

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.
Timarie DeBruhl
Paige Blessman
M. Rory Bolger, Ph.D., FAICP
Victory Corley
Lisa DiChiera
Eric Fazzini, AICP
Willene Green
Christopher Gulock, AICP

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

Marcel Hurt, Esq.
Sandra L. Jeffers
Kimani Jeffrey
Anthony W. L. Johnson
Phillip Keller, Esq.
Edward King
Kelsey Maas
Jamie Murphy
Dolores Perales-Lara
Analine Powers, Ph.D.
W. Akilah Redmond
Renee Short
Floyd Stanley
Thomas Stephens, Esq.
Theresa Thomas
Janice Tillmon
Ian Tomashik
Emberly Vick
Ashley A. Wilson

TO: Detroit City Council

FROM: David Whitaker, Director 
Legislative Policy Division

DATE: October 21, 2025

RE: Request for a Report Concerning Outstanding Budget Allocations

Councilmember Angela Whitfield-Calloway requested for the Legislative Policy Division (LPD) to provide a report concerning City Council Outstanding Budget Allocations for Fiscal Years 2023 through 2025 for projects, studies, and reports that the Administration failed to complete or fully fund.

In addition, Councilmember Whitfield-Calloway indicated the following reason for this request: “This topic was discussed during the September 25, 2024, Internal Operations Standing Committee. Apparently, Detroit City Council allocated \$350,000 to CRIO¹ for a disparity study but CRIO never commissioned the study and returned the unused funds to the general fund. This is a common problem. The Administration does not veto the budget approved by City Council but merely refuses to go forward with the project, study or report. This is a phantom veto that is not allowed under the Detroit City Charter.”

LPD has committed to providing City Council with periodic statuses on City Council’s Fiscal Year Closing Resolutions as part of the annual budget process. Consequently, to date, LPD has prepared reports on the status of the FY 2023 and FY 2024 Closing Resolutions. In conjunction with preparing the status report on FY 2025 Closing Resolutions, LPD initiated a review of the Administration’s actions taken on the 147 City Council Budget Appropriations approved on Schedule B for Fiscal Years 2023, 2024, and 2025. By taking this combined approach, LPD can provide a wholistic view of City Council’s approved budget appropriations along with addressing Councilmember Whitfield-Calloway’s request by requesting and receiving information for the budget appropriations for the three fiscal years noted.

The following is a brief history on the process used to obtain this information. On October 15, 2024, LPD emailed a communication to impacted Departments/Agencies, requesting they complete a Smartsheet with information regarding: 1) FY 2025 City Council Closing Resolution items and 2) the Three Fiscal Years 2023-2024-2025 budget

¹ “CRIO” is the acronym for the City of Detroit’s Civil Rights, Inclusion & Opportunity Department.

appropriations as approved by City Council with adoption of the budget (Schedule B). LPD requested this information be submitted by November 1, 2024. A second email communication was sent to Departments/ Agencies, reminding them about the November 1st deadline. LPD received some, but not all, responses requested from the Departments/Agencies. As a result, LPD reached out to the Office of the Chief Financial Officer (OCFO) for additional assistance on November 6th and 26th. The Office of the Budget provided a file with responses from the Departments/Agencies on January 13, 2025.

From this information, LPD categorized the Council’s appropriated priorities for the past 3 fiscal years. A total of 147 budget appropriations were passed by City Council over the 3 fiscal years: FY 2023 (38 budget appropriations), FY 2024 (45 budget appropriations), and FY 2025 (64 budget appropriations), respectively, as shown in Table 1 below:

Table 1					
City Council Budget Appropriations (Schedule B actions) for FY 2023, FY 2024, and FY 2025					
Category by Appropriated Priority	Number of Appropriations				% of Total
	FY 2023	FY 2024	FY 2025	Total	
Funding for Hiring of New/Additional Personnel	12	8	7	27	18.4%
Funding for Compensation Increases (includes Stipends)	3	3	2	8	5.4%
Funding for New-Existing Programs (including Studies)	6	8	18	32	21.8%
Funding for Operations	16	21	26	63	42.8%
Funding for Capital	1	5	11	17	11.6%
Total	38	45	64	147	100%
Total Appropriations in \$	\$12,776,650	\$17,488,104	\$37,338,323	\$67,603,077	

