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# City of Detroit

## CITY COUNCIL

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TO: Tyrone Clifton, Director  
Detroit Building Authority

FROM: David Whitaker, Director   
Legislative Policy Division Staff

DATE: March 11, 2020

RE: 2021-2022 Budget Analysis

Attached is our budget analysis regarding your department's budget for the 2021-2022 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing on **Wednesday, March 17, 2021 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  
Detroit Building Authority Budget pages

cc: Councilmembers  
Auditor General's Office  
Jay Rising, Acting Chief Financial Officer  
Tanya Stoudemire, Chief Deputy CFO  
Steve Watson, Budget Director  
Avery Peebles, Mayor's Office

## Detroit Building Authority

### FY 2021-2022 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.

#### Issues and Questions

**Pages B-289 & B-292** – In the Non-Departmental Budget, the Mayor has recommended to increase the General Fund Expenditure in cost center **350310 - Detroit Building Authority** by \$142,389 (13.8%) in FY 2022, as illustrated below:

	<b>FY 2021 Adopted Budget</b>	<b>FY 2022 Recommended Budget</b>	<b>FY 2022 Increase/ (Decrease)</b>	<b>FY 2022 % Increase/ (Decrease)</b>
<b>Expenditures</b>	\$1,032,190	\$1,174,579	\$142,389	13.8%

**Pages B-289 & B-292** On the Revenue side, revenue cost center **350310 - Detroit Building Authority**, remains unchanged by the Mayor at \$1,000,000 in FY 2022.

**Pages B-297 & B-301** In FY 2022, the Mayor has recommended reducing the number of FTE's in the Detroit Building Authority from nine (9) to eight (8), with the elimination of one Administrative Assistant - Grade II - Detroit Building position (a reduction from 2 to 1).

1) In FY 22, the Mayor has restructured the allocation of funding for the Detroit Building Authority (DBA), by eliminating the appropriation for DBA (00277 - Non Dept Detroit Building Authority) and placing its funding within a new appropriation, "29350 - Citywide Overhead,"<sup>1</sup>

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<sup>1</sup> In FY 22, appropriation 29350 - Citywide Overhead, has a total balance of \$41,759,018 (page B-292).

which includes five cost center items. What is the rationale for moving the costs for the DBA into this new appropriation?

2) In FY 22, the Mayor has recommended reducing the number of FTE's in the Detroit Building Authority from nine (9) to eight (8), with the elimination of one Administrative Assistant - Grade II - Detroit Building position. How will this change impact the department in the upcoming fiscal year? Was this a vacant position?

3) 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?

4) Please briefly 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 2022. Please provide which appropriation/cost center the new initiative/request/proposal are impacting FY 2022.

**NON-DEPARTMENTAL (35)****AGENCY PLAN****MISSION:**

The Non-Departmental budget provides funds for activities which are not the responsibility of any one single agency. Non-Departmental is also the depository agency for General Fund contributions for enterprise activities and for a wide variety of General Fund revenues, including four of the five major revenues (casino revenues/wagering taxes; income taxes; property taxes; state revenue sharing) and revenues from reimbursements from enterprise/non-General Fund agencies of personal services costs, transfers from other City funds, miscellaneous receipts and any prior year surpluses (or deficits).

The Non-Departmental budget includes the following independent boards, commissions and/or agencies with city-wide operations:

- **Board of Ethics** investigates and resolves complaints alleging violations of the Ethics Ordinance by public servants, and issues advisory opinions regarding Charter, City ordinances or other laws and regulations establishing standards of conduct and disclosure requirements for public servants. Opinions are rendered upon request by a public servant and published annually in a report to the Mayor and City Council. These actions are “to promote an ethical environment within City government, and to ensure the ethical behavior of public servants.”
- **Board of Police Commissioners (BOPC)** is a civilian agency that exercises supervisory control and oversight of the Detroit Police Department (DPD) as set forth in the Charter. The Board has 11 members, 7 elected by District and 4 appointed by the Mayor with City Council consent. The Board meets every week including (12) community/evening meetings in the Districts. Internal organization includes fiscal, policy, administrative, legal advisor, community outreach, and the Office of the Chief Investigator, which processes and investigates 1,500 - 1,700 complaints annually. Responsibilities include: in consultation with the Chief of Police and the Mayor, establishes policies, rules and regulations for the DPD; subpoena power for investigative purposes; review and approval of the DPD budget; investigation of non-criminal citizens’ complaints against members of the Detroit Police Department; final authority in imposing or reviewing discipline of employees of the department; and disqualification appeals from police recruits hoping to enter the Detroit Police Academy. City Code Section 55-15-8(a) provides for regulation of towing to promote equitable distribution of police authorized towing.
- **Detroit Building Authority (DBA)** administers capital projects, as determined by City Departments. Critical functions: encumbering funds through Contracts of Lease; managing the bid, RFP/RFQ process; issuing contract awards; advising contractors of City requirements; execution of contract documents; monitor design development and construction for each project; oversight of payments. The DBA maintains a database of all City-owned commercial property, manages the properties within the database, manages sale of property and City leases.

