
05080 - Non Dept Cable Franchise Fee	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
350510 - Cable Franchise Fees	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
06925 - Non Dept Casino Site Support & Infrastructure Improve	18,231,000	18,546,000	18,732,000	18,919,000	19,108,000
351056 - Motor City Casino - Municipal Services	6,182,000	6,327,000	6,391,000	6,455,000	6,519,000
351057 - Greektown Casino - Municipal Services	4,231,000	4,338,000	4,381,000	4,425,000	4,469,000
351058 - MGM Grand Casino - Municipal Services	7,818,000	7,881,000	7,960,000	8,039,000	8,120,000
13608 - Non Dept Pension & Employee Benefits Pension	3,704,000	3,432,107	3,500,749	3,570,764	3,642,179
350015 - Pension & Employee Benefits/Pension	3,704,000	3,432,107	3,500,749	3,570,764	3,642,179
13663 - Non Dept Towing Fees Administration	957,000	-	-	-	-
350171 - Towing Administrative Fees	957,000	-	-	-	-

**CITY OF DETROIT
BUDGET DEVELOPMENT
POSITION DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER
DEPARTMENT 35 - NON-DEPARTMENTAL**

Department # - Department Name	Fund # - Fund Name	Appropriation # - Appropriation Name	Cost Center # - Cost Center Name	Job Code - Job Title	FY2020 Adopted by FTE	FY2021 Mayor by FTE	FY2022 Forecast by FTE	FY2023 Forecast by FTE	FY2024 Forecast by FTE
35 - Non-Departmental					164	128	128	128	128
1000 - General Fund					143	106	106	106	106
00277 - Non Dept Detroit Building Authority					13	9	9	9	9
* 350310 - Detroit Building Authority					13	9	9	9	9
013376 - Executive Administrative Assistant II					1	1	1	1	1
111003 - Project Manager & Analytics Specialist III					2	1	1	1	1
111004 - Project Manager & Analytics Specialist IV					1	0	0	0	0
931324 - Special Area Maintenance Project Superintendent					3	3	3	3	3
931626 - Administrative Assistant - Grade II - Detroit Buildin					2	2	2	2	2
932015 - Executive Management Team - DBA					4	2	2	2	2
10397 - Non Dept Board of Ethics					3	4	4	4	4
350165 - Board of Ethics					3	4	4	4	4
010126 - Executive Director - Board of Ethics					1	1	1	1	1
011710 - Investigator					1	2	2	2	2
013367 - Executive Secretary III					1	1	1	1	1
13125 - Non Dept Media Services & Communications					16	15	15	15	15
350325 - Communications Services					5	6	6	6	6
010918 - Manager I - Communications					0	1	1	1	1
037161 - Supervisor of Printing					1	1	1	1	1
099525 - Publicist II					1	0	0	0	0
193035 - Principal Graphic Designer					1	1	1	1	1
4330904 - Clerk IV					1	1	1	1	1
439131 - Photographer - General					0	1	1	1	1