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TO: Charles Raimi, Interim Corporate Counsel
Law Department

FROM: David Whitaker, Director 
Legislative Policy Division

DATE: March 8, 2022

RE: 2022-2023 Budget Analysis

Attached is our budget analysis regarding your department's budget for the 2022-2023 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing on **Monday, March 14, 2022, at 10:00 a.m.** We would then appreciate a written response to the issues/questions at your earliest convenience before or after your budget hearing. Please forward a copy of your responses to the Council members, the City Clerk's Office, and the Legislative Policy Division.

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, Chief Deputy CFO-Policy & Administration Director
Steven Watson, Deputy CFO/Budget Director
James George, Agency CFO for Governmental Operation Departments
Gail Fulton, Mayor's Office

Law Department (32)
FY 2022-23 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 2023. Please provide which appropriation/cost center the new initiative/request/proposal is impacting in FY 2023.
2. The OCFO's December 2021 monthly report shows 15 vacant positions for the Law Department. Please briefly describe the positions that are vacant as of February 28, 2022, and any challenges with filling them. Also, please briefly explain the department's strategy to fill vacant positions.
3. The Mayor's FY 2023 recommended total appropriations for the Law Department is \$22.8 million a \$4.6 million increase from the \$18.2 million in FY 2022. The increase is due to \$2 million increase in salaries and wages, \$1.9 million increase in contractual services and \$700,000 increase in operating services. Please explain the FY 2023 expenditure increase in salaries and wages, contractual services, and operating services.
4. Please list the contracts which comprise the FY 2022 and FY 2023 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 2022 and FY 2023.
5. What is the total number of open litigation cases against the City as of February 28, 2022 or the latest date where data is available? What is the total amount reserved for the open litigation cases?
6. What are the projections for litigation settlements and payments for FY 2022 and FY 2023? There was \$11.8 million increase in litigation expenses in FY 2021 compared to FY 2020. Please explain what caused the litigation expenses increase in FY 2021.
7. In fiscal year 2021, the City paid \$21.4 million in litigation payouts; and the Police and Fire departments represented 81% of the total litigation payouts. Is the City settling these cases without taking them to trial? What is the Law Department's strategy to minimize these large litigation payouts?

LAW (32)

Department Overview

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. The Law Department is headed by the Corporation Counsel, who is appointed by the Mayor with approval by City Council.

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, and is the City prosecutor on 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 provides 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.

The Law Department is organized in seven divisions, responsible for matters arising from discrete areas of the law. The City engages the services of a legislative liaison in Lansing, and contracts for federal lobbyist services in Washington, D.C (overseen by the Mayor's Office).

- Appeals – Tax Appeals
- Criminal Enforcement/Qualify of Life
- Government Affairs – including FOIA and Municipal
- Labor & Employment
- Litigation
- Transactions and Economic Development
- Workers' Compensation
- Other sections within these divisions include: Claims, Blight Litigation, Expungement, and Special Projects (Blight and Revitalization).

STRATEGIC PRIORITIES:

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.

LAW (32)

4. Provide necessary professional skills training to all lawyers and staff to maximize the quality and efficiency of legal services delivered.
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.

Operating Budget Highlights:

- \$2.6 million in new one-time funding for additional outside counsel and litigation support for pending cases
- \$685,000 increase for anticipated labor cost increases to attract and retain talent

Department Name: Department of Innovation & Technology

Department #: 31

Budget Summary:

	FY2021 Actual		FY2022 Adopted		FY2023 Mayor Recommend	
	General Fund	All Funds	General Fund	All Funds	General Fund	All Funds
Total Revenues	31,893	31,893	-	-	-	-
Total Expenditures	18,824,631	22,201,209	22,607,795	22,607,795	35,633,180	35,633,180
Net Tax Cost	18,792,738	22,169,316	22,607,795	22,607,795	35,633,180	35,633,180

	FY2024 Forecast		FY2025 Forecast		FY2026 Forecast	
	General Fund	All Funds	General Fund	All Funds	General Fund	All Funds
Total Revenues	-	-	-	-	-	-
Total Expenditures	36,048,748	36,048,748	36,819,072	36,819,072	37,376,558	37,376,558
Net Tax Cost	36,048,748	36,048,748	36,819,072	36,819,072	37,376,558	37,376,558

