Referrale 3-26-19

BUDGET, FINANCE, AND AUDIT STANDING COMMITTEE

OFFICE OF CONTRACTING AND PROCUREMENT

March 20, 2019

HONORABLE CITY COUNCIL:

The Purchasing Division of the Finance Department recommends a Contract with the following firm(s) or person(s):

6001842

100% City Funding – To Provide Citywide Printing Services for Business Cards, Envelopes, and Stationary. – Contractor: Crystal Clear Images.com LLC – Location: 15627 W. McNichols, Detroit, MI 48235 – Contract Period: Upon City Council Approval through March 1, 2022 – Total Contract Amount: \$610,415.41. CITYWIDE

Respectfully submitted,

Boysie Jackson, Chief Procurement Officer Office of Contracting and Procurement

BY COUNCIL MEMBER _____AYERS

RESOLVED, that Contract No. 6001842 referred to in the foregoing communication dated March 20, 2019, be hereby and is approved.





COLEMAN A. YOUNG MUNICIPAL CENTER 2 WOODWARD AVENUE, SUITE 1240 DETROIT, MICHIGAN 48226 PHONE: 313.224.4950

FAX: 313.224.3434

March 11, 2019

To: The Honorable Detroit City Council

SUBJECT: Request to Amend the FY 2019 to Provide Funds for the Workforce Training Fund Program

The Civil Rights Inclusion and Opportunity (CRIO) Department requests authorization to amend the City of Detroit FY 2019 Budget.

This amendment will provide funding that will be used for the Workforce Training Program being administered by the Detroit Employment Solutions Corporation. They will provide incentive programs for employers operating in Detroit to hire Detroit residents. Employers who receive an incentive award will receive funding to cover wages, training costs, or support services for each new Detroit resident employed.

If approval is granted, funds from various appropriations within the Office of the CFO will be transferred to the Civil Rights Inclusion and Opportunity (CRIO) Department in the amount of \$3,000,000.

Sincerely,

Charity Dean

Director, Civil Rights Inclusion and Opportunity

cc: Mike Duggan, Mayor

David Massaron, Acting Chief Financial Officer
Tanya Stoudemire, J.D., Deputy CFO / Budget Director

Stephanie Grimes Washington, Mayor's Office

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COLEMAN A. YOUNG MUNICIPAL CENTER 2 WOODWARD AVENUE, SUITE 1240 DETROIT, MICHIGAN 48226 PHONE: 313.224.4950

FAX: 313.224.3434

RESOLVED, that the FY 2019 City of Detroit Budget be and is hereby amended as follows:

1	Incr. / Decr.	Appro.#	Appropriation Name	Amount
-	Increase	20388	Non Compliance Fees	\$3,000,000
	Decrease	00245	Office of the Controller	\$1,500,000
	Decrease	14057	Office of Departmental Financial Svcs.	\$1,000,000
	Decrease	13909	Office of Grants Management	\$500,000

AND BE IT FURTHER RESOLVED; the Budget Director be and is hereby authorized to increase and decrease the aforementioned appropriations.



#2672 MAR 12 2019

COLEMAN A. YOUNG MUNICIPAL CENTER 2 WOODWARD AVENUE, SUITE 1240 DETROIT, MICHIGAN 48226 PHONE: 313.224.4950

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Charity Dean

Director, Civil Rights Inclusion and Opportunity

cc: Mike Duggan, Mayor
David Massaron, Acting Chief Financial Officer
Tanya Stoudemire, J.D., Deputy CFO / Budget Director
Stephanie Grimes Washington, Mayor's Office

AFPROVED

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MITY CLERK 2019 MAR 19 PH1/29

David Whitaker, Esq. Director Irvin Corley, Jr. Executive Policy Manager Marcell R. Todd, Jr. Senior City Planner Janese Chapman Deputy Director

John Alexander LaKisha Barclift, Esq. M. Rory Bolger, Ph.D., AICP Elizabeth Cabot, Esq. Tasha Cowen Richard Drumb George Etheridge **Deborah Goldstein**

