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TO: Julianne Pastula, Director
Department of Appeals & Hearings

FROM: David Whitaker, Director 
Legislative Policy Division Staff

DATE: March 18, 2024

RE: 2024-2025 Budget Analysis

Attached is our budget analysis regarding your agency's budget for the 2024-2025 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing on **Wednesday, March 20, 2024, at 11:00 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, 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

cc: Councilmembers
Auditor General's Office
Jay Rising, Chief Financial Officer
Tanya Stoudemire, Chief Deputy CFO Policy and Administration Director
Steve Watson, Budget Director
Conrad Mallett, Group Executive-Corporation Counsel
James George, Agency CFO
Malcolm Walker, Budget Analyst
Malik Washington, Mayor's Office

DAH (45)
(Department of Appeals and Hearings)

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.

Issues and Questions

1. Please briefly explain the new expense initiatives the Department of Appeals and Hearings is planning to implement in FY 2025. Please provide which appropriation/cost center the new initiatives will affect in FY 2025.
2. Please briefly explain the new capital funding requests the Department of Appeals and Hearings is planning to implement in FY 2025. Please provide which appropriation/cost center the new requests will affect in FY 2025.
3. Please briefly explain the operational reform and savings proposals the Department of Appeals and Hearings is planning to implement in FY 2025. Please provide which appropriation/cost center the new reforms/proposals will affect in FY 2025.
4. Please briefly explain the new revenue initiatives/proposals the Department of Appeals and Hearings is planning to implement in FY 2025. Please provide which appropriation/cost center the new initiatives/proposals will affect in FY 2025.
5. What are your projected performance metrics for each division/operational program in the current fiscal year? What are your target metrics for each division/operational program for fiscal year 2025?
6. According to the Office of the Chief Financial Officer (OCFO), the Department of Appeals and Hearings had one (1) vacancy through February 09, 2024.
 - a. Please indicate your number of vacancies as of March 18, 2024.
 - b. What are the titles of the vacant positions?
 - c. What is the difficulty of filling the vacancies?
 - d. Please briefly explain the Department of Appeals and Hearings' strategy to fill the vacant positions or explain why they will remain vacant.
7. Operating Services expenditures decreased by \$106,935, or 77%, in FY 2024 compared to an increase of \$7,721, or 24%, for FY 2025 year.
 - a. Please explain the cause of this fluctuation.
 - b. Please explain the cause of the increase this year.
8. For FY 2025, Equipment Acquisition will increase by \$14,000 or 140%. Please explain the cause of the increase and how the equipment will be used to support operations within the department.

9. For FY 2025, Professional and Contractual Services will decrease by \$90,000 or 100%. Please explain the cause for the decrease.
 - a. Please provide an update on your record digitization effort.

10. Please provide details and updates on Community Blight Court and explain any successes or challenges this initiative has faced.

DEPARTMENT OF APPEALS & HEARINGS (45)

Mission

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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 2024 – June 2025	Vibrant & Beautiful City

Budget By Service

Services	FY 2025 Mayor Proposed	FY 2025 Mayor Proposed FTE
Adjudication of Blight Codes	\$1,770,197	15.00
Total:	\$1,770,197	15.00

DEPARTMENT OF APPEALS & HEARINGS (45)

Metrics and Data

Metrics	Data	Related Goal #
Blight tickets entered into the blight enforcement tracking system daily	Weekly Docket Schedule	1
Administrative appeals filed by the claimant or City department to the DAH Appeal email account	Weekly Docket Schedule	1

Department 45 - Department of Appeals & Hearings

Budget Summary

	FY2023 Actual		FY2024 Adopted		FY2025 Mayor Proposed	
	General Fund	All Funds	General Fund	All Funds	General Fund	All Funds
Total Revenues	4,726,744	4,726,744	5,363,000	5,363,000	5,317,000	5,317,000
Total Expenditures	1,396,307	1,448,317	1,726,380	1,816,380	1,770,197	1,770,197
Net Tax Cost	(3,330,437)	(3,278,427)	(3,636,620)	(3,546,620)	(3,546,803)	(3,546,803)

	FY2026 Forecast		FY2027 Forecast		FY2028 Forecast	
	General Fund	All Funds	General Fund	All Funds	General Fund	All Funds
Total Revenues	5,423,340	5,423,340	5,531,806	5,531,806	5,642,443	5,642,443
Total Expenditures	1,801,980	1,801,980	1,834,381	1,834,381	1,867,413	1,867,413
Net Tax Cost	(3,621,360)	(3,621,360)	(3,697,425)	(3,697,425)	(3,775,030)	(3,775,030)

General Fund Recurring vs One-Time Expenditures

	FY2024 Adopted	FY2025 Mayor Proposed
Recurring Expenditures	1,726,380	1,770,197
One-Time Expenditures	-	-
Total Expenditures	1,726,380	1,770,197

Positions (by FTE)

	2/9/2024 Actual	FY2024 Adopted	FY2025 Mayor Proposed	FY2026 Forecast	FY2027 Forecast	FY2028 Forecast
General Fund	14.00	15.00	15.00	15.00	15.00	15.00
Non-General Fund	-	-	-	-	-	-
ARPA	2.00	-	-	-	-	-
Total Positions	16.00	15.00	15.00	15.00	15.00	15.00

