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TO: John W. Prymack, Director
Detroit Public Lighting Department

FROM: David Whitaker, Director 
Legislative Policy Division

DATE: March 18, 2025

RE: 2025-2026 Budget Analysis

Attached is our budget analysis regarding your agency'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 3:00 p.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 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

Agency Plan: Mission, Goals and Activity Summary

Budget Summary/Appropriation and Cost Center Expenditures Positions

cc: Councilmembers

Auditor General's Office

Jessica Parker, Mayor's Office Group Executive of Public Services

Jay Rising, Chief Financial Officer

Tanya Stoudemire, Chief Deputy CFO-Policy & Administration Director /Interim Budget Director

Donnie Johnson, Deputy Budget Director

Andre Blair, Agency CFO

Justin Buss, Budget Analyst

Malik Washington, Mayor's Office

Detroit Public Lighting Department (38)

FY 2025-2026 Budget Analysis by the Legislative Policy Division

Mission

The Public Lighting Department (PLD) supports the Public Lighting Authority (PLA) as it maintains the upgraded streetlight system.

On February 5, 2013, the City created the PLA, a separate municipal corporation pursuant to Michigan Public Act 392 of 2012 (as amended) and the Municipal Lighting Authority Act, MCL 123.1261, to manage and maintain the City's public lighting system. Pursuant to an amendment to the City Utility Users' Tax Act, 1990 PA 100 (as amended) MCL 141.1151-MCL141.1177, the PLA utilizes \$12.5 million in utility user tax proceeds to satisfy the debt service obligation of bonds issued to modernize the streetlight system. Through an interlocal agreement, the City provides additional funds to the PLA to finance the operations and maintenance of the street lighting system.

PLD owns and maintains hundreds of miles of underground conduit and poles for overhead lines. Various communication companies rent conduit space and/or pay pole attachment fees that provide significant revenue to the City's General Fund.

PLD is actively preparing unused substations for sale to private entities, returning them to the City's tax base. PLD also is removing unused overhead lines owned by PLD to further enhance citizen safety and reduce blight

Issues and Questions

1. Please briefly explain the department's new expense initiatives, new capital funding requests, operational reform and savings proposals, and new revenue initiatives/proposals to be implemented in FY 2026. Please provide which appropriation/cost center the new initiative/request/proposal is impacting in FY 2026.
2. Please provide a status update on the decommissioning of the PLD system and the on-going sale of PLD assets. Is there a timeline for decommissioning PLD assets?
 - a. What substation sites are scheduled for sale in FY 2025? Please provide a list of how many substations have been sold to date.
3. On page 38-2: Goals, Strategic Priorities and Related City Outcomes- Please elaborate on
 - a. Goal#1: provide well-lit streets as defined using photometric analysis in the Lighting Plan, and how this will improve lighting throughout the City.
 - b. Goal# 3: use of collector streets.
 - c. Goal# 4: lease excess capacity to private fiber optic companies: what new activity or initiative is expected in FY 2026? How much revenue is generated annually by PLD for the lease of excess capacity to private companies? Where is this revenue recorded?
4. On page B38-5: Briefly explain the year-over-year changes in Salary & Wages and Employee Benefits:
 - a. There is zero Salary & Wages and Employee Benefits budgeted for FY 2026- 2029. From page B38-4: The FY 2025 budget included 1-FTE (Drafting Technician IV) same as FY 2024; however, the FY Proposed 2026 Budget eliminates this position, please explain. Does the budget include contractors, if so, how many?
 - b. Per the Positions chart on page B38-4, the department has 1 vacant position as of February 5, 2025; no actual position filled. Briefly explain this vacancy.
5. On page B38-7: For FY 2026:
 - a. Please explain the year-over-year decrease in Professional & Contractual Services in Fund 1000.
 - b. Please explain increase in expenditures for Professional & Contractual Services in Fund 1011.
 - c. Please explain increase in Operating Services in Fund 1000.
 - d. Please explain the year-over-year increase in Operating Supplies in Fund 1000.
 - e. Please explain decrease in Operating Supplies in Fund 1011.
 - f. The \$9.4 million budgeted for Other Expenses includes payment of Operating & Maintenance (O&M) expenses to the Public Lighting Authority (PLA). Briefly, describe the agreement between PLD and

PLA to pay operating & maintenance costs. Please include the details on how this amount was calculated. PLD is required to pay operating expenses incurred under the PLA- Corridor Bond Program funded with \$22M in 2024 Unlimited Tax General Obligation Bonds (UTGO). How much and where is this reimbursement to the PLA recorded since the Other Expense account declines in FY 2026?