Positions (by FTE):	1/1/2022 Actual	FY2022 Adopted	FY2023 Mayor Recommend	FY2024 Forecast	FY2025 Forecast	FY2026 Forecast
General Fund	123	147	145	145	145	145
Non-General Fund	-	-	-	-	-	-
Total Positions	123	147	145	145	145	145

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

Department # - Department Name Summary Category	FY2022 Adopted	FY2023 Mayor Recommend	FY2024 Forecast	FY2025 Forecast	FY2026 Forecast
32 - Law Department	18,170,435	22,813,430	20,326,832	20,737,667	21,004,210
Salaries & Wages	9,740,843	11,676,258	11,840,593	12,077,405	12,198,179
Employee Benefits	3,500,999	3,646,079	3,439,359	3,492,258	3,534,669
Professional & Contractual Services	2,769,989	4,632,489	2,836,469	2,904,544	2,962,633
Operating Supplies	338,744	338,744	346,874	355,198	362,302
Operating Services	1,800,860	2,500,860	1,844,081	1,888,339	1,926,106
Other Expenses	19,000	19,000	19,456	19,923	20,321
Grand Total	18,170,435	22,813,430	20,326,832	20,737,667	21,004,210

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

Department # - Department Name Summary Category	FY2022 Adopted	FY2023 Mayor Recommend	FY2024 Forecast	FY2025 Forecast	FY2026 Forecast
32 - Law Department	2,079,000	2,260,000	2,304,000	2,348,781	2,394,436
Sales & Charges for Services	2,079,000	2,260,000	2,304,000	2,348,781	2,394,436
Grand Total	2,079,000	2,260,000	2,304,000	2,348,781	2,394,436

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

Department # - Department Name Fund # - Fund Name Summary Category	FY2022 Adopted	FY2023 Mayor Recommend	FY2024 Forecast	FY2025 Forecast	FY2026 Forecast
32 - Law Department	18,170,435	22,813,430	20,326,832	20,737,667	21,004,210
1000 - General Fund	18,170,435	22,813,430	20,326,832	20,737,667	21,004,210
Salaries & Wages	9,740,843	11,676,258	11,840,593	12,077,405	12,198,179
Employee Benefits	3,500,999	3,646,079	3,439,359	3,492,258	3,534,669
Professional & Contractual Services	2,769,989	4,632,489	2,836,469	2,904,544	2,962,633
Operating Supplies	338,744	338,744	346,874	355,198	362,302
Operating Services	1,800,860	2,500,860	1,844,081	1,888,339	1,926,106
Other Expenses	19,000	19,000	19,456	19,923	20,321
Grand Total	18,170,435	22,813,430	20,326,832	20,737,667	21,004,210

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

Department # - Department Name Fund # - Fund Name Summary Category	FY2022 Adopted	FY2023 Mayor Recommend	FY2024 Forecast	FY2025 Forecast	FY2026 Forecast
32 - Law Department	2,079,000	2,260,000	2,304,000	2,348,781	2,394,436
1000 - General Fund	2,079,000	2,260,000	2,304,000	2,348,781	2,394,436
Sales & Charges for Services	2,079,000	2,260,000	2,304,000	2,348,781	2,394,436
Grand Total	2,079,000	2,260,000	2,304,000	2,348,781	2,394,436

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

Department # - Department Name					
Fund # - Fund Name	FY2022	FY2023	FY2024	FY2025	FY2026
Appropriation # - Appropriation Name	Adopted	Mayor	Forecast	Forecast	Forecast
Cost Center # - Cost Center Name		Recommend			
32 - Law Department	18,170,435	22,813,430	20,326,832	20,737,667	21,004,210
1000 - General Fund	18,170,435	22,813,430	20,326,832	20,737,667	21,004,210
28320 - Effective Governance - Legislative Services	1,412,971	992,399	1,002,423	1,022,299	1,033,841
320055 - Legislative Services	1,412,971	992,399	1,002,423	1,022,299	1,033,841
29320 - Efficient and Innovative Operations Support - Law	16,757,464	21,821,031	19,324,409	19,715,368	19,970,369
320010 - Law Administration	16,757,464	21,159,031	18,851,321	19,230,927	19,476,239
320055 - Legislative Services	-	662,000	473,088	484,441	494,130
Grand Total	18,170,435	22,813,430	20,326,832	20,737,667	21,004,210