Based on the analysis below, it appears that out of the 147 City Council Budget Appropriations for FY 2023, FY 2024, and FY 2025 (see Table 2 below):

1. 118 City Council appropriations (80.3% of 147) were implemented for their intended purposes and did not go to General Fund surplus (however, some of the funds in these appropriations could have gone to surplus based on the timing of implementation, as explained in the analysis below).
2. 4 City Council appropriations (2.7% of 147) went to General Fund surplus.
3. 25 City Council appropriations (17.0% of 147) could have gone to General Fund surplus (however, the funds in these appropriations need further investigation to determine if the funds went to surplus or not).

Using the “Category by Appropriated Priority” classifications in Table 1 above, the following represents LPD’s analysis to determine the status of the 147 City Council Budget Appropriations:

- Funding for City Council Budget appropriations allocated for the **Hiring of New/Additional Personnel** was generally used for its’ intended purposes over the 3-year period.
 - Of the total, 25 of 27 budget appropriations for the hiring of new/additional personnel were completed during the 3-year period. It is very likely the funds allocated for the 24 appropriations did not go back to the General Fund surplus. One FTE was hired later in the year (Veterans Affairs Manager) that could give rise to a year-end surplus. However, since LPD does not have the exact spending information, LPD notes some funding could have returned to surplus because of various budget activities, such as ‘turnover savings.’²
 - For the remaining 2 budget appropriations, LPD noted these appropriations were not fulfilled; therefore, the funds associated with these 2 appropriations went to General Fund surplus. LPD noted one occurrence in FY 2023 where the Law Department did not hire 1 or more interns for their Freedom of Information Act (FOIA) processing. This was later discussed at the Council table. LPD

² The hiring of new staff occurs throughout the year, which leads to “turnover savings.” This is the difference between 100% of the salary budgeted at the beginning of the fiscal year (July 1) and the actual hire date. For example, if the actual date of hire is in December, there will be 6 months of turnover savings (lower salary costs) for the fiscal year that could go to surplus or could be absorbed by other department operating costs.

further noted in FY 2025, the Police Department utilized existing staff to fill City Council's request to hire 1-FTE for the Special Events Ambassadors Program.