- g. What is the expiration date on the TMCA contract?
6. On page B38-8, please explain the year-over-year changes in revenues for Sales & Charges for Services (Fund 1011) and Revenues from Use of Assets (Fund 1000). Sales & Charges decreased by (\$300,000) and Revenues from Use of Assets decreased by (\$22,000). What is included in the Miscellaneous account budget in Fund 1000: \$92,820 in FY 2025, no budget in the FY 2026 and for FY 2027- FY 2029?
7. On page B38-9, please explain the \$1.43 million increase in Cost Center# 380010-PLD Administration in FY 2026.
8. Page C61: PLD's General Fund FY 2026 Budget increase by \$632,607 over the FY 2025 Budget and \$118,804 less than FY 2024 Actuals. Please explain the year-over-year increase for FY 2026 followed by .2% growth for the forecast years. Please explain the one year decrease in FY 2025.
9. Page C61: PLD's Fund 1011- Appropriation 29381 - Public Lighting Decommissioning- FY 2026 Budget decrease by (\$300,000) over the FY 2025 Budget and is more than \$375,924 over FY 2024 Actuals, please explain.

PUBLIC LIGHTING DEPARTMENT (38)

Mission

The Public Lighting Department (PLD) supports the Public Lighting Authority (PLA) as it maintains the upgraded streetlight system.

On February 5, 2013, the City created the PLA, a separate municipal corporation pursuant to Michigan Public Act 392 of 2012 (as amended) and the Municipal Lighting Authority Act, MCL 123.1261, to manage and maintain the City's public lighting system. Pursuant to an amendment to the City Utility Users' Tax Act, 1990 PA 100 (as amended) MCL 141.1151-MCL141.1177, the PLA utilizes \$12.5 million in utility user tax proceeds to satisfy the debt service obligation of bonds issued to modernize the streetlight system. Through an interlocal agreement, the City provides additional funds to the PLA to finance the operations and maintenance of the street lighting system.

PLD owns and maintains hundreds of miles of underground conduit and poles for overhead lines. Various communication companies rent conduit space and/or pay pole attachment fees that provide significant revenue to the City's General Fund.

PLD is actively preparing unused substations for sale to private entities, returning them to the City's tax base. PLD also is removing unused overhead lines owned by PLD to further enhance citizen safety and reduce blight.

Operating Programs and Services

- **Administration/Overhead** encompasses contractual services for manhole/handhole repairs and security.
- **PLD Reserve** is comprised of materials handling services.
- **Streetlights** encompasses utility costs for streetlights, electrical grid maintenance, substation decommissioning, and removal of overhead wires/peripheral equipment/poles no longer needed.

PUBLIC LIGHTING DEPARTMENT (38)

Goals, Strategic Priorities and Related City Outcomes

Goals / Strategic Priorities	Timeframe	Related City Outcome
1. Provide well-lit streets as defined using photometric analysis in the Lighting Plan	July 2014 – June 2044	Safer Neighborhoods
2. Remove unused unsightly overhead wires	July 2025 – June 2029	Safer Neighborhoods
3. Contribute to the physical appearance and use of collector streets	July 2022 – June 2044	Vibrant and Beautiful City
4. Maintain legacy electrical conduit grid and make available to City of Detroit information technology department for fiber optic communication cables and lease excess capacity to private fiber optic companies	July 2025 – June 2029	Efficient and Innovative Operations
5. Salvage recyclable unused underground cable to be sold to provide funds to reduce the burden of decommissioning	July 2025 – June 2029	Efficient and Innovative Operations
6. Host telecommunications providers within optimal streetlight performance	July 2022 – June 2044	Vibrant and Beautiful City

Budget By Service

Services	FY 2026 Mayor Proposed	FY 2026 Mayor Proposed FTE
Administration/Overhead	\$448,262	-
PLD Reserve	\$2,200,000	-
Streetlights	\$18,049,405	-
Total:	\$20,697,667	-

PUBLIC LIGHTING DEPARTMENT (38)

Metrics and Data

Metrics	Data	Related Goal #
Wire removed in feet	Remove 25K feet overhead/week, 928K removed YTD	2
Cable removed in feet	Salvage 4K underground/week, 122K YTD	5
Telecommunication blight removal work orders	30 in FY24	3
Average number of work orders per month	9 manholes repaired YTD	3 & 4
Average number of O&M work orders per month	320	1

Department 38 - Public Lighting Department

Budget Summary

	FY2024 Actual		FY2025 Adopted		FY2026 Mayor Proposed	
	General Fund	All Funds	General Fund	All Funds	General Fund	All Funds
Total Revenues	589,729	3,728,884	915,840	3,415,840	807,140	3,007,140
Total Expenditures	18,992,394	20,816,471	17,565,060	20,065,060	18,497,667	20,697,667
Net Tax Cost	18,402,665	17,087,587	16,649,220	16,649,220	17,690,527	17,690,527

