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TO: Lawrence Garcia, Corporate Counsel
Law Department

FROM: David Whitaker, Director 
Legislative Policy Division

DATE: March 9, 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 **Wednesday, March 11, 2020 at 3:00 p.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.

Attachments:

Issues and Questions
Agency Plan: Mission, Goals and Activity Summary
Budget Summary
Appropriation and Cost Center Expenditures
Revenues
Position Detail

cc: Councilmembers
Auditor General's Office
Tanya Stoudemire, Budget Director
James George, Agency CFO for Governmental Operation Departments
Stephanie Washington, Mayor's Office

Law Department (32)
FY 2020-21 Budget Analysis by the Legislative Policy Division

Issues and Questions

1. Please briefly explain the Law Department’s new expense initiatives, new capital funding requests, operational reform and savings proposals, and new revenue initiatives/proposals to be implemented in FY 2021. Please provide which appropriation/cost center the new initiative/request/proposal is impacting in FY 2021.
2. For December 2019 the OCFO reported 11 vacant positions for the Law Department. Please briefly describe the positions that are vacant as of February 29, 2020 and any difficulty of filling the vacancies. Also, please briefly explain the department’s strategy to fill vacant positions.
3. The Mayor’s FY 2021 recommended total appropriations for the Law Department is \$18.1 million a \$.5 million increase from the \$17.6 million in FY 2020. The increase is mainly due to a \$.8 million increase in salaries to \$9.7 million. A total of 7 positions were added for FY 2021 bringing the total to 127 FTEs.
4. Detailed in the table below are the changes in Law Department positions from the FY 2020 adopted budget to the proposed FY 2021 budget. Please briefly explain the position changes and new positions. What services and benefits will the new positions provide in FY 2021?

Appropriation	Cost Center	Position	Fiscal Year		
			2020	2021	Change
00527 Law Admin & Opns	Law Admin	Legal Secretary	15	14	-1
00527 Law Admin & Opns	Law Admin	Asst Corp Counsel	30	34	4
00527 Law Admin & Opns	Law Admin	Sr. Asst Corp Counsel	29	27	-2
00527 Law Admin & Opns	Law Admin	Supv. Asst Corp Counsel	10	8	-2
00527 Law Admin & Opns	Law Admin	Legal Assistant	10	12	2
00527 Law Admin & Opns	Law Admin	Proj Mgr Analytics Spec IV	0	1	1
00527 Law Admin & Opns	Law Admin	Chief Admin Corp Counsel	1	3	2
00527 Law Admin & Opns	Law Admin	Deputy Chief of Criminal Enf	1	0	-1
20250 Consolidated Legislative Services	Leg. Services	Proj Mgr Analytics Spec II	0	1	1
20250 Consolidated Legislative Services	Leg. Services	Admin Spec Svc Staff II	0	2	2
20250 Consolidated Legislative Services	Leg. Services	Admin Spec Svc Staff III	0	1	1
Net Change					7

5. Building rentals increased \$42,851 in FY 2021 to \$654,172 for Appropriation 00527 (Law Administration and Operations). Why did this expense increase?
6. Other reimbursement revenue for FY 2021 is \$110,000. What is the other reimbursement revenue for?
7. Positions, salaries, benefits, and office supplies (\$359,823) were added to the Consolidated Legislative Service, Appropriation 20250, for FY 2021. What services does the Consolidated

Legislative Service cost center provide?

8. Please list the contracts which comprise the FY 2020 and FY 2021 professional and contractual services budgets for the Law Department. Please list the services that the contracted professional provides. Also, list the amount of the contract expected to be expended for each contract in FY 2020 and FY 2021.
9. What are the projections for litigation settlements and payments for FY 2020 and FY 2021? Why did the Police (\$13.1 million) and Transportation (\$6.5 million) litigation expenses increase so much in FY 2019? What is being done to mitigate the litigation expenses?
10. What is the total number of open litigation cases against the City as of February 29, 2020 or the latest date where data is available? What is the total amount reserved for the open litigation cases?
11. On the revenue side how much in lawsuit settlements and payouts revenue did the City benefit in FY 2020? What other prosecution activities undertaken by the Law Department are expected to result in revenue or reimbursements to the City in FY 2020 and FY 2021?

LAW (32)

AGENCY PLAN: MISSION, GOALS AND ACTIVITY SUMMARY

MISSION:

The Law Department strives to deliver exceptional and efficient legal counsel and representation to the Executive and Legislative branches of City government as mandated by the City Charter.

DESCRIPTION:

The Law Department is headed by the Corporation Counsel, who is appointed by the Mayor with approval by City Council. The Law Department is organized in seven divisions: Appeals (Tax Appeals), Criminal Enforcement/Quality of Life, FOIA, Labor & Employment, Litigation, Transactions and Economic Development and Workers' Compensation. These divisions are responsible for matters arising from discrete areas of the law. Matters arising from activities outside these areas are considered special projects.