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

Department # - Department Name					
Fund # - Fund Name	FY2021	FY2022	FY2023	FY2024	FY2025
Appropriation # - Appropriation Name	Adopted	Mayor	Forecast	Forecast	Forecast
Cost Center # - Cost Center Name					
<b>35 - Non-Departmental</b>	<b>265,303,513</b>	<b>349,574,655</b>	<b>282,568,226</b>	<b>415,769,733</b>	<b>417,566,009</b>
<b>1000 - General Fund</b>	<b>263,303,513</b>	<b>347,534,655</b>	<b>280,487,426</b>	<b>413,647,317</b>	<b>415,401,145</b>
<b>00199 - Non Dept Public Commemorations</b>	<b>2,925</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
350010 - Public Commemorations	2,925	-	-	-	-
<b>00204 - Other Operations Services</b>	<b>596,353</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
350020 - Dues & Memberships	386,235	-	-	-	-
350030 - Other Operations Services	210,118	-	-	-	-
<b>00277 - Non Dept Detroit Building Authority</b>	<b>1,032,190</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
350310 - Detroit Building Authority	1,032,190	-	-	-	-
<b>00335 - Non Dept Parking Programs</b>	<b>97,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
350060 - Special Parking Programs	97,500	-	-	-	-
<b>00341 - Non Dept Tax Support</b>	<b>37,500,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
350080 - DDOT Contribution for Operations	37,500,000	-	-	-	-
<b>00347 - Non Dept Airport Support</b>	<b>1,675,458</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
350090 - Airport Contribution for Operations	1,675,458	-	-	-	-
<b>00396 - Non Dept World Trade Program</b>	<b>250,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
350140 - Detroit Port Authority	250,000	-	-	-	-
<b>00664 - Non Dept CAYMC Building Rent &amp; Rehabilitation</b>	<b>430,564</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
350200 - CAYMC Building Rent & Rehabilitation	430,564	-	-	-	-
<b>00844 - Charter Commission</b>	<b>300,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
351250 - Charter Revision Commission	300,000	-	-	-	-
<b>00852 - Non Dept Claims Fund (Insurance Premium)</b>	<b>12,100,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
350220 - Claims Fund (Insurance Premiums)	12,100,000	-	-	-	-

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

Department # - Department Name						
Fund # - Fund Name		FY2021	FY2022	FY2023	FY2024	
Appropriation # - Appropriation Name		Adopted	Mayor	Forecast	Forecast	
Cost Center # - Cost Center Name					FY2025 Forecast	
350090 - Airport Contribution for Operations		-	1,869,288	1,869,288	1,869,288	1,869,288
350140 - Detroit Port Authority		-	250,000	250,000	250,000	250,000
<b>27352 - Community Programs Support</b>		-	<b>460,018</b>	<b>460,018</b>	<b>460,018</b>	<b>460,018</b>
350230 - CEC Goal Line		-	250,000	250,000	250,000	250,000
350240 - EITC Support		-	210,018	210,018	210,018	210,018
<b>28350 - Special Public Programs</b>		-	<b>119,425</b>	<b>2,925</b>	<b>2,925</b>	<b>2,925</b>
350010 - Public Commemorations		-	2,925	2,925	2,925	2,925
351250 - Charter Revision Commission		-	116,500	-	-	-
<b>28351 - Board of Ethics</b>		-	<b>377,637</b>	<b>382,435</b>	<b>387,329</b>	<b>392,320</b>
350165 - Board of Ethics		-	377,637	382,435	387,329	392,320
<b>28352 - Media Services &amp; Communications</b>		-	<b>1,427,842</b>	<b>1,435,605</b>	<b>1,453,357</b>	<b>1,471,464</b>
350325 - Communications Services		-	585,590	588,489	595,134	601,912
350326 - Media Services		-	842,252	847,116	858,223	869,552
<b>28354 - Elected Officials Compensation</b>		-	<b>1,466,994</b>	<b>1,466,994</b>	<b>1,466,994</b>	<b>1,466,994</b>
350007 - Elected Officials' Compensation		-	1,466,994	1,466,994	1,466,994	1,466,994
<b>29350 - Citywide Overhead</b>		-	<b>41,759,018</b>	<b>42,363,957</b>	<b>46,504,430</b>	<b>46,403,505</b>
350020 - Dues & Memberships		-	386,235	386,235	386,235	386,235
350200 - CAYMC Building Rent & Rehabilitation		-	220,354	430,564	430,564	430,564
350220 - Claims Fund (Insurance Premiums)		-	12,100,000	12,100,000	12,100,000	12,100,000
350310 - Detroit Building Authority		-	1,174,579	1,190,432	1,206,602	1,223,096
350800 - Centralized Payments		-	27,877,850	28,256,726	32,381,029	32,263,610
<b>29351 - Pension-Related Payments</b>		-	<b>106,945,409</b>	<b>82,010,817</b>	<b>224,077,534</b>	<b>224,145,584</b>
350015 - Pension Benefits Administration		-	3,270,409	3,335,817	3,402,534	3,470,584