- Funding for City Council Budget Appropriations allocated for **Compensation Increases (including Stipends)** was used as approved by the city departments. In general, these 8 allocations did not go to General Fund surplus; however, a surplus could have been generated due to the timing of payments and vacancies on the board/commissions.³ As these changes impact salary and wages accounts, it is difficult to separate Council changes from normal turnover savings.
 - During the 3-year period, compensation and/or stipends were increased for the Board of Review (both director (FY 2023 and FY 2025) and members (FY 2024 and FY 2025), the Board of Zoning Appeals (in FY 2024 and FY 2025), and the City Planning Commission (FY 2024). City Council approved in FY 2023, an increase in the minimum wage to \$15 per hour for 36th District Court employees. In FY 2024, the city implemented Paid Parental Leave (benefit increase) approved by Council in FY 2023. It is likely that these items did not go to surplus. However, LPD does not have the exact timing or spend information, so some remaining funds could have fallen to surplus.⁴
- Issues regarding Funding for City Council Budget Appropriations allocated for **New – Existing Programs (including Studies)** were: (1) Programs were not considered, (2) Programs took longer to execute. A total of 32 new or existing programs, studies or analyses were funded over the 3-year period.
 - The 6 programs appropriated for FY 2023 were implemented, are ongoing activities, and did not go to General Fund surplus.
 - Of the 8 Programs appropriated for FY 2024, 7 did not go to General Fund surplus and 1 went to surplus. 2 programs were implemented and are ongoing activities. For the remaining 6 programs: (A) 2 appropriations were allocated to the (Detroit Economic Growth Corporation (DEGC) (for the Green Grocer Program and an African Town retail study), these funds were paid to the DEGC and not included as surplus funds; (B) Funds allocated for the Ferry study were paid to the Detroit-Wayne (Port Authority and were not included as surplus; (C) Funds allocated to the Public Health Fund are carried forward each year until spent and will not go to General Fund surplus; (D) Funds allocated for the Office of Early learning was completed; and (E) Funds allocated for the CRIO Disparity Study was not completed and these funds did go to surplus.
 - The majority of the 18 budget allocations for new or existing programs for FY 2025 are open and in process, and 10 did not go to General Fund surplus, 1 went to surplus, and 7 could go to surplus.
 - Examples from LPD's analysis: (1) The Lead Based Paint Encapsulation Program was discussed during the FY 2026 budget hearings and was reappropriated for FY 2026. Any remaining funds for FY 2025 (estimated at \$2.2 million) will go to surplus; (2) The Land Value Tax Study allocation to the DEGC was reprogrammed in FY 2025 to the Green Grocer Program; and (3) Several appropriations for HRD require additional discussion as to the status of these programs as any remaining balances in these General fund appropriations could go to surplus.
 - One allocation to the Eastern Market in Support of Black Farmers faced uncertainty and may possibly return to surplus if not obligated by fiscal year-end 2025. This issue was discussed at the Eastern Market's FY 2026 budget hearing where assurances were given that the funds would be awarded by fiscal year end 2025.
- Funding for City Council Budget Appropriations for **Operations** was primarily allocated to City Council offices/divisions, independent (legislative) agencies and ongoing department activities.
 - Appropriations for Council member's budgets were mainly for operations. These appropriations were considered completed upon receipt of budget, regardless if there was a surplus at fiscal year-end.
 - Of the total 63 budget allocations made during the 3-year period, 30 were for annual increases to City Council's operating budgets. The 30 appropriations generally did not go to General Fund

³The timing of the compensation increases including stipends may have resulted in a surplus. For example, if the increase was not made retroactively to July 1st of the fiscal year, then there would be a surplus in that fiscal year.

⁴ Ibid.

surplus, but some of the funds could have gone to surplus depending on when the program was implemented during the fiscal year.

- Of the remaining 33 budget allocations: 7 were designated for the city’s cultural institutions’ operations: 5 of the appropriations did not go to General Fund surplus and 2 could have gone to surplus.
 - 26 of the 33 remaining budget allocations were for various General Fund agencies and included expenditures for training activity, software, equipment and expansion of services. 11 of the 33 appropriations did not go to General Fund surplus, and 15 could have gone to surplus.
 - The purchase of 200 air purifiers (2 of remaining 33) appears to have been reprogrammed into an air monitoring network; LPD is not certain if this was discussed with City Council in advance.
 - In some cases, LPD was unable to determine exactly how some appropriations were expended due to them being added to existing appropriations that record multiple activities. As a result, these appropriations could have gone to General Fund surplus, could have been implemented and not gone to surplus, or could have partially gone to surplus based on the timing of implementation.
- Funding for City Council Budget Appropriations for **Capital Projects** was primarily used for the city’s cultural institutions. These funds were transferred to the agency as a lump sum or used to reimburse the agency for capital expenses. Funds for capital expenditures are recorded in the Capital Fund 4533 and the 17 Capital Projects appropriations will not move to General Fund surplus at the end of the fiscal year but will be carried forward until all of the funds are expended or authorization is received to close the project and reprogram any remaining funds.
 - In the case of capital appropriations, some projects are performed on a reimbursement basis, such as the C.H.Wright Museum capital projects and because capital appropriations are rolled-forward each year, these appropriations are shown as open until all the funds are spent (transferred to the agency).

