



**OFFICE OF THE
CHIEF FINANCIAL OFFICER
OFFICE OF BUDGET**

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June 16, 2023

Honorable Detroit City Council
Coleman A. Young Municipal Center
2 Woodward Avenue
Detroit, MI 48226

Re: FY 2022-2023 and FY 2023-2024 Transfers and Supplemental Appropriations Resolution

Honorable Detroit City Council Members:

The Administration is requesting approval of a resolution authorizing appropriation transfers and supplemental appropriations to facilitate a deficit-free year-end close for Fiscal Year 2022-2023 and authorize additional spending in Fiscal Year 2023-2024. Under Public Act 2 of 1968 (the "Uniform Budgeting and Accounting Act") and the 2012 Detroit City Charter, the City cannot incur expenditures in an appropriation account in excess of the amount appropriated by the Detroit City Council.

After reviewing projected year-end activity, the Office of Budget is requesting authority, under certain conditions and limitations, to transfer unencumbered appropriation balances and make budget entries in fiscal year 2022-2023 to ensure final expenditures do not exceed available appropriations. Transfers will net to zero across appropriations. The resolution also appropriates \$350,000 in anticipated developer donations to the Affordable Housing Development and Preservation Fund. We will transmit a final report of all fiscal year 2022-2023 actions taken under this resolution.

The requested fiscal year 2023-2024 supplemental appropriations include \$2,325,000 supported by the City's remaining \$2,423,446 unassigned fund balance (i.e., prior year surplus) from the fiscal year that ended June 30, 2022. They include the following:

- \$1,000,000 for the OCFO to begin implementing the Land Value Tax Plan
- \$1,200,000 for the Health Department to provide transportation services for pregnant Detroit women seeking prenatal care
- \$125,000 for the City Council to hold a legislative policy retreat

We respectfully request your approval of the attached resolution, with a waiver of reconsideration, to authorize these supplemental appropriations and transfers.

Best regards,

Steven Watson
Deputy CFO / Budget Director

Att: FY 2022-2023 and FY 2023-2024 Transfers and Supplemental Appropriations Resolution

Cc: Jay B. Rising, Chief Financial Officer
Tanya Stoudemire, Chief Deputy CFO/Policy & Administration Director
Janani Ramachandran Yates, Deputy Budget Director
Malik Washington, City Council Liaison

RESOLUTION

BY COUNCIL MEMBER _____

WHEREAS, Section 17(1) of State of Michigan Public Act 2 of 1968 (the “Uniform Budgeting and Accounting Act”) states that a deviation from the original general appropriations act shall not be made without amending the general appropriations act; and

WHEREAS, Section 18(3) of State of Michigan Public Act 2 of 1968 (the “Uniform Budgeting and Accounting Act”) states that an administrative officer of the local unit shall not incur expenditures against an appropriation account in excess of the amount appropriated by the legislative body; and

WHEREAS, Section 19 of State of Michigan Public Act 2 of 1968 (the “Uniform Budgeting and Accounting Act”) states that the legislative body in a general appropriations act may permit the chief administrative officer to execute transfers within limits stated in the act between appropriations without the prior approval of the legislative body; and

WHEREAS, Section 8-210 of the 2012 Detroit City Charter authorizes that if during the fiscal year the Mayor advises the City Council that there are available for appropriation revenues in excess of those estimated in the budget, the City Council may make supplemental appropriations for the year up to the amount of the excess; and

WHEREAS, Section 8-211 of the 2012 Detroit City Charter authorizes that any time during the fiscal year upon written request by the Mayor, the City Council may, by resolution, transfer all or part of any unencumbered appropriation balance among the programs, services or activities within an agency or from one agency to another; and

WHEREAS, the OCFO-Office of Budget, on behalf of the Mayor, has submitted recommended supplemental appropriations and transfer authority to the Detroit City Council, as provided in this resolution.