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

Department # - Department Name Summary Category	FY2024 Adopted	FY2025 Mayor Proposed	FY2026 Forecast	FY2027 Forecast	FY2028 Forecast
45 - Department of Appeals & Hearings	1,816,380	1,770,197	1,801,980	1,834,381	1,867,413
Salaries & Wages	1,188,813	1,206,810	1,230,946	1,255,565	1,280,676
Employee Benefits	379,590	383,522	389,370	395,335	401,420
Professional & Contractual Services	92,931	2,931	2,960	2,990	3,020
Operating Supplies	109,865	110,032	111,132	112,244	113,367
Operating Services	32,806	40,527	40,933	41,342	41,756
Other Expenses	2,375	2,375	2,399	2,423	2,447
Equipment Acquisition	10,000	24,000	24,240	24,482	24,727
Grand Total	1,816,380	1,770,197	1,801,980	1,834,381	1,867,413

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

Department # - Department Name Summary Category	FY2024 Adopted	FY2025 Mayor Proposed	FY2026 Forecast	FY2027 Forecast	FY2028 Forecast
45 - Department of Appeals & Hearings	5,363,000	5,317,000	5,423,340	5,531,806	5,642,443
Sales & Charges for Services	4,823,000	4,787,000	4,882,740	4,980,394	5,080,003
Revenues from Use of Assets	540,000	530,000	540,600	551,412	562,440
Grand Total	5,363,000	5,317,000	5,423,340	5,531,806	5,642,443

**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	FY2024 Adopted	FY2025 Mayor Proposed	FY2026 Forecast	FY2027 Forecast	FY2028 Forecast
45 - Department of Appeals & Hearings	1,816,380	1,770,197	1,801,980	1,834,381	1,867,413
1000 - General Fund	1,726,380	1,770,197	1,801,980	1,834,381	1,867,413
Salaries & Wages	1,188,813	1,206,810	1,230,946	1,255,565	1,280,676
Employee Benefits	379,590	383,522	389,370	395,335	401,420
Professional & Contractual Services	2,931	2,931	2,960	2,990	3,020
Operating Supplies	109,865	110,032	111,132	112,244	113,367
Operating Services	32,806	40,527	40,933	41,342	41,756
Other Expenses	2,375	2,375	2,399	2,423	2,447
Equipment Acquisition	10,000	24,000	24,240	24,482	24,727
4533 - City of Detroit Capital Projects	90,000	-	-	-	-
Professional & Contractual Services	90,000	-	-	-	-
Grand Total	1,816,380	1,770,197	1,801,980	1,834,381	1,867,413

**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	FY2024 Adopted	FY2025 Mayor Proposed	FY2026 Forecast	FY2027 Forecast	FY2028 Forecast
45 - Department of Appeals & Hearings	5,363,000	5,317,000	5,423,340	5,531,806	5,642,443
1000 - General Fund	5,363,000	5,317,000	5,423,340	5,531,806	5,642,443
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Revenues from Use of Assets	540,000	530,000	540,600	551,412	562,440
Grand Total	5,363,000	5,317,000	5,423,340	5,531,806	5,642,443

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

Department # - Department Name	FY2024	FY2025	FY2026	FY2027	FY2028
Fund # - Fund Name	Adopted	Mayor Proposed	Forecast	Forecast	Forecast
Appropriation # - Appropriation Name					
Cost Center # - Cost Center Name					
45 - Department of Appeals & Hearings	1,816,380	1,770,197	1,801,980	1,834,381	1,867,413
1000 - General Fund	1,726,380	1,770,197	1,801,980	1,834,381	1,867,413
26450 - Code Enforcement Adjudication	1,726,380	1,770,197	1,801,980	1,834,381	1,867,413
450010 - DAH Administration	1,726,380	1,770,197	1,801,980	1,834,381	1,867,413
4533 - City of Detroit Capital Projects	90,000	-	-	-	-
20507 - CoD Capital Projects	90,000	-	-	-	-
450010 - DAH Administration	90,000	-	-	-	-
Grand Total	1,816,380	1,770,197	1,801,980	1,834,381	1,867,413

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

Department # - Department Name	FY2024	FY2025	FY2026	FY2027	FY2028
Fund # - Fund Name	Adopted	Mayor Proposed	Forecast	Forecast	Forecast
Appropriation # - Appropriation Name					
Cost Center # - Cost Center Name					
45 - Department of Appeals & Hearings	5,363,000	5,317,000	5,423,340	5,531,806	5,642,443
1000 - General Fund	5,363,000	5,317,000	5,423,340	5,531,806	5,642,443
26450 - Code Enforcement Adjudication	5,363,000	5,317,000	5,423,340	5,531,806	5,642,443
450010 - DAH Administration	5,363,000	5,317,000	5,423,340	5,531,806	5,642,443
Grand Total	5,363,000	5,317,000	5,423,340	5,531,806	5,642,443

**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	FY2024	FY2025	FY2026	FY2027	FY2028
Cost Center # - Cost Center Name	Adopted	Mayor Proposed	Forecast	Forecast	Forecast
Job Code - Job Title					
45 - Department of Appeals & Hearings	15	15	15	15	15
1000 - General Fund	15	15	15	15	15
26450 - Code Enforcement Adjudication	15	15	15	15	15
450010 - DAH Administration	15	15	15	15	15
010170.Director Of Administrative Hearings	1	0	0	0	0
010908.Manager 1 Administrative Hearings	1	1	1	1	1
012061.Administrative Assistant Grade 2	1	1	1	1	1
041972.Business Systems Support Specialist 2	2	2	2	2	2
091198.Manager Of Administrative Hearings	1	1	1	1	1
15112102.Information Technology Specialist Systems Analyst	1	1	1	1	1
81012051.Head Clerk	5	5	5	5	5
931201.Administrative Hearings Officer	3	3	3	3	3
932014.Executive Management Team Mayors Office	0	1	1	1	1
Grand Total	15	15	15	15	15