

David Whitaker, Esq.
Director
Irvin Corley, Jr.
Executive Policy Manager
Marcell R. Todd, Jr.
Director, City Planning
Commission
Janese Chapman
Director, Historic Designation
Advisory Board

John Alexander
LaKisha Barclift, Esq.
Paige Blessman
M. Rory Bolger, Ph.D., FAICP
Victory Corley
Lisa DiChiera
Eric Fazzini, AICP
Willene Green
Christopher Gulock, AICP
Marcel Hurt, Esq.
Sandra Jeffers

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

Kimani Jeffrey
Anthony W. L. Johnson
Phillip Keller, Esq.
Edward King
Kelsey Maas
Jamie Murphy
Dolores Perales
Analine Powers, Ph.D.
W. Akilah Redmond
Rebecca Savage
Sabrina Shockley
Renee Short
Floyd Stanley
Thomas Stephens, Esq.
Timarie Szwed
Theresa Thomas
Janice Tillmon
Ian Tomashik
Emberly Vick
Ashley A. Wilson

TO: Tyrone Clifton, Director
Detroit Building Authority

FROM: David Whitaker, Director 
Legislative Policy Division

DATE: March 18, 2025

SUBJECT: 2025-2026 Budget Analysis

Attached is our budget analysis regarding the Detroit Building Authority's budget for the 2025-2026 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing on **Thursday, March 20, 2025, at 11:30 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 CFO Policy & Administration Director/Interim Budget Director
Donnie Johnson, Deputy Budget Director
Jessica Parker, Group Executive of Public Services
Justin Buss, Budget Analyst
Andre Blair, Agency CFO

Detroit Building Authority
FY 2025-2026 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 \$246,488 (19.2%) in FY 2026, as illustrated below:

	FY 2025 Adopted Budget	FY 2026 Recommended Budget	FY 2026 Increase/ (Decrease)	FY 2026 Increase/ (Decrease)
Expenditures	\$1,284,075	\$1,530,563	\$246,488	19.2%

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 2026, as illustrated below:

	FY 2025 Adopted Budget	FY 2026 Recommended Budget	FY 2026 Increase/ (Decrease)	FY 2026 Increase/ (Decrease)
Revenues	\$0	\$0	0	0%

Pages B35-22 and 23: In FY 2026, 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 2026. Please provide which appropriation/cost center the new initiatives will affect in FY 2026.
- 2) Please briefly explain the new capital funding requests the DBA is planning to implement in FY 2026. Please provide which appropriation/cost center the new requests will affect in FY 2026.
- 3) Please briefly explain the operational reform and savings proposals the DBA is planning to implement in FY 2026. Please provide which appropriation/cost center the new reforms/proposals will affect in FY 2026.

- 4) Please briefly explain why the mayor's recommendation for FY 2026 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 2026?
- 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) According to page 25 of DBA's 2024 financial statements, \$72.4 million in actual inter-governmental revenue was posted against total actual expenditures of \$60.4 million, ending with a positive net income of \$12 million. However, there was no budgeted revenue for inter-governmental revenue in 2024. Please explain the large influx of revenue in 2024 and the expenses charged against that revenue.

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

Department # - Department Name Fund # - Fund Name Appropriation # - Appropriation Name Cost Center # - Cost Center Name	FY2025 Adopted	FY2026 Mayor Proposed	FY2027 Forecast	FY2028 Forecast	FY2029 Forecast
28352 - Media Services & Communications	1,559,418	1,572,674	1,601,784	1,631,470	1,661,742
350325 - Communications Services	736,132	-	-	-	-
350326 - Media Services	823,286	1,572,674	1,601,784	1,631,470	1,661,742
28354 - Elected Officials Compensation	1,645,427	1,708,315	1,740,617	1,773,566	1,807,174
350007 - Elected Officials' Compensation	1,645,427	1,708,315	1,740,617	1,773,566	1,807,174
29350 - Citywide Overhead	61,658,882	94,780,834	56,009,865	61,494,681	66,120,932
350020 - Dues & Memberships	400,660	400,660	404,667	408,714	412,801
350220 - Claims Fund (Insurance Premiums)	12,100,000	42,100,000	12,100,000	12,100,000	12,100,000
350310 - Detroit Building Authority	1,284,075	1,530,563	1,558,516	1,587,016	1,616,074
350800 - Centralized Payments	30,411,327	35,749,611	31,560,297	31,874,054	32,190,910
350980 - Workforce Investments	17,462,820	15,000,000	10,386,385	15,524,897	19,801,147
29351 - Pension-Related Payments	-	-	-	-	-
350015 - Pension Benefits Administration	-	-	-	-	-
3921 - Other Special Revenue Fund	3,321,541	5,266,000	5,382,000	4,578,000	5,717,000
21243 - Opioid Settlement Proceeds	1,240,541	3,143,000	3,217,000	2,370,000	3,509,000
350030 - Other Operations Services	1,240,541	3,143,000	3,217,000	2,370,000	3,509,000
28353 - Cable TV	2,081,000	2,123,000	2,165,000	2,208,000	2,208,000
350324 - P.E.G. Fees	2,081,000	2,123,000	2,165,000	2,208,000	2,208,000
4533 - City of Detroit Capital Projects	11,200,000	-	-	-	-
20507 - CoD Capital Projects	11,200,000	-	-	-	-
350093 - Detroit Historical Museum	1,000,000	-	-	-	-
350095 - Zoo Operations	2,000,000	-	-	-	-
350097 - Eastern Market Corporation	1,750,000	-	-	-	-
350290 - Charles H. Wright Museum of African American History	3,400,000	-	-	-	-
358047 - Capital Restructuring Initiative - GSD	3,050,000	-	-	-	-
Grand Total	198,484,062	248,249,628	209,566,662	218,915,212	229,392,010