The Department is required by Charter to represent the City of Detroit in all civil actions or proceedings filed against the City. The Corporation Counsel may also prosecute any action or proceeding in which the City has a legal interest in accordance with the Charter. The Corporation Counsel is the City prosecutor and shall institute on behalf of the people, cases arising from the provisions of the Charter or City ordinances and prosecute all actions for the recovery of fines, penalties and forfeitures.

The Department is also responsible for providing advice and opinions to the Mayor, members of City Council or the head of any City agency, approving the form and substance of all contracts, bonds and written instruments, and drafting, upon the request of the Mayor or any member of City Council, any ordinance or resolution for introduction before City Council.

AGENCY GOALS:

1. Maximize the level of client satisfaction with department services.
2. Provide effective advice and counsel to assist the clients in achieving their business objectives with minimal legal exposure.
3. Ensure attorney preparedness for all legal proceedings and client contacts, demonstrating professionalism and integrity at all times.
4. Provide necessary professional skills training to all lawyers and staff to maximize the quality and efficiency of legal services delivered to the City.
5. Provide effective legal representation in claims and litigation and timely advice and counsel in commercial and development transactions.
6. Assist with community empowerment through vigorous prosecution of misdemeanor crimes, including ordinance and blight violation matters.

Department Name: Law Department
 Department #: 32

Budget Summary:

	FY 2019		FY 2020		FY 2021	
	Actual	All Funds	Adopted Budget	All Funds	Mayor Recommended	All Funds
Total Revenues	1,973,959	1,973,959	1,977,000	1,977,000	2,039,000	2,039,000
Total Expenditures	17,819,072	17,819,072	17,564,516	17,597,516	18,059,552	18,059,552
Net Tax Cost	15,845,113	15,845,113	15,587,516	15,620,516	16,020,552	16,020,552

	FY 2022		FY 2023		FY 2024	
	Forecast	All Funds	Forecast	All Funds	Forecast	All Funds
Total Revenues	2,079,000	2,079,000	2,120,000	2,120,000	2,161,000	2,161,000
Total Expenditures	18,274,827	18,274,827	18,494,405	18,494,405	18,718,375	18,718,375
Net Tax Cost	16,195,827	16,195,827	16,374,405	16,374,405	16,557,375	16,557,375

Positions (by FTE):	1/1/2020	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
	Actual	Adopted	Mayor Recommended	Forecast	Forecast	Forecast
General Fund	116	120	127	127	127	127
Non-General Fund	-	-	-	-	-	-
Total Positions	116	120	127	127	127	127

LAW (32)

ACTIVITY DESCRIPTIONS:

ADMINISTRATION AND OPERATIONS

The function of this activity is to provide legal services to all branches of government of the City of Detroit. These services include researching and writing legal opinions and representing the City, its agencies and employees in a variety of legal proceedings, including condemnation proceedings, civil litigation, criminal prosecution of ordinance violations and claims against the City. Services also include review of all City contracts, leases, development and indemnity agreements, preparing ordinances and rendering legal advice.

Sections within the Department include: Claims, Litigation, Appeals, Labor & Employment, Governmental Affairs (which includes FOIA and Municipal), Transactions & Economic Development, Blight Litigation, Expungement, Tax Appeals, Local Prosecution and Special Projects (Blight and Revitalization). Major client agencies are: Mayor's Office, City Council, Office of the City Clerk, Police, Fire (including EMS), Public Works, Transportation, Airport, Planning and Development, Housing and Revitalization, Buildings, Safety, Engineering and Environmental Department, Public Lighting Department, Board of Ethics, Human Resources, Municipal Parking, Department of Health and Wellness Promotion, OCFO (including Office of Budget and Office of Contracting and Purchasing), Department of Innovation and Technology, General Services, Civil Rights, Inclusion and Opportunity(CRIO), Homeland Security and Emergency Management, Board of Zoning Appeals, Office of the Inspector General, and Department of Elections.

LEGISLATIVE LIAISON

The City of Detroit engages the services of a legislative liaison. The appropriation pays for an office in Lansing, Michigan and provides for a contract for federal lobbyist services in Washington, D.C. The Mayor's Office provides the oversight of this contract.

