

# City of Detroit

## CITY COUNCIL

### LEGISLATIVE POLICY DIVISION

208 Coleman A. Young Municipal Center

Detroit, Michigan 48226

Phone: (313) 224-4946 Fax: (313) 224-4336

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*Commission*

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TO: Miriam Blanks-Smart, Director  
Department of Appeals & Hearings

FROM: David Whitaker, Director  
Legislative Policy Division 

DATE: March 9, 2023

SUBJECT: 2023-2024 Budget Analysis

Attached is our budget analysis regarding the Department of Appeals & Hearings budget for the 2023-2024 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing on **Wednesday, March 15, 2023, at 11:00 am**. 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 response 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

cc: Council Members  
Auditor General's Office  
Jay Rising, Chief Financial Officer  
Tanya Stoudemire, Chief Deputy Chief Financial Officer  
Steve Watson, Budget Director  
Conrad Mallett, Group Executive/Corporation Counsel  
Malik Washington, Mayor's Office  
Anita Hoskins, Budget Analyst  
John Wallace, Agency OCFO

## Department of Appeals and Hearings (45)

### FY 2023 - 2024 Budget Analysis by the Legislative Policy Division

#### Issues and Questions

- 1) Please briefly explain the department's new expense initiatives DAH is planning to implement in FY 2024. Please provide which appropriation/cost center the new initiatives will affect in FY 2024.
- 2) Please briefly explain the department's new capital funding requests DAH is planning to implement in FY 2024. Please provide which appropriation/cost center the new requests will affect in FY 2024.
- 3) Please briefly explain the department's operational reform and savings proposals DAH is planning to implement in FY 2024. Please provide which appropriation/cost center the new reforms/proposals will affect in FY 2024.
- 4) Please briefly explain the department's new revenue initiatives/proposals DAH is planning to implement in FY 2024. Please provide which appropriation/cost center the new initiatives/proposals will affect in FY 2024.
- 5) According to the Mayor's proposed budget, DAH had three vacancies through February 10, 2023. Please indicate your number of vacancies as of February 28, 2023.
  - a) What are the titles of the vacant positions?
  - b) Please briefly describe the difficulty in filling the vacancies.
  - c) Please briefly explain the department's strategy to fill the vacant positions or why they are remaining vacant.
  - d) If the vacancies are not filled by the end of the fiscal year, how much money will be available for use? Please explain how the funds for these vacancies will be used in the current or next fiscal year.
- 6) DAH has a goal of conducting 60,000 hearings annually.
  - a) How many hearings DAH has conducted as of February 28, 2023?
  - b) How many outstanding cases in the current fiscal year?
  - c) Please describe any challenges to meet the 60,000 annual target.
  - d) Please explain any structural changes to help DAH improve and expedite these cases.
- 7) For FY 2024, expenditures for Operating Services have decreased by \$106,935 or 77%.
  - a) Please explain the cause of the decrease.
  - b) Please describe any new technologies/tools implemented to support DAH's operation.
  - c) Please describe any changes in maintaining DAH's ticketing and court management software.
- 8) For FY 2024, expenditure for Professional & Contractual Services have decreased by \$190,000 or 68%. Please explain the cause for decrease.
- 9) For FY 2024, revenues from Sales & Charges for Services have increased by \$2.1 million or 79%. Please explain the cause for the increase.
- 10) For FY 2024, revenues from Use of Assets have increased by \$195,000 or 57%. Please explain the cause for the increase.
- 11) According to DAH, the average collection rate for calendar years 2019-2022 is 28%.
  - a) What is the total amount of outstanding blight tickets as of February 28, 2023?
  - b) What is the YTD collection rate of blight tickets fines and fees for FY2023?
  - c) Please explain the collection trend for FY2024.
  - d) What is DAH's strategy to enhance collectability of fines and fees?

- 12) What is the DAH's strategy in promoting anti-blight information/tools for Detroit residents, property owners, and businesses? Please describe the community initiatives DAH will be undertaking in the current or next fiscal year.
- 13) As of June 29, 2021, City Council appropriated \$95 million of ARPA funds for addressing the elimination of commercial and industrial blight through demolition, remediation, and land reuse. \$88 million is programmed for blight reduction and \$7 million is funded for central services.
  - a) Please describe any anticipated impact the ARPA blight reduction program will have on DAH's operations.
  - b) Please describe the efforts DAH conducted to support the Mayor's Blight to Beauty strategy.

