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TO: Tyrone Clifton, Director
Detroit Building Authority

FROM: David Whitaker, Director 
Legislative Policy Division

DATE: March 12, 2024

SUBJECT: 2024-2025 Budget Analysis

Attached is our budget analysis regarding the Detroit Building Authority'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 **Thursday, March 14, 2024, at 11:00 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 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:

Issues and Questions

cc: Council Members
Auditor General's Office
Jay Rising, Chief Financial Officer
Tanya Stoudemire, Chief Deputy Chief Financial Officer
Steve Watson, Budget Director
Brad Dick, Group Executive-COO
Justin Buss, Budget Analyst
James George, Agency CFO

Detroit Building Authority
FY 2024-2025 Budget Analysis by the Legislative Policy Division

Issues and Questions

The **Detroit Building Authority** (DBA) is primarily responsible for administering capital projects, as determined by each respective City Department, with identified capital or grant funds. Critical functions include encumbering funds through Contracts of Lease; managing the bid, RFP/RFQ process; issuing contract awards; securing the necessary clearances; advising contractors of Executive Order 2021-02 requirements; execution of contract documents; monitor design development and construction for each DBA capital project; review and approve contract invoices; oversee payments to vendors.

In addition, the DBA is responsible for the following:

- Creating and maintaining a database of all City-owned commercial property.
- Maintaining and managing all of the properties within the database.
- Managing the sale of the property, which includes tracking the applications through the process, marketing of properties, obtaining City and Council approvals, and finalizing the sale transaction.
- Managing City leases, which consist of property leased by and from the City, cellular towers and billboard leases.

Page B35-17 In the Non-Departmental Budget, the Mayor has recommended to increase the General Fund Expenditures in cost center 350310 - Detroit Building Authority by \$76,962 million (6.4%) in FY 2025, as illustrated below:

	FY 2024 Adopted Budget	FY 2025 Recommended Budget	FY 2025 Increase/ (Decrease)	FY 2025 Increase/ (Decrease)
Expenditures	\$1,207,113	\$1,284,075	\$76,962	6.4%

The Non-Departmental Budget, on the Revenue side, revenue cost center 350310 - Detroit Building Authority, the Mayor has recommended \$0 General Fund Revenues which is the same as FY 2024, as illustrated below:

	FY 2024 Adopted Budget	FY 2025 Recommended Budget	FY 2025 Increase/ (Decrease)	FY 2025 Increase/ (Decrease)
Revenues	\$0	\$0	0	0%

Pages B35-24 In FY 2025, the number of FTEs in the Detroit Building Authority remains unchanged by the Mayor at eight (8).

- 1) Please briefly explain the new expense initiatives the Detroit Building Authority (DBA) 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 DBA 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 DBA 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 why the mayor's recommendation for FY 2025 for the DBA revenue is \$0. Please provide which appropriation/cost center reflects the change.
- 5) What are your projected performance metrics for the current fiscal year? What are your target metrics for fiscal year 2025?
- 6) Do you partner with any departments or outside agencies? Do you prioritize the sale of property to city residence and minority owned businesses? How do you make the public aware of commercial property for sale? Do we have enough funds in the budget for public outreach?
- 7) On page 7 of DBA's 2023 annual financial statements, the DBA had a negative net position of a negative position of (\$6.80 million) as of June 30, 2022, and a negative net position of (\$6.82 million) as of June 30, 2023. Please explain how the DBA look to address the negative net positions.