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

Christopher Gulock, AICP Derrick Headd Marcel Hurt, Esq. Kimani Jeffrey Anne Marie Langan Jamie Murphy Carolyn Nelson Kim Newby Analine Powers, Ph.D. Jennifer Reinhardt Sabrina Shockley Thomas Stephens, Esq. **David Teeter** Theresa Thomas Kathryn Lynch Underwood Ashley A. Wilson

TO:

Detroit City Council

FROM:

David Whitaker, Director

Legislative Policy Division

DATE:

March 18, 2019

RE:

Report on Gaming Tax Revenue through February 2019

For Council's review, the attached schedules present the gaming tax revenue activity through February 2019 and prior fiscal years.

Through the eighth month of the fiscal year the casinos reported a combined gross gaming receipts increase of 3.87% compared to the same period in the prior fiscal year. Broken out by casino, MGM's gross receipts are up by 5.38%, Motor City's are up by 1.69% and Greektown's are up by 4.29%, compared with the first eight months of the prior fiscal year.

In the eighth month of the fiscal year, the City collected \$13.63 million in gaming tax revenue, which was 4.06% greater than February 2018, as reflected in Chart 1. Chart 2 "Monthly Detroit Gaming Tax Collections" through a twelve-month moving average trend line shows an increase of 3.49% since last February among the combined casino tax revenues. Based on existing data, there is projected to be a surplus of \$2.71 million for the fiscal year for a gaming revenue total of \$183.48 million, a 2.52% increase over last year.

Adjusted gross casino gaming receipts were reported at \$114.56 million for the month of February 2019 as shown in Chart 1A. This represented a 4.06% gain compared with February 2018. Chart 2A "Monthly Detroit Gaming Receipts" through a twelve-month moving average trend line shows growth of 3.49% among the combined casino receipts.

MGM and Motor City are each paying 12.9% of adjusted gross gaming receipts to the City, while Greektown Casino is paying 11.9% of adjusted gross gaming receipts and is broken out as follows. By state law, all casinos are now paying 10.9% of adjusted gross gaming receipts to the City as wagering tax. The casinos also have an additional 1% payment because of the 2002 amended development agreement with the City. Additionally, if a casino reaches \$400 million in adjusted gross gaming receipts in a calendar year, like MGM and Motor City, then an additional 1% is paid to the City per the amended development agreement of 2002.

There is not a complete one-to-one relationship between the adjusted gross receipts and the tax revenue collection increases when comparing prior years, due to two factors. First, there is the fact that MGM and Motor City casinos began paying the City 1% less due to the permanent casinos opening on October 3 and November 29 of 2007. This reduction to the City is part of state Public Act 306 of 2004, when the legislature amended Public Act 69 of 1997, which was the original casino gaming legislation. P.A. 306 increased the wagering tax by 6% of which 2% went to the City of Detroit. P.A. 306 also allowed that when the permanent casino had been certified by the state gaming board as having operated for 30 consecutive days and once the City determined the project was complete, 5% of the 6% additional wagering tax would be eliminated, with the remaining 1% allocated to the City where the casino is being operated. Greektown continued to pay the 6% additional wagering tax – 4% to the state, 2% to the City – until its permanent status was agreed to by the Administration and approved by the State Gaming Commission, which occurred on March 9, 2010.

Second, the amended development agreement of August 2002 between the City and the casinos, which is separate from the state law, has all casinos, beginning in January 2006, paying an additional 1% over the state law, plus another 1% when the casino reaches \$400 million in adjusted gross gaming receipts in a calendar year. For the thirteenth year, MGM and Motor City each did exceed \$400 million in the calendar year and increased gaming tax collections by \$11.09 million between August and December. MGM reached \$400 million in August, a month earlier than prior years, and Motor City reached \$400 million in October similar to last year. MGM's additional 1% totaled \$6.19 million and Motor City's totaled \$4.89 million.