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

Department # - Department Name					
Fund # - Fund Name	FY2022	FY2023	FY2024	FY2025	FY2026
Appropriation # - Appropriation Name	Adopted	Mayor	Forecast	Forecast	Forecast
Cost Center # - Cost Center Name		Recommend			
32 - Law Department	2,079,000	2,260,000	2,304,000	2,348,781	2,394,436
1000 - General Fund	2,079,000	2,260,000	2,304,000	2,348,781	2,394,436
29320 - Efficient and Innovative Operations Support - Law	2,079,000	2,260,000	2,304,000	2,348,781	2,394,436
320010 - Law Administration	2,079,000	2,260,000	2,304,000	2,348,781	2,394,436
Grand Total	2,079,000	2,260,000	2,304,000	2,348,781	2,394,436

**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	FY2022	FY2023	FY2024	FY2025	FY2026
Cost Center # - Cost Center Name	Adopted	Mayor	Forecast	Forecast	Forecast
Job Code - Job Title		Recommend			
32 - Law Department	121	122	122	122	122
1000 - General Fund	121	122	122	122	122
28320 - Effective Governance - Legislative Services	4	8	8	8	8
320055 - Legislative Services	4	8	8	8	8
091157 - Supervising Assistant Corporation Counsel	0	1	1	1	1
13111002 - Project Manager Analytics Specialist II	1	1	1	1	1
43601103 - Administrative Assistant III	0	1	1	1	1
43601104 - Administrative Assistant IV	0	2	2	2	2
929102 - Administrative Special Services Staff II	2	2	2	2	2
929103 - Administrative Special Services Staff III	1	1	1	1	1
29320 - Efficient and Innovative Operations Support - Law	117	114	114	114	114
320010 - Law Administration	117	114	114	114	114
010104 - Deputy Corporation Counsel	1	1	1	1	1
010127 - Corporation Counsel - Election Commissioner	1	1	1	1	1
011705 - Executive Manager - Law	1	0	0	0	0
012031 - Senior Clerk	3	2	2	2	2
012086 - Records Manager	1	1	1	1	1
012249 - Administrative Assistant - Grade II-Law	1	1	1	1	1
013325 - Legal Secretary	14	12	12	12	12
013326 - Senior Legal Secretary	3	3	3	3	3
013376 - Executive Administrative Assistant II	1	1	1	1	1
091142 - Assistant Corporation Counsel	30	28	28	28	28
091152 - Senior Assistant Corporation Counsel	27	28	28	28	28

**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	FY2022 Adopted	FY2023 Mayor Recommend	FY2024 Forecast	FY2025 Forecast	FY2026 Forecast
Cost Center # - Cost Center Name					
Job Code - Job Title					
091157 - Supervising Assistant Corporation Counsel	8	7	7	7	7
091191 - Assistant Corporation Counsel - Exempted	3	2	2	2	2
091192 - Senior Assistant Corporation Counsel - Exempted	1	2	2	2	2
091941 - Legal Assistant	11	13	13	13	13
111003 - Project Manager & Analytics Specialist III	1	0	0	0	0
11931424 - Chief Of Criminal Enforcement And Quality Of Lif	1	1	1	1	1
13111004 - Project Manager Analytics Specialist IV	1	3	3	3	3
81012051 - Head Clerk	1	1	1	1	1
81091941 - Legal Assistant	1	0	0	0	0
929102 - Administrative Special Services Staff II	0	1	1	1	1
931420 - Chief Legal Counsel For Transactional and Economic	1	1	1	1	1
931421 - Chief Administrative Corporation Counsel	3	3	3	3	3
931422 - Chief of Staff - Law	1	1	1	1	1
931423 - Chief of Litigation	1	1	1	1	1
Grand Total	121	122	122	122	122