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

Department # - Department Name					
Fund # - Fund Name	FY2021	FY2022	FY2023	FY2024	FY2025
Appropriation # - Appropriation Name	Adopted	Mayor	Forecast	Forecast	Forecast
Cost Center # - Cost Center Name					
<b>35 - Non-Departmental</b>	<b>880,282,027</b>	<b>1,002,680,850</b>	<b>896,270,960</b>	<b>1,033,228,103</b>	<b>1,036,699,255</b>
<b>1000 - General Fund</b>	<b>868,282,027</b>	<b>988,614,980</b>	<b>894,190,160</b>	<b>1,031,105,687</b>	<b>1,034,534,391</b>
<b>00277 - Non Dept Detroit Building Authority</b>	<b>1,000,000</b>	-	-	-	-
350310 - Detroit Building Authority	1,000,000	-	-	-	-
<b>00852 - Non Dept Claims Fund (Insurance Premium)</b>	<b>5,100,000</b>	-	-	-	-
350220 - Claims Fund (Insurance Premiums)	5,100,000	-	-	-	-
<b>04739 - Non Dept General Revenue</b>	<b>723,995,768</b>	-	-	-	-
350350 - Property Tax & Other Related Revenue	118,704,000	-	-	-	-
350360 - State Shared Taxes	196,136,000	-	-	-	-
350380 - Investment & Other Interest Earnings	15,992,000	-	-	-	-
350620 - Income Tax	221,032,000	-	-	-	-
351020 - Non-Departmental	36,807,768	-	-	-	-
351050 - Wagering Tax	135,324,000	-	-	-	-
<b>05080 - Non Dept Cable Franchise Fee</b>	<b>5,000,000</b>	-	-	-	-
350510 - Cable Franchise Fees	5,000,000	-	-	-	-
<b>06925 - Non Dept Casino Site Support &amp; Infrastructure Improven</b>	<b>10,443,000</b>	<b>15,158,000</b>	<b>18,730,000</b>	<b>18,918,000</b>	<b>19,107,000</b>
351056 - Motor City Casino - Municipal Services	3,563,000	4,964,000	6,390,000	6,454,000	6,518,000
351057 - Greektown Casino - Municipal Services	2,443,000	4,000,000	4,381,000	4,425,000	4,470,000
351058 - MGM Grand Casino - Municipal Services	4,437,000	6,194,000	7,959,000	8,039,000	8,119,000
<b>13608 - Non Dept Pension &amp; Employee Benefits Pension</b>	<b>3,260,502</b>	-	-	-	-
350015 - Pension Benefits Administration	3,260,502	-	-	-	-
<b>13853 - Non Dept Note B Payment</b>	<b>1,553,493</b>	-	-	-	-
351025 - Note B Payment	1,553,493	-	-	-	-