CITY OF DETROIT
 BUDGET DEVELOPMENT
 EXPENDITURES BY SUMMARY CATEGORY - ALL FUNDS
 DEPARTMENT 32 - LAW DEPARTMENT

Department # - Department Name Summary Category	FY2020 Adopted	FY2021 Mayor	FY2022 Forecast	FY2023 Forecast	FY2024 Forecast
32 - Law Department	17,597,516	18,059,552	18,274,827	18,494,405	18,718,375
Salaries & Wages	9,018,728	9,799,650	9,994,143	10,192,526	10,394,876
Employee Benefits	3,171,168	3,273,642	3,294,424	3,315,619	3,337,239
Professional & Contractual Services	2,807,675	2,804,465	2,804,465	2,804,465	2,804,465
Operating Supplies	264,574	356,573	356,573	356,573	356,573
Operating Services	2,212,371	1,805,222	1,805,222	1,805,222	1,805,222
Equipment Acquisition	33,000	-	-	-	-
Other Expenses	90,000	20,000	20,000	20,000	20,000
Grand Total	17,597,516	18,059,552	18,274,827	18,494,405	18,718,375

CITY OF DETROIT
 BUDGET DEVELOPMENT
 REVENUES BY SUMMARY CATEGORY - ALL FUNDS
 DEPARTMENT 32 - LAW DEPARTMENT

Department # - Department Name Summary Category	FY2020 Adopted	FY2021 Mayor	FY2022 Forecast	FY2023 Forecast	FY2024 Forecast
32 - Law Department	1,977,000	2,039,000	2,079,000	2,120,000	2,161,000
Sales & Charges for Services	1,769,000	2,039,000	2,079,000	2,120,000	2,161,000
Miscellaneous	208,000	-	-	-	-
Grand Total	1,977,000	2,039,000	2,079,000	2,120,000	2,161,000

CITY OF DETROIT
 BUDGET DEVELOPMENT
 EXPENDITURES BY SUMMARY CATEGORY - FUND DETAIL
 DEPARTMENT 32 - LAW DEPARTMENT

Department # - Department Name Fund # - Fund Name Summary Category	FY2020	FY2021	FY2022	FY2023	FY2024
	Adopted	Mayor	Forecast	Forecast	Forecast
32 - Law Department	17,597,516	18,059,552	18,274,827	18,494,405	18,718,375
1000 - General Fund	17,564,516	18,059,552	18,274,827	18,494,405	18,718,375
Salaries & Wages	9,018,728	9,799,650	9,994,143	10,192,526	10,394,876
Employee Benefits	3,171,168	3,273,642	3,294,424	3,315,619	3,337,239
Professional & Contractual Services	2,807,675	2,804,465	2,804,465	2,804,465	2,804,465
Operating Supplies	264,574	356,573	356,573	356,573	356,573
Operating Services	2,212,371	1,805,222	1,805,222	1,805,222	1,805,222
Other Expenses	90,000	20,000	20,000	20,000	20,000
4533 - City of Detroit Capital Projects	33,000	-	-	-	-
Equipment Acquisition	33,000	-	-	-	-
Grand Total	17,597,516	18,059,552	18,274,827	18,494,405	18,718,375

CITY OF DETROIT
 BUDGET DEVELOPMENT
 REVENUES BY SUMMARY CATEGORY - FUND DETAIL
 DEPARTMENT 32 - LAW DEPARTMENT

Department # - Department Name Fund # - Fund Name Summary Category	FY2020 Adopted	FY2021 Mayor	FY2022 Forecast	FY2023 Forecast	FY2024 Forecast
32 - Law Department	1,977,000	2,039,000	2,079,000	2,120,000	2,161,000
1000 - General Fund	1,977,000	2,039,000	2,079,000	2,120,000	2,161,000
Sales & Charges for Services	1,769,000	2,039,000	2,079,000	2,120,000	2,161,000
Miscellaneous	208,000	-	-	-	-
Grand Total	1,977,000	2,039,000	2,079,000	2,120,000	2,161,000

CITY OF DETROIT
 BUDGET DEVELOPMENT
 FINANCIAL DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER - EXPENDITURES
 DEPARTMENT 32 - LAW DEPARTMENT

Department # - Department Name	FY2020	FY2021	FY2022	FY2023	FY2024
Fund # - Fund Name	Adopted	Mayor	Forecast	Forecast	Forecast
Appropriation # - Appropriation Name					
Cost Center # - Cost Center Name					
32 - Law Department	17,597,516	18,059,552	18,274,827	18,494,405	18,718,375
1000 - General Fund	17,564,516	18,059,552	18,274,827	18,494,405	18,718,375
00527 - Law Administration & Operations	17,252,516	17,387,729	17,598,453	17,813,389	18,032,625
320010 - Law Administration	17,252,516	17,387,729	17,598,453	17,813,389	18,032,625
20250 - Consolidated Legislative Services	312,000	671,823	676,374	681,016	685,750
320055 - Legislative Services	312,000	671,823	676,374	681,016	685,750
4533 - City of Detroit Capital Projects	33,000	-	-	-	-
20507 - COD Capital Projects 2019	33,000	-	-	-	-
320010 - Law Administration	33,000	-	-	-	-
Grand Total	17,597,516	18,059,552	18,274,827	18,494,405	18,718,375