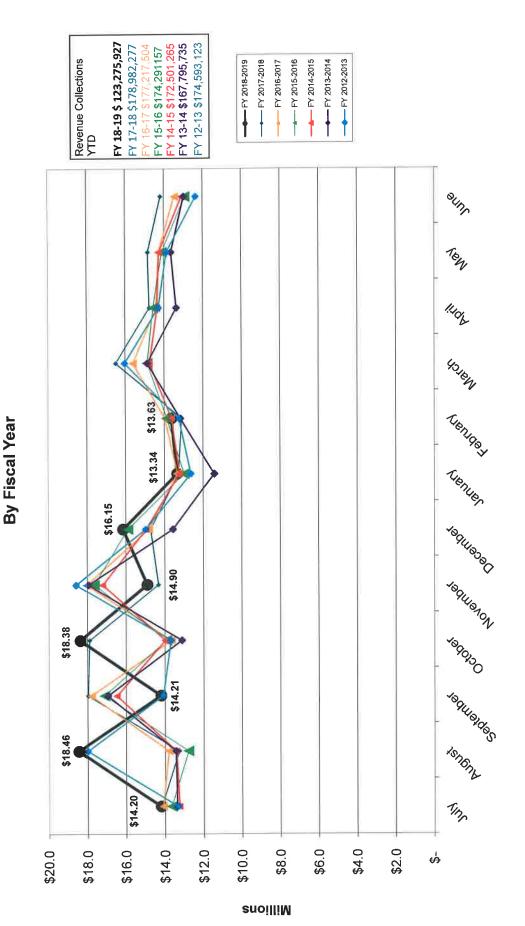
Attachments (5)

cc: Auditor General

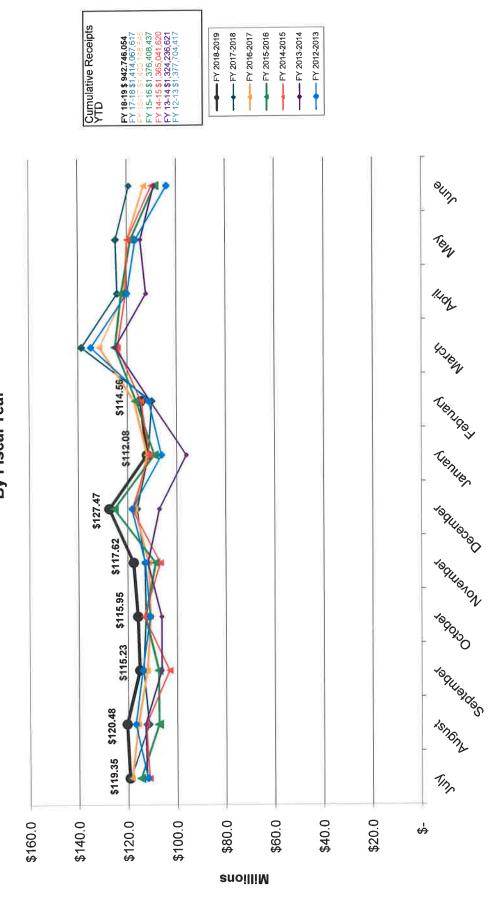
David Massaron, CFO
John Naglick, Finance Director
Tanya Stoudemire, Budget Director
Renee Short, Budget Manager
Steve Watson, Budget Manager
James George, Agency CFO
Stephanie Washington, Mayor's Office

