



City of Detroit Detroit City Council

FROM THE DESK OF
Mary Waters, Member At-Large
2 Woodward Avenue, Suite 1340 Detroit, MI 48226

TO: The Honorable Janice M. Winfrey, City Clerk
THROUGH: Mary Sheffield, City Council President
FROM: Mary Waters, Councilmember, At-Large
RE: Questions on City Clerk's FY 2024 Budget

- What drives the approximately 10% YoY budget reduction, with the majority of the reduction coming from an approximately \$220,000 reduction in operating services?

Response: Operating expenses decreased in various cost centers due to rent, utility, and parking outlays being entirely transferred from our cost centers and appropriation. OFCO has opted to streamline the process and have every department's rent, utilities, and parking expenditures paid from one central account string placed outside their respective budgets.

- Why do employee benefits costs reduce nearly \$30,000 YoY with a reduction of two positions, whereas salaries only decrease approximately \$13,000?

Response: Although our budgeted positions decreased by two, salaries & wages decreased only by \$13,000 due to merit increases and cost of living adjustments for 28 other positions. In essence, two positions were eliminated while nearly 28 positions received marginal increases. Next, overall fringe benefits cost decreased by \$30,000 because the benefits calculator percentage decreased year-over-year by roughly 2.5% for all 28 positions, resulting in more cost savings.

- Why is there a nearly \$30,000 increase planned for FY25 salaries yet only a \$9,000 increase in benefits costs?

Response: The forecasts are based on scheduled wage pattern increases and inflationary growth. The benefit costs are increasing at a lower dollar amount in FY25 because base FY24 salaries and wages are larger than employee benefits. The ratio of employee benefit costs to salaries and wages is the same in FY24 and FY25.