# DEPARTMENT OF APPEALS & HEARINGS (45)

## Mission

The Department of Appeals & Hearings aims for a blight-free city, by providing quality administrative hearings in a timely, efficient and cost-effective manner, with respect for the dignity of individuals and their due process rights.

The Department is an independent administrative hearings bureau that adjudicates blight violations and assesses civil fines and costs pursuant to the schedule in the anti-blight ordinances and reviews administrative decisions of City departments and agencies and makes the final agency decisions. It has conducted over 450,000 hearings since its opening in 2005.

## Operating Programs and Services

- **Administration** adjudicates blight code violations issued by authorized City agents with sensitivity to the violations’ impact on the escalating problem of blight in Detroit. They enhance collectability of fines and fees through garnishments and liens utilizing the Department’s decisions and orders. Administration reviews and makes final decisions on administrative decisions of City agencies.

## Goals, Strategic Priorities and Related City Outcomes

Goals / Strategic Priorities	Timeframe	Related City Outcome
1. Conduct 60,000 Hearings Annually	July 2023 – June 2024	Vibrant & Beautiful City

# DEPARTMENT OF APPEALS & HEARINGS (45)

## Budget By Service

Services	FY 2024 Mayor Proposed	FY 2024 Mayor Proposed FTE
Code enforcement of blight codes	\$ 1,816,380	15.0
<b>Total:</b>	<b>\$ 1,816,380</b>	<b>15.0</b>

## Metrics and Data

Metrics	Data	Related Goal #
Number of Hearings Conducted	60,000 hearings	1

## Operating Budget Highlights

Initiatives	FY 2024 Mayor Proposed	FY 2024 Mayor Proposed FTE
Continue Record Digitization	\$90,000	-

**Department Name:** Department of Appeals & Hearings

**Department #:** 45

**Budget Summary:**

	FY2022 Actual		FY2023 Adopted		FY2024 Mayor Proposed	
	General Fund	All Funds	General Fund	All Funds	General Fund	All Funds
Total Revenues	5,363,623	5,363,623	3,033,000	3,033,000	5,363,000	5,363,000
Total Expenditures	1,140,435	1,140,435	1,812,941	2,092,941	1,726,380	1,816,380
<b>Net Tax Cost</b>	<b>(4,223,188)</b>	<b>(4,223,188)</b>	<b>(1,220,059)</b>	<b>(940,059)</b>	<b>(3,636,620)</b>	<b>(3,546,620)</b>

	FY2025 Forecast		FY2026 Forecast		FY2027 Forecast	
	General Fund	All Funds	General Fund	All Funds	General Fund	All Funds
Total Revenues	5,363,000	5,363,000	5,363,000	5,363,000	5,363,000	5,363,000
Total Expenditures	1,761,433	1,761,433	1,787,305	1,787,305	1,812,785	1,812,785
<b>Net Tax Cost</b>	<b>(3,601,567)</b>	<b>(3,601,567)</b>	<b>(3,575,695)</b>	<b>(3,575,695)</b>	<b>(3,550,215)</b>	<b>(3,550,215)</b>

Positions (by FTE):	2/10/2023 Actual	FY2023 Adopted	FY2024 Mayor Proposed	FY2025 Forecast	FY2026 Forecast	FY2027 Forecast
General Fund	12	15	15	15	15	15
Non-General Fund	-	-	-	-	-	-
ARPA	2	-	-	-	-	-
<b>Total Positions</b>	<b>14</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>

**CITY OF DETROIT  
BUDGET DEVELOPMENT  
EXPENDITURES BY SUMMARY CATEGORY - ALL FUNDS  
DEPARTMENT 45 - DEPARTMENT OF APPEALS & HEARINGS**

Department # - Department Name Summary Category	FY2023 Adopted	FY2024 Mayor Proposed	FY2025 Forecast	FY2026 Forecast	FY2027 Forecast
<b>45 - Department of Appeals &amp; Hearings</b>	<b>2,092,941</b>	<b>1,816,380</b>	<b>1,761,433</b>	<b>1,787,305</b>	<b>1,812,785</b>
Salaries & Wages	1,153,159	1,188,813	1,212,589	1,230,778	1,249,240
Employee Benefits	394,870	379,590	387,707	393,779	399,170
Professional & Contractual Services	282,931	92,931	2,990	3,020	3,050
Operating Supplies	109,865	109,865	112,062	113,182	114,315
Operating Services	139,741	32,806	33,462	33,797	34,134
Other Expenses	2,375	2,375	2,423	2,447	2,471
Equipment Acquisition	10,000	10,000	10,200	10,302	10,405
<b>Grand Total</b>	<b>2,092,941</b>	<b>1,816,380</b>	<b>1,761,433</b>	<b>1,787,305</b>	<b>1,812,785</b>