Table 2 below provides a summary of LPD’s analysis of determining the status of City Council’s appropriations by Category by Appropriated Priority:

Table 2				
City Council Budget Appropriations (Schedule B actions) for FY 2023, FY 2024, and FY 2025				
Category by Appropriated Priority	City Council Appropriations Status			
	Implemented for Intended Purposes and Did Not Go to General Fund Surplus⁵	Went to General Fund Surplus	Could Have Gone to General Fund Surplus	Total
Funding for Hiring of New/Additional Personnel	24	2	1	27
Funding for Compensation Increases (includes Stipends)	8	-	-	8
Funding for New-Existing Programs (including Studies)	23	2	7	32
Funding for Operations	46	-	17	63
Funding for Capital	17	-	-	17
Total	118	4	25	147
% of Total	80.3%	2.7%	17.0%	100%

Table 3 below provides a list showing 30 out of 147 City Council budget allocations (that were outstanding during our analysis) that needed further clarification as to whether funds were taken as surplus at the end of the fiscal year or the final status of the funds allocated. The list includes re-programmed items, balance forward activity and surplus actions.

⁵ As noted in the previous footnotes 2 and 3, some of the funds in City Council appropriations classified as “Did Not Go to General Fund Surplus” could have gone to surplus based on the timing of implementation.

Table 3

Fiscal Year	Schedule B Line Item #	Description	Category by Appropriated Priority	Status ^{6, 7}	Amount	LPD Comments ⁸
2023	9	Increase appropriation for 1-TASS for FOIA backlog.	New/Additional Personnel	Not Considered	\$70,000	Position not filled per dept. Funds would have been taken to surplus. Need to understand from Law Dept. why the position was not filled.
2023	21	Increase Appropriation to update the Masterplan.	New - Existing Programs	Open, in Progress	\$2,000,000	The \$2 million did not go to surplus. Planning & Development Dept. (PDD) with approval from Council, re-programmed appx. \$650K of the \$2 million allocated to the masterplan to HRD to create positions to provide additional capacity for proper oversight over HRD/CDBG programs and/or activities. Need explanation from PDD regarding any balances remaining for use to update the Masterplan.
2024	1	Increase Appropriation for 200 Air Purifiers-AMC area.	Operations	Completed	\$200,000	Funds were used to set up Air Monitoring Network for the entire City. Need from Buildings, Safety, Engineering, & Environmental Department (BSEED) further description of the network. Budgeted in Public Health Fund- see item 3 below. It should be balanced forward and not go to surplus. BSEED to explain why re-programming to Public Health Fund did <u>not</u> come to Council for approval.
2024	2	Increase Appropriation for 200 Air Purifiers-Stellantis area.	Operations	Completed	\$200,000	Funds were used to set up Air Monitoring Network for the entire City. Need from BSEED further description of the network. Budgeted in Public Health Fund- see item 3 below. Should be balanced and not go to surplus. BSEED to explain why re-programming to Public Health Fund did <u>not</u> come to Council for approval.
2024	9	Increase Appropriation for Disparity Study-CRIO	New - Existing Programs	Not Considered	\$350,000	Project not undertaken per CRIO Director for various reasons. Funds taken to surplus. Issue was discussed during CRIO FY 2025 and FY 2026 budget hearings.
2025	2	Increase Appropriation for expansion of bus stop for wheelchair accessibility.	Operations	Open, in Progress	\$150,000	5301-27200-200170- Unclear as to amount spent to date. Budgeted in existing appropriation with multiple activity. Enterprise Fund- will not go to General Fund surplus. Need update from Detroit Department of Transportation (DDOT).
2025	3	Increase Appropriation for Bus Driver Training in Diversity and Sensitivity for Disabled Riders.	Operations	Open, in Progress	\$205,000	5301-27200-200310- Unclear as to amount spent to date. Budgeted in existing appropriation with multiple activity. Enterprise Fund- will not go to General Fund surplus. Need update from DDOT.
2025	7	Increase Appropriation for the Nurse Navigation Program.	New - Existing Programs	Open, in Progress	\$600,000	Contract award in June 2025; To begin pilot of Nurse Navigation Program in 1 st or 2 nd quarter FY 2026. Included in the FY 2026 City Council Closing Resolution for regular annual funding within the Fire Dept. No surplus funds

