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CFO MEMORANDUM
NO. 2020-101-016

TO: Michael E. Duggan, Mayor; Honorable Detroit City Council
FROM: David P. Massaron, Chief Financial Officer
SUBJECT: Fiscal Impact of Proposed Community Outreach and Notification Ordinance
DATE: July 21, 2020

1. AUTHORITY

- 1.1. State of Michigan Public Act 279 of 1909, Section 4s(2)(d), as amended by Public Act 182 of 2014, states the chief financial officer shall submit in writing to the mayor and the governing body of the City his or her opinion on the effect that policy or budgetary decisions made by the mayor or the governing body of the City will have on the City's annual budget and its four-year financial plan.
- 1.2. CFO Directive No. 2018-101-029 Fiscal Impact Statements states that the CFO shall issue Fiscal Impact Statements for all items requiring fiscal impact statements, as defined in that Directive, to provide financial information to the Mayor and the City Council as they consider action on proposed local policy or budgetary decision items.

2. PURPOSE

- 2.1. To provide financial information to the Mayor and the Detroit City Council as they consider action on the proposed ordinance to amend Chapter 12 of the 2019 Detroit City Code, "Community Development" by adding Article X, "Community Outreach and Notification" (the "Ordinance").

3. OBJECTIVE

- 3.1. This Memorandum serves as the report on the fiscal impact of the Ordinance in relation to the City's annual budget for FY 2021 and four-year financial plan for FY 2021 – FY 2024 (the "City budget").

4. SCOPE

- 4.1. This Memorandum is not intended to convey any statements nor opinions on the advisability of the Ordinance other than the fiscal impact on the City budget.
- 4.2. This fiscal impact analysis is based on the Ordinance as described below in Section 5 of this Memorandum. Should the proposal change prior to final approval, an updated CFO Memorandum on its fiscal impact would need to be issued.

5. STATEMENT

- 5.1. Conclusion: The proposed Ordinance would have **no material fiscal impact** on the City budget, as long as the administering departments coordinate meeting planning and integrate report preparation into existing staff responsibilities.
- 5.2. Background: The proposed Ordinance is intended to establish outreach and notification processes "that promote transparency and accountability and ensures community engagement on legislation, contracts, agreements, and resolutions regarding" Citywide

proposals and Neighborhood proposals identified in it. The ordinance would have no sunset date. Key features are:

- Mailing, communication and access requirements for meetings, including “non-traditional methods” of outreach where appropriate
- Department of Neighborhoods (DON) to maintain comprehensive constituent and provider database, accessible by City Council, and providing registration options and materials
- Structured report prep and presentation by Administering Departments before Council action can occur
- Annual report prep and submission to City Council by DON, to summarize outreach and notification activities for the year

Broad definition of what constitutes outreach, as “any form” of meetings or technology-aided occurrence facilitating discussion, dialogue or deliberation among participants, and allowing them to provide input related to Proposals in the Article.

- Requirements may be fulfilled by other mandated forms of outreach.
- City Council to appoint a liaison from Legislative Policy Division to monitor.

Scope of affected city actions is listed. Scope excludes development projects (governed by existing section 8 of same Chapter 12) and includes provision for waivers for Administering Departments’ appeals of practicality or feasibility of compliance:

- Citywide proposals (budget, ballot initiatives, bond proposals, citywide bike lane plans or contracts, citywide park improvement plan), shall require one meeting in each Council district prior to submission, or if not feasible, surveys or on-line comments for 4 weeks (min.), detailed in a Community Outreach Report prior to request for approval. Base Report contents are specified.
- Neighborhood proposals impacting one or more districts, neighborhoods or communities, falling into four classes triggering different requirements:
 - Class A: for streetscape and construction project contract, surplus land sale, camera surveillance contract, master plan amendments, the outreach process to include two meetings in impacted community, or if not feasible, surveys or on-line comments for 4 weeks (min.), detailed in a Community Outreach Report prior to request for approval.
 - Class B: for neighborhood planning studies or contracts, outreach process occurs after Council approval; two meetings in impacted community, or if not feasible, surveys or on-line comments for 4 weeks (min.), detailed in a Community Outreach Report. Community Outreach Plan for additional outreach must also be submitted to Council following approval of Proposal.
 - Class C: for installation of bike lanes, the outreach process to include two meetings in impacted community, or if not feasible, surveys or on-line comments for 4 weeks (min.).
 - Class D: for installation of speed humps and installation of camera surveillance technology, outreach process consists of notification requirement only.

“Administering Department” (responsible for the Proposals) and DON responsible for several new processes:

- “Community Outreach Plan”, jointly prepared to describe outreach efforts to be taken for Class B Neighborhood Proposals
- “Community Outreach Report”, jointly prepare to itemize concerns raised by impacted community during outreach, and a method to address each
- “Community Notification” referring to communication informing the community, including website postings and digital notification.
- Language accessibility for all meetings, outreach and related materials

5.3. Fiscal Impact: The impact will be determined by the organizational arrangement for city actions, namely, the degree to which (1) public meetings are coordinated across city agencies, and (2) report prep is integrated into existing service providing operations versus centralized in DON who feels that interpreting and compiling constituent feedback significantly enlarges scope. First, the ordinance allows new meetings to run concurrent with existing meetings, and PDD has indicated their willingness to facilitate a shared calendar to promote coordinated scheduling. Limited postal mailing costs is envisioned but in line with existing mailing costs. Second, compilation of processes and feedback received will require increased standardization, potentially through report templates, to minimize staff time. DON has committed to logging meeting attendance, timing, etc., and PDD intends to produce templates for report compilation. These factors suggest that the City can operate under this ordinance with no material fiscal impact.