**CITY OF DETROIT  
BUDGET DEVELOPMENT  
REVENUES BY SUMMARY CATEGORY - ALL FUNDS  
DEPARTMENT 45 - DEPARTMENT OF APPEALS & HEARINGS**

Department # - Department Name Summary Category	FY2023 Adopted	FY2024 Mayor Proposed	FY2025 Forecast	FY2026 Forecast	FY2027 Forecast
<b>45 - Department of Appeals &amp; Hearings</b>	<b>3,033,000</b>	<b>5,363,000</b>	<b>5,363,000</b>	<b>5,363,000</b>	<b>5,363,000</b>
Sales & Charges for Services	2,688,000	4,823,000	4,823,000	4,823,000	4,823,000
Revenues from Use of Assets	345,000	540,000	540,000	540,000	540,000
<b>Grand Total</b>	<b>3,033,000</b>	<b>5,363,000</b>	<b>5,363,000</b>	<b>5,363,000</b>	<b>5,363,000</b>



**CITY OF DETROIT  
BUDGET DEVELOPMENT  
EXPENDITURES BY SUMMARY CATEGORY - FUND DETAIL  
DEPARTMENT 45 - DEPARTMENT OF APPEALS & HEARINGS**

Department # - Department Name Fund # - Fund Name Summary Category	FY2023 Adopted	FY2024 Mayor Proposed	FY2025 Forecast	FY2026 Forecast	FY2027 Forecast
<b>45 - Department of Appeals &amp; Hearings</b>	<b>2,092,941</b>	<b>1,816,380</b>	<b>1,761,433</b>	<b>1,787,305</b>	<b>1,812,785</b>
<b>1000 - General Fund</b>	<b>1,812,941</b>	<b>1,726,380</b>	<b>1,761,433</b>	<b>1,787,305</b>	<b>1,812,785</b>
Salaries & Wages	1,153,159	1,188,813	1,212,589	1,230,778	1,249,240
Employee Benefits	394,870	379,590	387,707	393,779	399,170
Professional & Contractual Services	2,931	2,931	2,990	3,020	3,050
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Operating Services	139,741	32,806	33,462	33,797	34,134
Other Expenses	2,375	2,375	2,423	2,447	2,471
Equipment Acquisition	10,000	10,000	10,200	10,302	10,405
<b>4533 - City of Detroit Capital Projects</b>	<b>280,000</b>	<b>90,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
Professional & Contractual Services	280,000	90,000	-	-	-
<b>Grand Total</b>	<b>2,092,941</b>	<b>1,816,380</b>	<b>1,761,433</b>	<b>1,787,305</b>	<b>1,812,785</b>

**CITY OF DETROIT  
BUDGET DEVELOPMENT  
REVENUES BY SUMMARY CATEGORY - FUND DETAIL  
DEPARTMENT 45 - DEPARTMENT OF APPEALS & HEARINGS**

Department # - Department Name Fund # - Fund Name Summary Category	FY2023 Adopted	FY2024 Mayor Proposed	FY2025 Forecast	FY2026 Forecast	FY2027 Forecast
<b>45 - Department of Appeals &amp; Hearings</b>	<b>3,033,000</b>	<b>5,363,000</b>	<b>5,363,000</b>	<b>5,363,000</b>	<b>5,363,000</b>
<b>1000 - General Fund</b>	<b>3,033,000</b>	<b>5,363,000</b>	<b>5,363,000</b>	<b>5,363,000</b>	<b>5,363,000</b>
Sales & Charges for Services	2,688,000	4,823,000	4,823,000	4,823,000	4,823,000
Revenues from Use of Assets	345,000	540,000	540,000	540,000	540,000
<b>Grand Total</b>	<b>3,033,000</b>	<b>5,363,000</b>	<b>5,363,000</b>	<b>5,363,000</b>	<b>5,363,000</b>

