

City of Detroit

CITY COUNCIL



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Mary Sheffield
President Pro Tem

Janeé Ayers
Scott Benson
Raquel Castañeda-López
Gabe Leland
Roy McCalister, Jr.
André L. Spivey
James Tate

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City Clerk

Committee of the Whole Room • 1340 Coleman A. Young Municipal Center • (313) 224-3443 • Detroit, MI 48226

“A QUORUM OF THE DETROIT CITY COUNCIL MAY BE PRESENT”

BUDGET, FINANCE AND AUDIT STANDING COMMITTEE

COUNCIL MEMBER JANEÉ AYERS, CHAIRPERSON
COUNCIL MEMBER ANDRÉ SPIVEY, VICE CHAIRPERSON
COUNCIL PRESIDENT PRO-TEM MARY SHEFFIELD, MEMBER
COUNCIL PRESIDENT BRENDA JONES, (EX-OFFICIO)

Mr. Andre Gilbert
Asst. City Council Committee Clerk

WEDNESDAY, FEBRUARY 6, 2019

1:00 P.M.

- A. ROLL CALL**
- B. CHAIR REMARKS**
- C. MEMBER REPORTS**
- D. APPROVAL OF MINUTES**
- E. PUBLIC COMMENT**
- F. 1:10 P.M. – DISCUSSION – RE: Submitting report relative to Fiscal Review of the Proposed Capital Agenda FY 2020 through 2024. (This document’s submission to Council is to comply with the Detroit City Charter, Section 8-202, “Capital Agenda”, that states that on or before November 1 in each even numbered year, the mayor shall submit a proposed capital agenda for the next five fiscal years to the City Council. All of the charter-outlined tasks and review of the capital agenda must be completed and authorized by March 1 of the following year. If Council fails to act by March 1, the capital agenda as proposed shall be deemed approved. Attached to this report is a copy of the charter language.) (Marcell Todd, Irv Corley)**

UNFINISHED BUSINESS

1. Status of **Council Member Scott Benson** submitting memorandum relative to DDOT (Detroit Department of Transportation) Incentive Pay from Lawsuit Payout Reduction. **(BROUGHT BACK AS DIRECTED ON 1-23-19)**
2. Status of **Council Member Scott Benson** submitting memorandum relative to Fair Wage Contract Ordinance. **(BROUGHT BACK AS DIRECTED ON 1-23-19)**
3. Status of **Council Member Andre Spivey** submitting memorandum relative to Parking enforcement and the effects of a 50% discount. **(BROUGHT BACK AS DIRECTED ON 1-23-19)**
4. Status of **Council Member Scott Benson** submitting memorandum relative to OCFO Opinion on Impact of Proposed Parking Fine Ordinance Modifications to Detroit's General Fund, ability to comply with State Law and Meet Growth Projections. **(BROUGHT BACK AS DIRECTED ON 1-23-19)**
5. Status of **Legislative Policy Division** submitting report relative to Fiscal Year 2017 - 2018 General Fund Appropriation Status Report as of September, 2018. **(Attached is the updated and possibly, final report of the 2017-2018 general fund budgeted appropriations. The report is intended to give your Honorable Body an appropriation level, or legal spending limit, view of the status of general fund appropriations through June 30, 2018. This represents the financial activity of the past fiscal year. The report is based on data in the General Ledger as of September 28, 2018.) (BROUGHT BACK AS DIRECTED ON 1-23-19)**
6. Status of **Council President Pro Tem Mary Sheffield** submitting memorandum relative to Request For the Office of The Chief Financial Officer to Provide a Fiscal Analysis of a Detroit Resident Only 50% Discount for Fines Paid Within Three, Seven and Ten Days. **(BROUGHT BACK AS DIRECTED ON 1-23-19)**
7. Status of **Council Member Gabe Leland** submitting memorandum relative to Resolution to grant furloughed federal employees an extension on city payments during the government shutdown. **(BROUGHT BACK AS DIRECTED ON 1-23-19)**
8. Status of **Council Member Andre L. Spivey** submitting memorandum relative to Golf Course Funding and Leveraging. **(BROUGHT BACK AS DIRECTED ON 1-23-19)**
9. Status of **Council Member Andre L. Spivey** submitting memorandum relative to Resubmittal of Capital Agenda Request. **(BROUGHT BACK AS DIRECTED ON 1-23-19)**

10. Status of **Council President Brenda Jones** submitting memorandum relative to Resolution request in support of HB 4034/HB 4033 and HB 4001/HB 4002. **(BROUGHT BACK AS DIRECTED ON 1-16-19)**
11. Status of **Mayor's Office** report relative to Proposed Five-Year Capital Agenda. **(The 2018 Capital Agenda reflects a collaboration between the Administration, the members of City Council, and the Detroit community. It also shows a long-term strategy to leverage city sources, state and federal funding, and philanthropy to make targeted investments that improve quality of life from Detroiters. The current fiscal year, along with this five-year Capital Agenda recommends a total of \$1.8 billion for projects from these various sources.) (BROUGHT BACK AS DIRECTED ON 1-16-19)**
12. Status of **Council Member Raquel Castaneda-Lopez** submitting memorandum relative to UTGO Bond Resolution. **(BROUGHT BACK AS DIRECTED ON 1-9-19)**
13. Status of **Council Member Raquel Castaneda-Lopez** submitting memorandum relative to DDOT Fare Increase Ordinance. **(BROUGHT BACK AS DIRECTED ON 1-9-19)**