**CITY OF DETROIT
BUDGET DEVELOPMENT
FINANCIAL DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER - EXPENDITURES
DEPARTMENT 35 - NON-DEPARTMENTAL**

Department # - Department Name					
Fund # - Fund Name	FY2024	FY2025	FY2026	FY2027	FY2028
Appropriation # - Appropriation Name	Adopted	Mayor Proposed	Forecast	Forecast	Forecast
Cost Center # - Cost Center Name					
27352 - Community Programs Support	2,963,716	500,000	500,000	500,000	500,000
350230 - Childhood Education & Enrichment Support*	2,750,000	500,000	500,000	500,000	500,000
350240 - EITC Support	213,716	-	-	-	-
28351 - Board of Ethics	545,278	557,960	565,912	574,011	582,258
350165 - Board of Ethics	545,278	557,960	565,912	574,011	582,258
28352 - Media Services & Communications	1,751,094	1,509,418	1,537,034	1,565,194	1,593,907
350325 - Communications Services	601,760	736,132	749,792	763,723	777,928
350326 - Media Services*	1,149,334	773,286	787,242	801,471	815,979
28354 - Elected Officials Compensation	1,600,000	1,645,427	1,697,362	1,751,069	1,806,607
350007 - Elected Officials' Compensation	1,600,000	1,645,427	1,697,362	1,751,069	1,806,607
29350 - Citywide Overhead	50,970,761	61,658,882	63,486,556	64,106,352	66,086,446
350020 - Dues & Memberships	386,235	400,660	440,660	440,660	440,660
350220 - Claims Fund (Insurance Premiums)	12,100,000	12,100,000	12,100,000	12,100,000	12,100,000
350310 - Detroit Building Authority	1,207,113	1,284,075	1,307,303	1,330,984	1,355,127
350800 - Centralized Payments	30,528,075	30,411,327	30,715,440	31,022,594	31,332,820
350980 - Workforce Investments	6,749,338	17,462,820	18,923,153	19,212,114	20,857,839
29351 - Pension-Related Payments	-	-	-	-	-
350015 - Pension Benefits Administration	-	-	-	-	-
3921 - Other Special Revenue Fund	2,164,363	3,321,541	3,363,161	3,596,041	3,639,342
21243 - Opioid Settlement Proceeds	-	1,240,541	1,240,541	1,430,969	1,430,969
350030 - Other Operations Services	-	1,240,541	1,240,541	1,430,969	1,430,969
28353 - Cable TV	2,164,363	2,081,000	2,122,620	2,165,072	2,208,373
350324 - P.E.G. Fees	2,164,363	2,081,000	2,122,620	2,165,072	2,208,373

*FY 2024 included one-time funding for these programs

**CITY OF DETROIT
BUDGET DEVELOPMENT
POSITION DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER
DEPARTMENT 35 - NON-DEPARTMENTAL**

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					
29350 - Citywide Overhead	8	8	8	8	8
350310 - Detroit Building Authority	8	8	8	8	8
010200.Project Manager	1	1	1	1	1
013376.Executive Administrative Assistant 2	1	1	1	1	1
931324.Special Area Maintenance Project Superintendent De	3	3	3	3	3
931626.Administrative Assistant Grade 2 Detroit Building	1	1	1	1	1
932015.Executive Management Team Detroit Building Autho	2	2	2	2	2
29351 - Pension-Related Payments	30	31	31	31	31
350015 - Pension Benefits Administration	30	31	31	31	31
010809.Manager 2 Pension	1	1	1	1	1
11101111.Assistant Executive Director General Retirement S	1	1	1	1	1
11101112.Assistant Executive Director Police and Fire Retir	1	1	1	1	1
11101201.Executive Director Pension	1	1	1	1	1
11303091.Chief Accounting Officer	1	1	1	1	1
13111004.Project Manager Analytics Specialist 4	1	1	1	1	1
13201002.Accountant 2	1	1	1	1	1
13201042.Supervisory Accountant 4 Retirement Systems	1	1	1	1	1
13201051.Accountant 1 Retirement Systems	1	1	1	1	1
13201052.Accountant 2 Retirement Systems	2	1	1	1	1
13205102.Financial Analyst 2	1	0	0	0	0
13205104.Financial Analyst 4	0	2	2	2	2
13205140.Pension Investment Officer	0	2	2	2	2
13205141.Chief Investment Officer	1	0	0	0	0
13205142.Deputy Chief Investment Officer	1	0	0	0	0