⁶ Items noted as Completed and Closed means that the appropriation was used for its intended purpose. However, it does not necessarily mean that all of the funds were utilized for that purpose because some of the funds could have gone to surplus. For example, when Council adds appropriations for new positions, the hiring of staff may not happen until later in the fiscal year, which means there would be turnover savings. Since, we don't have the exact date for the new hires, we have to assume there were turnover savings for these Council changes.

⁷ For appropriations made to independent agencies, such as DEGC agencies, other authorities and cultural institutions, the appropriation is considered completed upon transfer of the funds to the agency. Therefore, these balances will not go to surplus, as it was transferred out of the General Fund to the agencies. However, this does not mean that 100% of the funds were expended for Council's stated purpose. For example, in FY 2025, the DEGC will be using \$100,000 received by Council for the Green Grocer Program rather than for a Land Value Taxation (LVT) Impact Study since LVT legislation did not pass at the state level.

⁸ As provided in the FY 2025-2026 Budget Administration Closing Resolution (resolved clause 53 on page A83 of the adopted FY 2026 budget, which can be found here <https://detroitmi.gov/sites/detroitmi.localhost/files/2025-05/City%20of%20Detroit%20FY26-29%20Adopted%20Four-Year%20Plan.pdf>), unexpended balances at the end of the preceding fiscal year in all special revenue, enterprise, capital, blight and other restricted fund appropriations are hereby appropriated in fiscal year 2025-2026. To reiterate, these balances will not go to surplus.

						expected. Unable to determine the amount spent in FY 2025. Budgeted in existing appropriation with multiple activity. Need update from Fire Dept.
2025	8	Increase Appropriation to create a grant program for Legacy Entrepreneurs - business owners in Marijuana Ventures.	New - Existing Programs	Open, in Progress	\$1,000,000	The appropriations for the grant program have been received. The dept is creating a position to manage the fund. Appropriated in Fund 3921 is \$1,000,011 for FY 2026; same amount as FY 2025. Special Revenue Fund, remaining balances carry forward is into the next fiscal year. Need update from CRIO Dept.
2025	9	Increase Appropriation for Expansion of the Office of Disability Affairs cc290035.	Operations	Open, in Progress	\$177,000	1000-28290-290035- Dept indicated funds were used for programming and outreach. Possible FY 2025 surplus from remaining balance of \$233,330 as 6-30-25. Need update from CRIO Dept.
2025	10	Increase Appropriation for a Veteran's Affairs Office - Add 1 FTE.	New/Additional Personnel	Open, in Progress	\$150,000	Hired a Veteran Affairs Manager in 2025. This is the first step in evaluating the needs of veterans in the city. Unclear as to amount spent to date. Need update from CRIO dept.
2025	13	Increase Appropriation for Eastern Market-General Fund subsidy-Support for Black Owned Farms.	New - Existing Programs	Open, in Progress	\$250,000	EMC met with the City's Office of Sustainability and Director of Urban Agriculture to discuss options for spending this allocation. With support and guidance from them, EMC (Eastern Market Corporation) met with black farmers and partners to develop a grant program to support black-owned farms in Detroit. We have heard that most farms need support that offsets the cost of water and water infrastructure needed to grow crops, so we are likely to award the funds to support, at least in part, costs for water, infrastructure, and hookups. EMC expected to have funds awarded and distributed by the end of the fiscal year, June 30, 2025. Included in the FY 2026 City Council Closing Resolution. The Administration's FY 2026 Closing Resolution include a commitment to balance forward \$250,000 in support of Black Farmers. Need update from the Eastern Market.
2025	15	Increase Appropriation-Zoo operations (Senior Transportation).	Operations	Open, in Progress	\$36,000	1000-26350-350095- Need clarification from Detroit Zoological Society (Zoo) and Office of Budget on the outcome of this action. All funds were transferred to the Zoo except for \$34,000. This remaining balance could go to surplus.
2025	16	Increase Appropriation for Detroit Reparations Taskforce cc350372.	New - Existing Programs	Open, in Progress	\$66,000	Hired a writer and research staff. Requested an extension until Oct. 2025. FY 2025 year-end remaining balance 6-30-25 \$153,495. This could possibly go to surplus. The \$66k was not expended to date. Need update from Reparations Task Force and Office of Budget.
2025	17	Increase Appropriation for Goal Line Program.	New - Existing Programs	Open, in Progress	\$500,000	1000-27352-350230- Amended budget \$1M; \$500k spent as of 6-30-25. \$500K remaining balance, not obligated – could go to surplus. Need update from Goal Line Program and Office of Budget.
2025	18	Increase Appropriation for Board of Ethics Independent Learning Management System.	Operations	Open, in Progress	\$125,000	1000-28351-350165- Budgeted as Software Maintenance- 622302 for \$156.5K. Remaining balance of \$67,297 not obligated, could go to surplus. Need update from Board of Ethics.
2025	24	Increase Appropriation for Tenants Rights Commission.	New - Existing Programs	Open, in Progress	\$521,000	1000-26360-360150- Activity budgeted in existing appropriation with multiple activity. On-going discussions are taking place; activity has been discussed at Council. Could go to surplus. Need update from (Housing & Revitalization Department (HRD).