Monthly Comparison Detroit Gaming Tax Collections

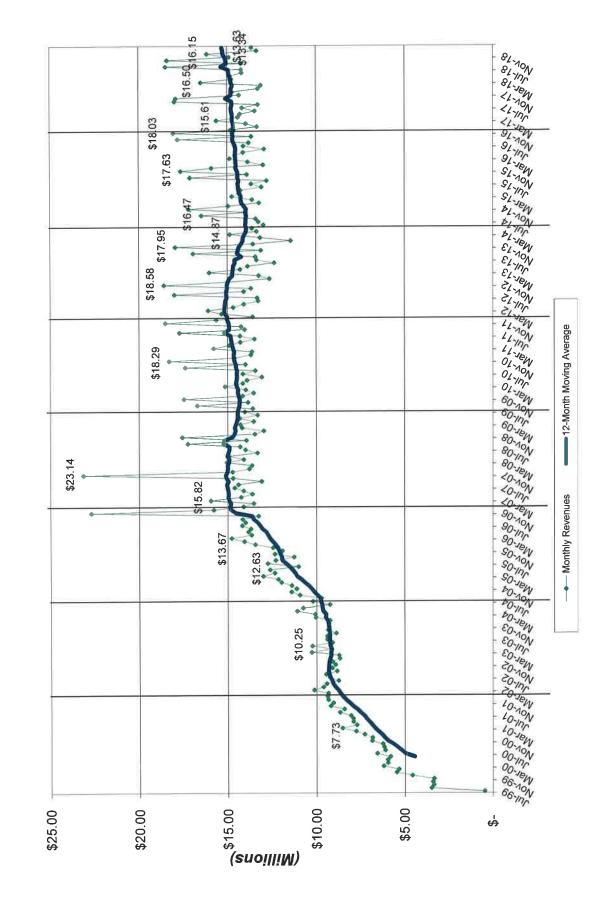
Chart 1



Monthly Comparison Adjusted Gross Casino Gaming Receipts By Fiscal Year



Monthly Detroit Gaming Tax Collection History



Monthly Adjusted Gross Casino Gaming Receipt History

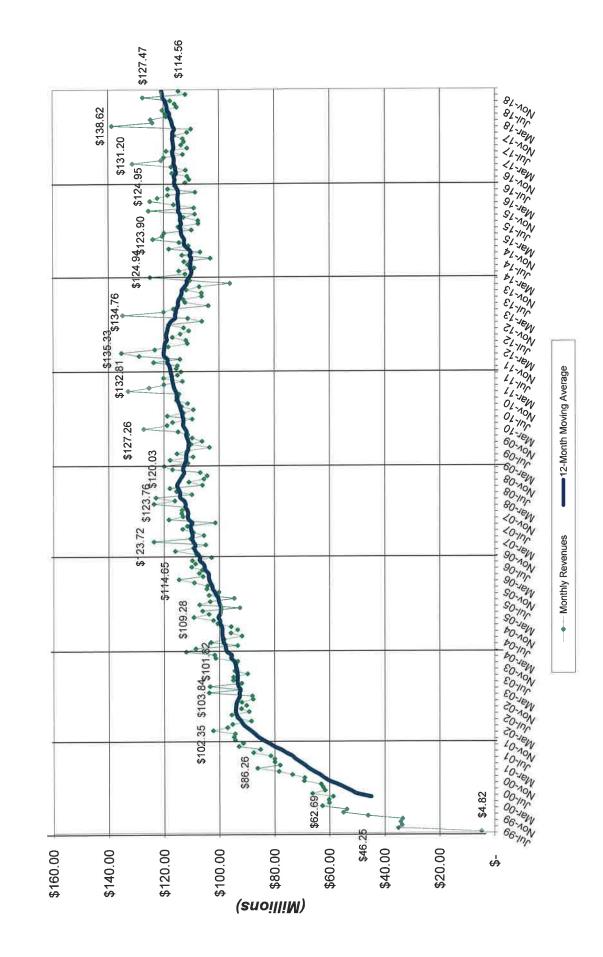


Table 1

Wagering Tax History and Tax Projections - All Casinos

July September S Schiember S	Receipts	prior year	Receipts	over prior	l otal Adjusted Gross Receipts	prior year						
ust lember	FY 13-14		FY 14-15	15011			FY 16-17	100		ĺ	100	0.000
	5 112,324,111,14		Ň	-0.88%	w	3.09%	\$ 118,462,544.37	3.21%	co c	2 820%		8.08%
				%120		4.02%			nu		0 0	1 39%
			5 103,111,649,21	A 630/	nu	-0.47%	2 110 727 005 50			174%		2.92%
		0/ /- V	0 1001010011	4 53%	n u	1 78%) U		60	4.01%
			ľ	L	9 UF	6.20%			(A)		w	9.73%
			\$ 111 021 844 76		1	-1.76%		2.69%	w		\$ 112,084,778	0.53%
		1		L	S	1.73%			w			4.06%
					və	0.84%			S			100.00%
April						1.50%	\$ 120,997,540,75		(A)	2 20%	ya c	100.00%
May			S		S	-1.07%			n			100.000
	1	4.96%	s s		so.	%07-1-		1 700%	ſ		0	2000
Receipts thru Cal Yr	-		n v	-1.24%	o 10	3.27%			o vo		\$ 1,444,099,783.79	3.11%
m	-											
Wagering Tax - post 9/2004 (State			10000/		40 000/		42 000%		42 000/	70	49 QUE/	
Wagering Tax - post 1/2006 (Dev	12.90%		12.90%		12.30%		12.30%		12.30	0/.0	12.30.70	
\$400 M (Dev. Agrmt)	1.00%		1,00%		1.00%		1.00%		1 00%	%!	1.00%	
wegering rax - post inor - 50 days	11 90%		11.90%		11,90%		11.90%	223	11.90%	%		
	\$ 157,584,157.93		\$ 162,439,952.81		\$ 163,825,756.22	0.85%	\$ 166,617,676.91		\$ 168,274,046.3	82	\$ 112,186,780,42	
Add" 1% after casino reaches \$400M during calendar year (Dev												
Agrmt)	\$ 10,211,576.83	4.08%	\$ 10,061,311.75	-1,47%	\$ 10,465,401.23	4.02%	\$ 10,599,827.55		S		s l	3.56%
Total Revenue FYTD	\$ 167,795,734.76	-3.89%	\$ 172,501,264.56	2.80%	\$ 174,291,157.45	1.04%	\$ 177,217,504.46	1.68%	\$ 178,982,276.84	34 0.9958%	, \$ 123,275,926.62	