CITY OF DETROIT
 BUDGET DEVELOPMENT
 FINANCIAL DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER - REVENUES
 DEPARTMENT 32 - LAW DEPARTMENT

Department # - Department Name	FY2020	FY2021	FY2022	FY2023	FY2024
Fund # - Fund Name	Adopted	Mayor	Forecast	Forecast	Forecast
Appropriation # - Appropriation Name					
Cost Center # - Cost Center Name					
32 - Law Department	1,977,000	2,039,000	2,079,000	2,120,000	2,161,000
1000 - General Fund	1,977,000	2,039,000	2,079,000	2,120,000	2,161,000
00527 - Law Administration & Operations	1,977,000	2,039,000	2,079,000	2,120,000	2,161,000
320010 - Law Administration	1,977,000	2,039,000	2,079,000	2,120,000	2,161,000
Grand Total	1,977,000	2,039,000	2,079,000	2,120,000	2,161,000

CITY OF DETROIT
 BUDGET DEVELOPMENT
 POSITION DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER
 DEPARTMENT 32 - LAW DEPARTMENT

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
32 - Law Department					120	127	127	127	127
1000 - General Fund					120	127	127	127	127
00527 - Law Administration & Operations					120	123	123	123	123
320010 - Law Administration					120	123	123	123	123
010104 - Deputy Corporation Counsel					1	1	1	1	1
010127 - Corporation Counsel - Election Commissioner					1	1	1	1	1
011705 - Executive Manager - Law					1	1	1	1	1
012031 - Senior Clerk					3	3	3	3	3
012051 - Head Clerk					1	1	1	1	1
012086 - Records Manager					1	1	1	1	1
012249 - Administrative Assistant - Grade II-Law					1	1	1	1	1
013325 - Legal Secretary					15	14	14	14	14
013326 - Senior Legal Secretary					4	4	4	4	4
013376 - Executive Administrative Assistant II					1	1	1	1	1
091142 - Assistant Corporation Counsel					30	34	34	34	34
091152 - Senior Assistant Corporation Counsel					29	27	27	27	27
091157 - Supervising Assistant Corporation Counsel					10	8	8	8	8
091191 - Assistant Corporation Counsel - Exempted					3	3	3	3	3
091192 - Senior Assistant Corporation Counsel - Exempted					1	1	1	1	1
091941 - Legal Assistant					10	12	12	12	12
111003 - Project Manager & Analytics Specialist III					1	1	1	1	1
13111004 - Project Manager Analytics Specialist IV					0	1	1	1	1
931419 - Chief Legal Counsel - Capital & Infrastructure					1	1	1	1	1

CITY OF DETROIT
 BUDGET DEVELOPMENT
 POSITION DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER
 DEPARTMENT 32 - LAW DEPARTMENT

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
931420		Chief Legal Counsel For Transactional and Economic			1	1	1	1	1
931421		Chief Administrative Corporation Counsel			1	3	3	3	3
931422		Chief of Staff - Law			1	1	1	1	1
931423		Chief of Litigation			1	1	1	1	1
931424		Chief of Criminal Enforcement and Quality of Life			1	1	1	1	1
931425		Deputy Chief of Criminal Enforcement			1	0	0	0	0
20250		Consolidated Legislative Services			0	4	4	4	4
320055		Legislative Services			0	4	4	4	4
13111002		Project Manager Analytics Specialist II			0	1	1	1	1
929102		Administrative Special Services Staff II			0	2	2	2	2
929103		Administrative Special Services Staff III			0	1	1	1	1
Grand Total					120	127	127	127	127



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Law Department Budgeted Positions Changes

	Appropriation	Cost Center	Position	Fiscal Year		
				2020	2021	Change
00527	Law Admin & Opns	Law Admin	Legal Secretary	15	14	-1
00527	Law Admin & Opns	Law Admin	Asst Corp Counsel	30	34	4
00527	Law Admin & Opns	Law Admin	Sr. Asst Corp Counsel	29	27	-2
00527	Law Admin & Opns	Law Admin	Supv. Asst Corp Counsel	10	8	-2
00527	Law Admin & Opns	Law Admin	Legal Assistant	10	12	2
00527	Law Admin & Opns	Law Admin	Proj Mgr Analytics Spec IV	0	1	1
00527	Law Admin & Opns	Law Admin	Chief Admin Corp Counsel	1	3	2
00527	Law Admin & Opns	Law Admin	Deputy Chief of Criminal Enf	1	0	-1
20250	Consolidated Legislative Services	Leg. Services	Proj Mgr Analytics Spec II	0	1	1
20250	Consolidated Legislative Services	Leg. Services	Admin Spec Svc Staff II	0	2	2
20250	Consolidated Legislative Services	Leg. Services	Admin Spec Svc Staff III	0	1	1
			Net Change			7