NEW BUSINESS

OFFICE OF CONTRACTING AND PROCUREMENT

Submitting the following **Office of Contracting and Procurement Contracts:**

14. Submitting reso. autho. **Contract No. 6001846** - 100% City Funding – To Provide Investment Consultant Services for the Retirement Protection Trust Fund. – Contractor: AndCo Consulting, LLC– Location: 4901 Vineland Rd., Ste. 600, Orlando, FL 32811 – Contract Period: Upon City Council Approval through February 1, 2022 –Total Contract Amount: \$225,000.00. **OFFICE OF CHIEF FINANCIAL OFFICER- TREASURY (REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 2-6-19)**
15. Submitting reso. autho. **Contract No. 6001681** - 100% City Funding-Banking Services Agreement-To provide City specific services related to the custodial and settlement of the City's investment transactions. Includes safe keeping of assets, timely execution and settlement of trades, daily pricing of assets, automated cash management service, collection of income, disbursements, as directed, online account access, and electronic statements.- Contractor: Fifth Third Bank- 8 Fountain Square Plaza, Cincinnati, Ohio 45236-Contract Period: Upon city council approval through 5 years with two 5-year renewal options.- Contract Amount: \$0.00 (Compensation for Services provided shall not exceed the amount of various Fees and Charges outlined in Exhibit B Fee Schedule.) **OFFICE OF CHIEF FINANCIAL OFFICER-TREASURY (REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 2-6-19)**

16. Submitting reso. auth. **Contract No. 6001682** - 100% City Funding-Banking Services Agreement -To provide a variety of banking services to the City of Detroit. Deposit Solutions (deposit accounts, cash vault services, ACH, lockbox, remote deposit, merchant services, “Connect” online receipting, Payment Solutions, online banking, account reconciliation, positive pay, zero balance accounts, and investment sweep vehicle. Contractor: JP Morgan Chase Bank, N.A., 1116 W. Long Lake Road, Floor 02, Bloomfield Hills, MI, 48302- Contract Period: Upon city council approval through 5 years with two 5-year renewal options.-Contract Amount: \$0.00 (Compensation for Services provided shall not exceed the amount of various Fees and Charges outlined in Exhibit B Fee Schedule.) **OFFICE OF CHIEF FINANCIAL OFFICER-TREASURY (REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 2-6-19)**
17. Submitting reso. auth. **Contract No. 6001683** - 100% City Funding-Banking Services Agreement - To provide a variety of banking services to the City of Detroit. Services to be provided may include, but are not limited to, Deposit Solutions, Payment Solutions, online banking, account reconciliation, positive pay, zero balance accounts, and investment sweep vehicle. Contractor: First Independence Bank-7310 Woodward Avenue, Detroit, Michigan, 48202- Contract Period: Upon city council approval through 5 years with two 5-year renewal options.-Contract Amount: \$0.00 (Compensation for Services provided shall not exceed the amount of various Fees and Charges outlined in Exhibit B Fee Schedule.) **OFFICE OF CHIEF FINANCIAL OFFICER-TREASURY (REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 2-6-19)**
18. Submitting reso. auth. **Contract No. 6001684** - 100% City Funding-Banking Services Agreement -To serve as the main operating bank for the City of Detroit. As the main bank, Chemical Bank will help the City to evaluate the current banking and cash management structure and make recommendations on how to best innovate and optimize processes based on leading government practices and industry standards which maximizes the use of technology, minimizes human intervention and manual processes, increases the flexibility of payment options for the City's customers and reduces the acceptance of cash by City staff.-Contractor: Chemical Bank- 333 West Fort Street, Detroit, Michigan, 48226-Contract Period: Upon city council approval through 5 years with two 5-year renewal options.-Contract Amount: \$0.00 (Compensation for Services provided shall not exceed the amount of various Fees and Charges outlined in Exhibit B Fee Schedule.) **OFFICE OF CHIEF FINANCIAL OFFICER-TREASURY (REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 2-6-19)**
19. Submitting reso. auth. Approving Professional Services Contracts with Depositories and Authorizing the Chief Financial Officer and Treasurer to Negotiate and Execute Subsequent Specific Banking Services Contracts. **(REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 2-6-19)**

BOARD OF POLICE COMMISSIONERS

20. Submitting report relative to Board of Police Commissioners Reimbursements. **(In BOPC’s 2019-2020 budget request, we included an increase of \$167,500.00 in contract**

services for stipends paid to the Board of Police Commissioners. If approved by Your Honorable Body, this increase combined with the current stipend allocation of \$53,000.00 will adjust stipends available for the Board to \$220,000.00.) (REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 2-6-19)