First 8 Months' Receipts	\$ 863,510.376.39	-4.32%	\$ 890,843,592,76	3.17%	\$ 902,233,911.50	1.28%	\$ 914,927,575.06	1.41%	\$ 907,649,716,18	18 -0.80%	\$ 942,746,053.96	3.87%
Last 4 Months' Receipts	\$ 460,726,244.88		\$ 474,198,027.47		\$ 474,453,115.55		\$ 485,220,970.44		\$ 506,417,900.44	4		
Ratio of 8 Month to 4 Months	53.36%		53.23%		52.59%	,0	53.03%	.0	25.79%	%t	53.66%	
est. last 4 months' receipts est. total annual receipts											\$ 505,889,180.02	
Fiscal Year's Wagering Tax (est)											\$ 183,488,631.09	
Budget	170,000,000,00		\$ 168,000,000.00		\$ 169,042,005.00		\$ 175,200,000.00		\$ 177,780,000.00	00	\$ 180,779,000.00	
s/Deficit	\$ (2,204,265.24)		\$ 4,501,264.56		\$ 5,249,152.45		\$ 2,017,504.46	las l	\$ 1,202,276.84	34	\$ 2,709,631.09	

MR 2019 PM2104

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MEMORANDUM

TO:

Assessor's Office, Alvin Horhn

FROM:

Hon. Scott Benson, City Council District 3

CC:

Hon. James Tate Jr., Chair, P&DD Standing Committee

Hon. Janee Ayers, Chair, BF&A Standing Committee

Hon. Janice Winfrey, City Clerk David Whitaker, Director, LPD

David Massaron, CFO

Maurice Cox, Director, P&DD

Stephanie Washington, City Council Liaison

VIA:

Hon. Brenda Jones, City Council President

DATE:

18 March 2019

RE:

NEZ HOMESTEAD (NEZH) AMENDMENT PROCESS

Utilizing Public Act 147 of 1992, please prepare a detailed report, which includes all required timelines i.e. public notices, that lays out the process for amending the existing NEZh districts. The public act identifies several different entities that are responsible for the establishment and amendment of a NEZh district. This is the first time the City of Detroit is looking to amend its NEZh districts and I want to ensure we have a clear process for the current and future City Councils to follow moving forward.