**CITY OF DETROIT  
BUDGET DEVELOPMENT  
FINANCIAL DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER - EXPENDITURES  
DEPARTMENT 45 - DEPARTMENT OF APPEALS & HEARINGS**

Department # - Department Name					
Fund # - Fund Name	FY2023	FY2024	FY2025	FY2026	FY2027
Appropriation # - Appropriation Name	Adopted	Mayor Proposed	Forecast	Forecast	Forecast
Cost Center # - Cost Center Name					
<b>45 - Department of Appeals &amp; Hearings</b>	<b>2,092,941</b>	<b>1,816,380</b>	<b>1,761,433</b>	<b>1,787,305</b>	<b>1,812,785</b>
<b>1000 - General Fund</b>	<b>1,812,941</b>	<b>1,726,380</b>	<b>1,761,433</b>	<b>1,787,305</b>	<b>1,812,785</b>
<b>26450 - Code Enforcement Adjudication</b>	<b>1,812,941</b>	<b>1,726,380</b>	<b>1,761,433</b>	<b>1,787,305</b>	<b>1,812,785</b>
450010 - DAH Administration	1,812,941	1,726,380	1,761,433	1,787,305	1,812,785
<b>4533 - City of Detroit Capital Projects</b>	<b>280,000</b>	<b>90,000</b>	-	-	-
<b>20507 - CoD Capital Projects</b>	<b>280,000</b>	<b>90,000</b>	-	-	-
450010 - DAH Administration	280,000	90,000	-	-	-
<b>Grand Total</b>	<b>2,092,941</b>	<b>1,816,380</b>	<b>1,761,433</b>	<b>1,787,305</b>	<b>1,812,785</b>

**CITY OF DETROIT  
BUDGET DEVELOPMENT  
FINANCIAL DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER - REVENUES  
DEPARTMENT 45 - DEPARTMENT OF APPEALS & HEARINGS**

Department # - Department Name					
Fund # - Fund Name	FY2023	FY2024	FY2025	FY2026	FY2027
Appropriation # - Appropriation Name	Adopted	Mayor Proposed	Forecast	Forecast	Forecast
Cost Center # - Cost Center Name					
<b>45 - Department of Appeals &amp; Hearings</b>	<b>3,033,000</b>	<b>5,363,000</b>	<b>5,363,000</b>	<b>5,363,000</b>	<b>5,363,000</b>
<b>1000 - General Fund</b>	<b>3,033,000</b>	<b>5,363,000</b>	<b>5,363,000</b>	<b>5,363,000</b>	<b>5,363,000</b>
<b>26450 - Code Enforcement Adjudication</b>	<b>3,033,000</b>	<b>5,363,000</b>	<b>5,363,000</b>	<b>5,363,000</b>	<b>5,363,000</b>
450010 - DAH Administration	3,033,000	5,363,000	5,363,000	5,363,000	5,363,000
<b>Grand Total</b>	<b>3,033,000</b>	<b>5,363,000</b>	<b>5,363,000</b>	<b>5,363,000</b>	<b>5,363,000</b>

**CITY OF DETROIT  
BUDGET DEVELOPMENT  
POSITION DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER  
DEPARTMENT 45 - DEPARTMENT OF APPEALS & HEARINGS**

Department # - Department Name					
Fund # - Fund Name					
Appropriation # - Appropriation Name	FY2023	FY2024	FY2025	FY2026	FY2027
Cost Center # - Cost Center Name	Adopted	Mayor Proposed	Forecast	Forecast	Forecast
Job Code - Job Title					
<b>45 - Department of Appeals &amp; Hearings</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>
<b>1000 - General Fund</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>
<b>26450 - Code Enforcement Adjudication</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>
<b>450010 - DAH Administration</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>
010170.Director of Administrative Hearings	1	1	1	1	1
010908.Manager I Administrative Hearings	1	1	1	1	1
012061.Administrative Assistant Grade II	0	1	1	1	1
012234.Administrative Assistant - Grade II - Administrative H	1	0	0	0	0
041972.Business Systems Support Specialist II	0	2	2	2	2
091198.Manager of Administrative Hearings	1	1	1	1	1
15112102.Information Technology Specialist Systems Analys	1	1	1	1	1
222040.Data Analyst	2	0	0	0	0
81012051.Head Clerk	5	5	5	5	5
931201.Administrative Hearings Officer	3	3	3	3	3
<b>Grand Total</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>