- 1. NOW, THEREFORE, BE IT RESOLVED**, that the Chief Financial Officer, or their designee, may transfer, within the same department and fund, any unencumbered Fiscal Year 2022-2023 appropriation balance from one appropriation to another to address any Fiscal Year 2022-2023 expenditures in excess of appropriations that are identified subsequent to approval of this resolution; **AND BE IT FURTHER**
- 2. RESOLVED**, that the Chief Financial Officer, or their designee, may transfer, across departments within the same fund, any unencumbered Fiscal Year 2022-2023 appropriation balance, up to \$1 million each, from one appropriation to another to address any Fiscal Year 2022-2023 expenditures in excess of appropriations that are identified subsequent to approval of this resolution; **AND BE IT FURTHER**
- 3. RESOLVED**, that the Chief Financial Officer, or their designee, may transfer, across departments within the same fund, any unencumbered Fiscal Year 2022-2023 appropriation balance to Appropriation No. 29350 - Citywide Overhead to address any Fiscal Year 2022-2023 centralized

payments expenditures in excess of appropriations that are identified subsequent to approval of this resolution; **AND BE IT FURTHER**

4. **RESOLVED**, that the Chief Financial Officer, or their designee, may transfer, within Fund 1003 – Blight Remediation Fund, Fund 4533 – Capital Projects Fund, or the Capital Projects Fund category any unencumbered Fiscal Year 2022-2023 appropriation balance from one appropriation to another within such fund category to consolidate appropriation accounts; **AND BE IT FURTHER**
5. **RESOLVED**, that the Chief Financial Officer, or their designee, may amend Fiscal Year 2022-2023 appropriations by such amounts as are necessary to record year-end accounting entries related specifically to Due To/Due From Balance Sheet Adjustments, Governmental Accounting Standards Board (GASB) Statement No. 96 - Subscription-Based Information Technology Arrangements implementation, and blended component unit activities; **AND BE IT FURTHER**
6. **RESOLVED**, That any revenues received in fiscal year 2022-2023 for the Detroit Affordable Housing Development and Preservation Fund, created pursuant to Section 22-3-7 of the 2019 Detroit City Code, are hereby appropriated for the purposes of the Fund, subject to the approval of the Chief Financial Officer or their designee; **AND BE IT FURTHER**
7. **RESOLVED**, that, the Chief Financial Officer, or their designee, shall provide a final report on any such Fiscal Year 2022-2023 appropriation changes, authorized hereinabove, to the Detroit City Council; **AND BE IT FURTHER**
8. **RESOLVED**, that the Fiscal Year 2023-2024 Budget is hereby amended by increasing Fund 1000 Revenue Appropriation No. 20255 Prior Year Activity by \$1,000,000 and Fund 1000 Expenditure Appropriation No. 29230 - OCFO Administration by \$1,000,000 for the Office of the Chief Financial Officer to begin implementing the Land Value Tax Plan; **AND BE IT FURTHER**
9. **RESOLVED**, that the Fiscal Year 2023-2024 Budget is hereby amended by increasing Fund 1000 Revenue Appropriation No. 20255 Prior Year Activity by \$1,200,000 and Fund 1000 Expenditure Appropriation No. 27250 - Resident Health Services by \$1,200,000 for the Health Department to provide transportation services for pregnant Detroit women seeking prenatal care; **AND BE IT FURTHER**
10. **RESOLVED**, that the Fiscal Year 2023-2024 Budget is hereby amended by increasing Fund 1000 Revenue Appropriation No. 20255 Prior Year Activity by \$125,000 and Fund 1000 Expenditure Appropriation 28520 - Legislative Administration by \$125,000 for the City Council to hold a legislative policy retreat; **AND BE IT FINALLY**
11. **RESOLVED**, that the Chief Financial Officer, or their designee, is hereby authorized and shall take all appropriate actions necessary to implement the foregoing provisions and actions authorized by this resolution.