2025	25	Increase Appropriation for the Shelter of New Arrivals. Add \$1 million for operations.	Operations	Open, in Progress	\$1,000,000	1000-26360-360150- Activity budgeted in existing appropriation with multiple activity. FY 2025 year-end balance of \$4.7 million will go to surplus if not obligated; recorded in contractual services. Need update from HRD.
2025	26	Increase Appropriation for a Senior Accessibility Program	New - Existing Programs	Open, in Progress	\$1,000,000	1000-26365-360130- Activity budgeted in existing appropriation with multiple activity. FY 2025 year-end balance of \$1.4 million will go to surplus if not obligated; recorded in contractual services. Need update from HRD.
2025	27	Increase Appropriation for Lead Based Paint Encapsulation Program.	New - Existing Programs	Open, in Progress	\$2,500,000	1000-26365-36130- Activity budgeted in existing appropriation with multiple activity. Item was re-appropriated in the FY 2026 Budget (\$2.2M in appropriation 26360) and included in the FY 2026 City Council Closing Resolution. Need update from HRD.
2025	28	Increase Appropriation to fund a Study for the design of housing for an Aging Population (Retirement Village Model).	New - Existing Programs	Open, in Progress	\$100,000	1000-26360-360150- Need clarification from HRD on disposition of this action. Activity budgeted in existing appropriation with multiple activity. FY 2025 year-end balance of \$4.7 million will go to surplus if not obligated; recorded in contractual services.
2025	29	Increase Appropriation to Create a Snow Removal Grant Fund.	New - Existing Programs	Open, in Progress	\$1,200,000	1000-26360-360150- Activity budgeted in existing appropriation with multiple activity. Operates under the Serve Detroit program. FY 2025 year-end balance of \$4.7 million will go to surplus if not obligated; recorded in contractual services. Need update from HRD.
2025	33	Increase Appropriation for DESC- Digital resources and literacy on website.	New - Existing Programs	Open, in Progress	\$150,000	Detroit Employment Solutions Corporation (DESC) undertook initial planning via its own marketing team, website consultants, and literacy providers to understand options to house and communicate these resources to residents. A proposal was created and sent to City Council for their review and feedback. The main concepts were also shared at Councilmember Waters' Literacy Task Force. DESC and Terri Weems met with Art Thompson and the DoIT team and uncovered that much of this information is housed and managed by them. No funds expended as 6-30-25. Funds will go to surplus. Need update from HRD, DESC, and DoIT..
2025	35	Increase Appropriation for an Analysis of cost of more Multi-family versus Single Family Homes.	New - Existing Programs	Open, in Progress	\$100,000	1000-26360-360150- Budgeted in existing appropriation with multiple activity. FY 2025 year-end balance of \$4.7 million will go to surplus if not obligated; recorded in contractual services. Need update from HRD.
2025	36	Increase Appropriation for 1- FTE for an expanded Special Events Ambassadors Program.	New - Existing Programs	Open, in Progress	\$125,000	1000-28370-370078- 1- FTE was not hired, using existing personnel. See item 37 below. Possible surplus from FY 2025 remaining balance of \$46K in this appropriation. Need update from Police Dept.
2025	37	Increase Appropriation for resources for an expanded Special Events Ambassadors Program cc370078.	New - Existing Programs	Open, in Progress	\$50,000	Using Existing Personnel. Department Response: Detroit Police Department (DPD) identified representative who will serve as the DPD's ambassador at special events. The administration posted the flyer on social media announcing the workshop. DPD's person identified as ambassador will be present at these workshops. The first free online webinar was held November 14, 2024. Possible surplus from FY 2025 remaining balance of \$46K in this appropriation. Need update from Police Dept.
2025	38	Increase Appropriation for Detroit Animal Care	Operations	Open, in Progress	\$100,000	Additional funding was added to this cost center for FY 2025. Possible surplus from