	FY2027 Forecast		FY2028 Forecast		FY2029 Forecast	
	General Fund	All Funds	General Fund	All Funds	General Fund	All Funds
Total Revenues	807,140	2,857,140	807,140	2,707,140	807,140	2,557,140
Total Expenditures	18,682,644	20,732,644	18,869,471	20,769,471	19,058,166	20,808,166
Net Tax Cost	17,875,504	17,875,504	18,062,331	18,062,331	18,251,026	18,251,026

General Fund Recurring vs One-Time Expenditures

	FY2025 Adopted	FY2026 Mayor Proposed
Recurring Expenditures	17,565,060	18,497,667
One-Time Expenditures	-	-
Total Expenditures	17,565,060	18,497,667

Positions (by FTE)

	2/5/2025 Actual	FY2025 Adopted	FY2026 Mayor Proposed	FY2027 Forecast	FY2028 Forecast	FY2029 Forecast
General Fund	-	1.00	-	-	-	-
Non-General Fund	-	-	-	-	-	-
ARPA	-	-	-	-	-	-
Total Positions	-	1.00	-	-	-	-

**CITY OF DETROIT
BUDGET DEVELOPMENT
EXPENDITURES BY SUMMARY CATEGORY - ALL FUNDS
DEPARTMENT 38 - PUBLIC LIGHTING DEPARTMENT**

Department # - Department Name Summary Category	FY2025 Adopted	FY2026 Mayor Proposed	FY2027 Forecast	FY2028 Forecast	FY2029 Forecast
38 - Public Lighting Department	20,065,060	20,697,667	20,732,644	20,769,471	20,808,166
Salaries & Wages	47,560	-	-	-	-
Employee Benefits	15,113	-	-	-	-
Professional & Contractual Services	2,265,000	3,528,280	3,391,563	3,254,979	3,118,529
Operating Supplies	1,621,000	33,000	33,330	33,663	34,000
Operating Services	6,213,124	7,733,124	7,810,455	7,888,560	7,967,445
Other Expenses	9,903,263	9,403,263	9,497,296	9,592,269	9,688,192
Grand Total	20,065,060	20,697,667	20,732,644	20,769,471	20,808,166

**CITY OF DETROIT
BUDGET DEVELOPMENT
REVENUES BY SUMMARY CATEGORY - ALL FUNDS
DEPARTMENT 38 - PUBLIC LIGHTING DEPARTMENT**

Department # - Department Name Summary Category	FY2025 Adopted	FY2026 Mayor Proposed	FY2027 Forecast	FY2028 Forecast	FY2029 Forecast
38 - Public Lighting Department	3,415,840	3,007,140	2,857,140	2,707,140	2,557,140
Revenues from Use of Assets	822,000	800,000	800,000	800,000	800,000
Sales of Assets & Compensation for Losses	1,020	7,140	7,140	7,140	7,140
Sales & Charges for Services	2,500,000	2,200,000	2,050,000	1,900,000	1,750,000
Miscellaneous	92,820	-	-	-	-
Grand Total	3,415,840	3,007,140	2,857,140	2,707,140	2,557,140

**CITY OF DETROIT
BUDGET DEVELOPMENT
EXPENDITURES BY SUMMARY CATEGORY - FUND DETAIL
DEPARTMENT 38 - PUBLIC LIGHTING DEPARTMENT**

Department # - Department Name Fund # - Fund Name Summary Category	FY2025 Adopted	FY2026 Mayor Proposed	FY2027 Forecast	FY2028 Forecast	FY2029 Forecast
38 - Public Lighting Department	20,065,060	20,697,667	20,732,644	20,769,471	20,808,166
1000 - General Fund	17,565,060	18,497,667	18,682,644	18,869,471	19,058,166
Salaries & Wages	47,560	-	-	-	-
Employee Benefits	15,113	-	-	-	-
Professional & Contractual Services	1,385,000	1,328,280	1,341,563	1,354,979	1,368,529
Operating Supplies	1,000	33,000	33,330	33,663	34,000
Operating Services	6,213,124	7,733,124	7,810,455	7,888,560	7,967,445
Other Expenses	9,903,263	9,403,263	9,497,296	9,592,269	9,688,192
1011 - PLD Decommissioning Reserve Fund	2,500,000	2,200,000	2,050,000	1,900,000	1,750,000
Professional & Contractual Services	880,000	2,200,000	2,050,000	1,900,000	1,750,000
Operating Supplies	1,620,000	-	-	-	-
Grand Total	20,065,060	20,697,667	20,732,644	20,769,471	20,808,166