Please provide your report by 29 March 2019. If you have any questions do not hesitate to contact my office at, 313-224-1198.

MEMORANDUM

TO:

Lawrence Garcia, Corporation Counsel

FROM:

Hon. Scott Benson, City Council District 3

CC:

Hon. James Tate Jr., Chair, P&DD Standing Committee

Hon. Janee Ayers, Chair, BF&A Standing Committee

Hon. Janice Winfrey, City Clerk David Whitaker, Director, LPD

David Massaron, CFO

Assessor's Office, Alvin Horhn Maurice Cox, Director, P&DD

Stephanie Washington, City Council Liaison

VIA:

Hon. Brenda Jones, City Council President

DATE:

18 March 2019

RE:

NEZ HOMESTEAD (NEZH) ORDINANCE

Utilizing Public Act 147 of 1992, please prepare an ordinance that requires the City Council, to revisit the NEZh maps, effectiveness of the program and State enabling act every five years, beginning in the year 2022 with the following goals:

- 1. To determine if the program is meeting the stated goals,
- 2. If the maps need to be modified or maintained in their current configuration.
- 3. If the program's tax reduction timelines need to be modified i.e. extended or reduced from their 6 to 15 year entitlement periods.
- 4. If the program needs to be deactivated.

Please provide the draft ordinance by 15 April 2019. If you have any questions do not hesitate to contact my office at, 313-224-1198.





CITY COUNCIL

MARY SHEFFIELD
PRESIDENT PRO TEMPORE
DISTRICT 5

MEMORANDUM

TO: Dan Carmody, President, Eastern Market Corporation

FROM: President Pro Tempore Mary Sheffield, Chair, Neighborhoods and

Community Services Committee M5

THRU: Brenda Jones, City Council President

DATE: March 19, 2019

RE: Eastern Market Corporation Budget Hearing

- What Capital projects are slated in Eastern Market over the next four years? How much money is slated for Capital Improvements during this period?
- Please provide a map of the proposed 2025 market expansion. Does the City or DLBA own the parcels to be incorporated into the market? Do any residents own properties in the expansion area? Have any residents tried to purchase property within the expansion area?
- What programs and operations does the annual subsidy to Eastern Market Corporation cover? Is there still a need for it? Is there a more complete breakdown of the usage of the funds?
- Recently many EMC tenants have been forced to relocate due to new ownership and increased rents. Is EMC working with those businesses to stay in the area?





CITY COUNCIL

MARY SHEFFIELD COUNCIL MEMBER DISTRICT 5

M EMORANDUM

TO:

Mr. Kyle Burleson, Executive Director, Detroit/Wayne County Port Authority

THROUGH: Council President Brenda Jones

FROM:

Council President Pro Tempore Mary Sheffield MS

DATE:

March 18, 2019

RE:

Detroit/Wayne County Port Authority Budget Hearing

- 1) In your September 2017 financial the Authority indicated that you were engaging in a study to examine the feasibility of developing a water taxi service on the Detroit River. Could you provide an update on the results of that study?
- 2) According to your 2017 financial statement, the Authority had a budgeted amount of \$546,688 for wages and employee benefits. Please provide us with FY 19 and FY 20 budgeted amount for wages and employee benefits. In the past the Authority has indicated that it is operating at extremely lean staffing levels. Currently, how many full and part time employees work for the Authority?
- 3) Please provide Council with an update regarding maritime tourism activity? How much revenue has been generated through maritime tourism?
- 4) Can you provide the Council with an update on the legislative efforts to reform the State Port Authority Act?