		& Control for citywide marketing campaign on Responsible Pet Ownership cc470039.				remaining balance for this activity (Detroit Animal Control) is \$25k. Need update from General Services Department (GSD).
2025	40	Increase Appropriation for Special Events-Seasonal cc472200.	Operations	Open, in Progress	\$260,000	Per GSD: The department was able to create a wonderful experience for our Fall and Scare Fest. The remaining balance for appx. \$11,000 for FY 2025. No surplus funds expected. Need update from GSD.
2025	42	Increase Appropriation – Forestry- Dangerous-Diseased-Dead Tree Trimming & Removal	Operations	Open, in Progress	\$2,500,000	This activity has a wait list. OCFO has indicated that they will balance forward remaining funds into FY 2026 and try to obligate remaining funds by 6-30-25 per the Administration’s FY 2026 Closing Resolution. Need update from GSD.
2025	61	Increase Appropriation - for Board of Review-Automated Filing of Appeals	Operations	Open, in Progress	\$300,000	Board of Review 1000-28520-520009- 6-30-2025 balance in Contractual Services is \$300,000; no encumbrances. This amount may possibly go to the General Fund Surplus. Currently not balanced forward to FY 2026.

LPD Conclusion:

Of the 147 City Council Budget Appropriations for FY 2023, FY 2024, and FY 2025; 118 (80.3% of the 147) were implemented for their intended purposes by the Administration and did not go to General Fund surplus⁹, which is a high percentage. 25 appropriations (17.0% of 147) could have fully or partially not have gone to surplus, but further investigation is needed. Only 4 appropriations (2.7% of 147) went to surplus.

Council should note that LPD was unable to determine in several cases how funding for City Council Budget Appropriations allocated for Fiscal Years 2023-2025 was fully executed and if the lack of execution resulted in surplus funds.

Although only 4 of the 147 Council appropriations examined went to surplus, a small percentage (2.7%), moving forward, steps should be implemented to avoid this action. Also on some occasions, LPD notes that issues related to the accounting for Council’s changes made it difficult to identify if funds were truly used for their intended purposes.

Difficulties in determining the status of City Council Budget Appropriations resulted from the following:

- Appropriations approved by Council in the adoption of the budget were placed in existing appropriations. It is difficult to obtain the status of Council’s actions when combined with other department recurring activities.
- Since Council’s appropriations were placed in existing appropriations, it was difficult to determine if funds were used for their intended purposes.
- Unable to determine if funds were taken to surplus, if not used for Council’s intended purposes.