CITY CLERK'S OFFICE/CITY PLANNING COMMISSION

21. Submitting reso. autho. Neighborhood Enterprise Zone Certificate Applications for one (1) newly constructed 128-unit apartment building located at 32 Monroe Avenue and 725 Bates Street in the Rosko Development Co., LLC Neighborhood Enterprise Zone area. **(RECOMMEND APPROVAL) REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 2-6-19)**
22. Submitting reso. autho. Neighborhood Enterprise Zone Certificate Applications for two (2) newly constructed condominium units located at 411 and 423 East Ferry Avenue in the East Ferry Neighborhood Enterprise Zone area. **(RECOMMEND APPROVAL) REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 2-6-19)**

DETROIT ECONOMIC GROWTH CORPORATION

23. Submitting report relative to Tax Incentive Report. **(This report addresses the four line items that were laid out in the memorandum dated January 11, 2019. The attached report examines all of the tax incentives approved since 2015, excluding Neighborhood Enterprise Zone Certificates. Over that time period 93 projects have been approved for tax incentives. Of those 93 approved, 40 projects have been completed at this point. Of the 40 projects that have been completed, 30 of them have submitted their up to date data as of March 2018.) (REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 2-6-19)**

OFFICE OF THE CHIEF FINANCIAL OFFICER/OFFICE OF THE ASSESSOR

24. Submitting reso. autho. EJMS Marlborough Limited Dividend Housing Association Limited Liability Company – Payment in Lieu of Taxes (PILOT). **(The Project consists of twenty-three (23) units located in two (2) three-story non-contiguous buildings in an area bounded by Kercheval on the north, Philip on the east, Freud on the south and Chalmers on the west. Financing for the Project consists of a City of Detroit HOME Loan of \$2,200,000 and a permanent loan in the amount of \$1,680,000 from Enterprise Community Loan Fund, Inc. Twain Financial Partners will make a capital contribution of) (REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 2-6-19)**
25. Submitting reso. autho. Wellington Square I Limited Dividend Housing Association Limited Liability Company – Payment in Lieu of Taxes (PILOT). **(The full gut rehabilitation Project includes twenty-one (21) 1 bedroom/1 bath and twenty-five (25) 2 bedroom/2 bath apartments. The ten-story building includes two (2) first floor community rooms. Tenant parking will be located directly across Seward. The Project will be financed by a \$14,000,000 Construction Loan converting to a**

Permanent Loan with JP Morgan Chase Bank. A Michigan State Housing Development Authority Low Income Housing Tax Credit award in an annual amount of \$1,310,570 has been reserved. Additionally, the Sponsor has agreed to defer \$446,856 of the developer fee.) (REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 2-6-19)

26. Submitting reso. autho. Wellington Square II Limited Dividend Housing Association Limited Liability Company – Payment in Lieu of Taxes (PILOT). **(The full gut rehabilitation Project includes fourteen (14) 1 bedroom/1 bath and thirty-one (31) 2 bedroom/2 bath apartments. The ten-story building includes two (2) first floor community rooms. Tenant parking will be located directly across Seward. The Project will be financed by a \$14,000,000 Construction Loan converting to a Permanent Loan with JP Morgan Chase Bank. A Michigan State Housing Development Authority Low Income Housing Tax Credit award in an annual amount of \$1,310,570 has been reserved. Additionally, the Sponsor has agreed to defer \$446,856 of the developer fee.) (REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 2-6-19)**

LEGISLATIVE POLICY DIVISION

27. Submitting reso. autho. To Set A Committee Of The Whole for the purpose of allowing the Mayor to present the 2019-2020 Recommended Budget. **(REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 2-6-19)**
28. Submitting reso. autho. To Change the Start Time of Standing Committee Meetings and Limit Meeting Time to an hour during the 2019-2020 Budget Hearings. **(REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 2-6-19)**
29. Submitting reso. autho. To Set the Date and Time and of the Public Hearing for the 2019-2020 Budget. **(REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 2-6-19)**
30. Submitting reso. autho. To Institute the Budget Calendar Scheduling Policy for the 2019-2020 Budget Deliberations. **(REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 2-6-19)**

MISCELLANEOUS

31. **Council Member Scott Benson** submitting memorandum relative to Proposed FY 2020 – FY 2024 Five Year Capital Agenda Budget Questions. **(REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 2-6-19)**
32. **Council Member Scott Benson** submitting memorandum relative to FY 2019 Bond Projects. **(REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 2-6-19)**

33. **Council Member Raquel Castaneda-Lopez** submitting memorandum relative to Update on City Blight fund spending. **(REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 2-6-19)**
34. **Council President Brenda Jones** submitting memorandum relative to Requesting Resolution urging Governor Gretchen Whitmer to Review the Pension Tax Policy. **(REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 2-6-19)**
35. **Council President Brenda Jones** submitting memorandum relative to Detroit Animal Care and Control. **(REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 2-6-19)**
36. **Council President Brenda Jones** submitting memorandum relative to Reimbursement for the Board of Police Commissioners. **(REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 2-6-19)**
37. **Council President Brenda Jones** submitting memorandum relative to Capital Improvements for Detroit Animal Care and Control. **(REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE ON 2-6-19)**
38. **Council President Brenda Jones** submitting memorandum relative to Historic District Education and Outreach.