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

Department # - Department Name					
Fund # - Fund Name		FY2021	FY2022	FY2023	FY2024
Appropriation # - Appropriation Name		Adopted	Mayor	Forecast	Forecast
Cost Center # - Cost Center Name					FY2025 Forecast
<b>13968 - Note C Debt Service</b>		<b>547,606</b>	-	-	-
351036 - Note C Debt		547,606	-	-	-
<b>14001 - Non Dept Budget Reserve</b>		<b>50,000,000</b>	-	-	-
352101 - Budget Reserve		50,000,000	-	-	-
<b>20255 - Prior Year Activity</b>		<b>67,381,658</b>	<b>140,000,000</b>	-	-
351009 - Prior Year Surplus		67,381,658	140,000,000	-	-
<b>28353 - Cable TV</b>		-	<b>5,000,000</b>	<b>5,000,000</b>	<b>5,000,000</b>
350510 - Cable Franchise Fees		-	5,000,000	5,000,000	5,000,000
<b>29350 - Citywide Overhead</b>		-	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>
350030 - Other Operations Services		-	1,000,000	1,000,000	1,000,000
350310 - Detroit Building Authority		-	1,000,000	1,000,000	1,000,000
<b>29351 - Pension-Related Payments</b>		-	<b>21,945,409</b>	<b>22,010,817</b>	<b>145,077,534</b>
350015 - Pension Benefits Administration		-	3,270,409	3,335,817	3,402,534
351026 - Retirement Systems		-	-	-	123,000,000
351052 - Foundations - DIA Pension Contributions		-	18,675,000	18,675,000	18,675,000
<b>29352 - Major Taxes &amp; Other Revenues</b>		-	<b>804,511,571</b>	<b>846,449,343</b>	<b>860,110,153</b>
350350 - Property Tax & Other Related Revenue		-	120,066,000	122,220,000	124,015,000
350360 - State Shared Taxes		-	206,800,000	208,073,000	209,334,000
350380 - Investment & Other Interest Earnings		-	1,800,000	1,800,000	1,800,000
350620 - Income Tax		-	273,635,000	294,921,000	303,347,000
351020 - Non-Departmental		-	30,368,659	30,753,327	31,146,929
351025 - Note B Payment		-	1,553,493	1,553,493	1,553,493
351036 - Note C Debt		-	473,419	395,523	313,731



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

Department # - Department Name	FY2021	FY2022	FY2023	FY2024	FY2025
Fund # - Fund Name	Adopted	Mayor	Forecast	Forecast	Forecast
Appropriation # - Appropriation Name					
Cost Center # - Cost Center Name					
Job Code - Job Title					
<b>35 - Non-Departmental</b>	<b>128</b>	<b>124</b>	<b>124</b>	<b>124</b>	<b>124</b>
<b>1000 - General Fund</b>	<b>106</b>	<b>101</b>	<b>101</b>	<b>101</b>	<b>101</b>
<b>00277 - Non Dept Detroit Building Authority</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>350310 - Detroit Building Authority</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
013376 - Executive Administrative Assistant II	1	0	0	0	0
111003 - Project Manager & Analytics Specialist III	1	0	0	0	0
931324 - Special Area Maintenance Project Superintendent -	3	0	0	0	0
931626 - Administrative Assistant - Grade II - Detroit Building	2	0	0	0	0
932015 - Executive Management Team - DBA	2	0	0	0	0
<b>10397 - Non Dept Board of Ethics</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>350165 - Board of Ethics</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
010126 - Executive Director - Board of Ethics	1	0	0	0	0
011710 - Investigator	2	0	0	0	0
013367 - Executive Secretary III	1	0	0	0	0
<b>13125 - Non Dept Media Services &amp; Communications</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>350325 - Communications Services</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
010918 - Manager I - Communications	1	0	0	0	0
037161 - Supervisor of Printing	1	0	0	0	0
193035 - Principal Graphic Designer	1	0	0	0	0
43309904 - Clerk IV	1	0	0	0	0
439131 - Photographer - General	1	0	0	0	0
439142 - Supervising Photographer	1	0	0	0	0
<b>350326 - Media Services</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**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	FY2021	FY2022	FY2023	FY2024	FY2025
Cost Center # - Cost Center Name	Adopted	Mayor	Forecast	Forecast	Forecast
Job Code - Job Title					
43309904 - Clerk IV	0	1	1	1	1
439131 - Photographer - General	0	1	1	1	1
439142 - Supervising Photographer	0	1	1	1	1
<b>350326 - Media Services</b>	<b>0</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
931501 - Director - DCCC	0	1	1	1	1
931507 - Telecommunications Contract and Compliance Mar	0	1	1	1	1
931524 - Communications Specialist III - Media Services	0	4	4	4	4
931525 - Communications Specialist II - Media Services	0	2	2	2	2
<b>28354 - Elected Officials Compensation</b>	<b>0</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>
<b>350007 - Elected Officials' Compensation</b>	<b>0</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>
010010 - City Clerk - Election Commission Chairperson	0	1	1	1	1
010030 - City Council Member	0	8	8	8	8
010031 - City Council President - Election Commissioner	0	1	1	1	1
010040 - Mayor	0	1	1	1	1
<b>29350 - Citywide Overhead</b>	<b>0</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
<b>350310 - Detroit Building Authority</b>	<b>0</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
013376 - Executive Administrative Assistant II	0	1	1	1	1
111003 - Project Manager & Analytics Specialist III	0	1	1	1	1
931324 - Special Area Maintenance Project Superintendent -	0	3	3	3	3
931626 - Administrative Assistant - Grade II - Detroit Building	0	1	1	1	1
932015 - Executive Management Team - DBA	0	2	2	2	2
<b>29351 - Pension-Related Payments</b>	<b>0</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>
<b>350015 - Pension Benefits Administration</b>	<b>0</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>