LPD Recommendations:

LPD recommends the following actions for future budget processes regarding City Council Budget Appropriations:

1. All City Council’s budget appropriations from Schedule B be properly assigned in Oracle to accurately monitor and determine if allocated funds were used for their intended purposes.
 - a. This issue was discussed during Council’s review and adoption of the FY 2026 Budget. A resolution was included in Council’s FY 2026 Closing Resolution and affirmed in the Administration’s FY 2026 Closing Resolution. It is indicated in the Administration’s FY 2026 Closing Resolution that in FY 2026, the OCFO plans to assign a project number to all non-personnel budget items added or modified by City Council via Schedule B (adopted during the FY 2026 budget process), which will allow the Legislative Policy Division

⁹ However, some of the 118 City Council appropriations could have gone to surplus based on the timing of implementation, as explained throughout this analysis.

to run reports monitoring the use of associated funds. This excludes personnel budgets due to the complexity of utilizing project numbers in the payroll system. However, the OCFO has agreed to provide monthly personnel reports on the status of City Council's personnel changes.

2. Any appropriated funds or closing resolutions that Council would like to monitor should be placed on City Council's Subcommittees Agendas for line-item discussion.
 - a. This will provide Council with an on the record response and an opportunity to receive detailed feedback in order to determine next steps and make informed decisions.
3. If the department/agency finds that they are unable to implement Council's directives related to Council appropriations, the Administration should notify Council and work with Council to re-program the funds.
 - a. As a courtesy, funds should not transfer to surplus without communication with Council first; this should include any remaining balances from Council's budget allocations.
 - b. However, there are caveats the Council must keep in mind: the Mayor is not obligated to spend the funds in appropriations established by Council in certain circumstances.¹⁰
4. Remaining fund balances for all City Council Budget Appropriations allocated but not expended by the end of the fiscal year should be carried forwarded into the next fiscal year unless approved for re-programming.¹¹

LPD would greatly appreciate an official response from the Office of the Chief Financial Officer to the recommendations provided in this report. LPD will work with the OCFO to coordinate the recommendations into future budget processes.

LPD would also greatly appreciate the OCFO and the Office of Budget working with the various agencies to provide responses to the list of outstanding items in Table 3 starting on page 5 of this report that require further follow-up and/or clarification that can be shared with LPD and City Council at its earliest opportunity.

If LPD can be of further assistance, please let us know.

cc: Office of the Auditor General
Tanya Stoudemire, Chief Financial Officer
Donnie Johnson, Deputy CFO /Interim Budget Director
Regina Greear, Chief Deputy CFO
Malik Washington, Council Liaison, Mayor's Office

¹⁰Council should be reminded that an appropriation is the legal authorization to expend funds during a specific period, usually one fiscal year. The City Council is the appropriating authority (source: FY 2026 adopted budget book under "Glossary", page A133 (<https://detroitmi.gov/sites/detroitmi.localhost/files/2025-06/FY2026%20Adopted%20Budget.pdf>)). However, an appropriation is not a mandate to spend, and the Mayor is under no obligation to continue to spend money in a manner that may ultimately be dangerous to the City's financial health by spending up to appropriate amounts (as opined in court case *City Council v Stecher*, 449 Mich 670 (1995)). And, although, the Mayor must spend the funds in an appropriation established by Council only for the intended purposes as approved by Council, and not for a different purpose as desired by the Mayor, the *Detroit Fire Fighters Assn v City of Detroit*, 449 Mich 629 (1995) court case further affirmed that the Mayor is not obligated to spend all of the funds in a Council appropriation. The Mayor is given this flexibility because the Mayor may have the ability to carry out a Council program at a lower cost.

¹¹ LPD recognizes, however, that balancing forward unexpended City Council appropriations to future fiscal year budgets may be difficult during times of economic uncertainty.