**CITY OF DETROIT
BUDGET DEVELOPMENT
REVENUES BY SUMMARY CATEGORY - FUND DETAIL
DEPARTMENT 38 - PUBLIC LIGHTING DEPARTMENT**

Department # - Department Name Fund # - Fund Name Summary Category	FY2025 Adopted	FY2026 Mayor Proposed	FY2027 Forecast	FY2028 Forecast	FY2029 Forecast
38 - Public Lighting Department	3,415,840	3,007,140	2,857,140	2,707,140	2,557,140
1000 - General Fund	915,840	807,140	807,140	807,140	807,140
Revenues from Use of Assets	822,000	800,000	800,000	800,000	800,000
Sales of Assets & Compensation for Losses	1,020	7,140	7,140	7,140	7,140
Miscellaneous	92,820	-	-	-	-
1011 - PLD Decommissioning Reserve Fund	2,500,000	2,200,000	2,050,000	1,900,000	1,750,000
Sales & Charges for Services	2,500,000	2,200,000	2,050,000	1,900,000	1,750,000
Grand Total	3,415,840	3,007,140	2,857,140	2,707,140	2,557,140

CITY OF DETROIT
BUDGET DEVELOPMENT
FINANCIAL DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER - EXPENDITURES
DEPARTMENT 38 - PUBLIC LIGHTING DEPARTMENT

Department # - Department Name					
Fund # - Fund Name	FY2025	FY2026	FY2027	FY2028	FY2029
Appropriation # - Appropriation Name	Adopted	Mayor Proposed	Forecast	Forecast	Forecast
Cost Center # - Cost Center Name					
38 - Public Lighting Department	20,065,060	20,697,667	20,732,644	20,769,471	20,808,166
1000 - General Fund	17,565,060	18,497,667	18,682,644	18,869,471	19,058,166
29380 - Public Lighting - Administration	17,565,060	18,497,667	18,682,644	18,869,471	19,058,166
380010 - PLD Administration	7,661,797	9,094,404	9,185,348	9,277,202	9,369,974
380011 - PLA Contributions for Operations	9,903,263	9,403,263	9,497,296	9,592,269	9,688,192
1011 - PLD Decommissioning Reserve Fund	2,500,000	2,200,000	2,050,000	1,900,000	1,750,000
29381 - Public Lighting Decommissioning	2,500,000	2,200,000	2,050,000	1,900,000	1,750,000
381100 - PLD Decommissioning	2,500,000	2,200,000	2,050,000	1,900,000	1,750,000
Grand Total	20,065,060	20,697,667	20,732,644	20,769,471	20,808,166

CITY OF DETROIT
BUDGET DEVELOPMENT
FINANCIAL DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER - REVENUES
DEPARTMENT 38 - PUBLIC LIGHTING DEPARTMENT

Department # - Department Name					
Fund # - Fund Name	FY2025	FY2026	FY2027	FY2028	FY2029
Appropriation # - Appropriation Name	Adopted	Mayor Proposed	Forecast	Forecast	Forecast
Cost Center # - Cost Center Name					
38 - Public Lighting Department	3,415,840	3,007,140	2,857,140	2,707,140	2,557,140
1000 - General Fund	915,840	807,140	807,140	807,140	807,140
29380 - Public Lighting - Administration	915,840	807,140	807,140	807,140	807,140
380010 - PLD Administration	915,840	807,140	807,140	807,140	807,140
1011 - PLD Decommissioning Reserve Fund	2,500,000	2,200,000	2,050,000	1,900,000	1,750,000
29381 - Public Lighting Decommissioning	2,500,000	2,200,000	2,050,000	1,900,000	1,750,000
381100 - PLD Decommissioning	2,500,000	2,200,000	2,050,000	1,900,000	1,750,000
Grand Total	3,415,840	3,007,140	2,857,140	2,707,140	2,557,140

**CITY OF DETROIT
BUDGET DEVELOPMENT
POSITION DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER
DEPARTMENT 38 - PUBLIC LIGHTING DEPARTMENT**

Department # - Department Name					
Fund # - Fund Name					
Appropriation # - Appropriation Name	FY2025	FY2026	FY2027	FY2028	FY2029
Cost Center # - Cost Center Name	Adopted	Mayor Proposed	Forecast	Forecast	Forecast
Job Code - Job Title					
38 - Public Lighting Department	1.00	0.00	0.00	0.00	0.00
1000 - General Fund	1.00	0.00	0.00	0.00	0.00
29380 - Public Lighting - Administration	1.00	0.00	0.00	0.00	0.00
380010 - PLD Administration	1.00	0.00	0.00	0.00	0.00
193034 - Drafting Technician 4	1.00	0.00	0.00	0.00	0.00
Grand Total	1.00	0.00	0.00	0.00	0.00