Honorable Colleagues Hon. Janice Winfrey, City Clerk





CITY COUNCIL

MARY SHEFFIELD
COUNCIL PRESIDENT PRO TEMPORE
DISTRICT 5

Memorandum

To: David Massaron, Acting Chief Financial Officer, OCFO

From: Council President Pro Tempore Mary Sheffield

CC: Honorable Colleagues, Mayor Mike Duggan, LPD, City Clerk

Date: 3/18/2019

Re: Questions for the Office of the Chief Financial Officer Budget Hearing

1. There is a proposed increase in the budgeted number of FTE's from the FY 2018-19 438 actual and the 479 proposed to 516 FTE's.

What is the plan to hire 78 additional FTE's and does it include laid-off or soon-to-be laid-off City-workers?

With the proposed increase in FTE's, why is there a small decrease in employee benefits? What happens to the savings related to the vacancies of prior years?

2. In your responses to LDP regarding the Neighborhood Improvement Fund (NIF), you cite US Code 6103 as a reason the City cannot establish an appropriation for the NIF. Who provided the legal opinion on this matter and why wasn't it brought up prior to the passage of the resolution creating the NIF?

What is the OCFO's and Administration's position with respect to setting aside the funding for the purposes provide in the NIF resolution and how much should be in the fund?

- 3. The OCFO is proposing bringing income tax collection efforts back in house. Does this effort result in an increase in revenue after expenses for tax collection
- activities? If so, how much is the City saving as a result of the initiative?
- 4. There is a \$1.2 million decrease in recommended revenues over FY2018-19's budget. What is the cause and effect of the projected decrease in revenue?
- 5. LPD indicated that the 2018 CAFR shows a \$131 million unassigned fund balance as of June 30, 2018.

What is the breakdown of the unassigned balance and can the funds be used for initiatives City Council would like to pursue?



9

CITY COUNCIL

MARY SHEFFIELD
COUNCIL PRESIDENT PRO TEMPORE
DISTRICT 5

Memorandum

To: Eric Jones, Fire Commissioner, Detroit Fire Department

From: Council President Pro Tempore Mary Sheffield

CC: Honorable Colleagues, Mayor Mike Duggan, LPD, City Clerk

Date: 3/20/2019

Re: Questions for the Detroit Fire Department Budget Hearing

- 1. The Fire Department started providing Firefighters with Emergency Medical training. Is this training still taking place? If so, for whom and at what expense? Also, what effect does the training have on the need for EMT services and the EMT budget?
- 2. Firefighters are required to respond to various emergencies unrelated to firefighting. Are there funds in the budget to provide emotional/mental supportive services to deal with the stress associated responding to these emergencies?
- 3. It been reported that residents transported to medical facilities by private EMT service providers have been overcharged in the past.

How many EMT's and ambulances are need to reduce/eliminate our reliance on private EMT service providers? Would bringing all the EMT services in-house generate enough revenue to cover the expenses associated with right-sizing EMT services?

4. Union leadership has spoken out against the use of firefighters to clean up blood and other bodily fluids at crime and fire scenes.

What training is provided to firefighters to perform these duties and at what cost? What is the standard operating procedures for such duties in similar major cities?

5. The Fire Department's budget does not show any appropriations for capital projects. Why aren't there any appropriations in the 4-year budget for capital projects? What is the status of DFD's fleets for fire and EMT services? What is the overall condition and need for upgrades and improvements to the firehouses?



MARY SHEFFIELD COUNCIL MEMBER DISTRICT 5

M EMORANDUM

TO: Mr. Mark Lockridge, CPA, Auditor General

THROUGH: Council President Brenda Jones

FROM: Council President Pro Tempore Mary Sheffield MS

DATE: March 20, 2019

RE: Auditor General Budget Hearing

- 1) Are there any plans for the Office of the Auditor General to conduct trainings or seminars for city employees on how to maintain the city's financial integrity and improve city systems?
- 2) Can you explain the role that the Auditor General has in regard to the city's demolition program? Will that role be expanded once the demolition program is 100% funded with general fund dollars?
- 3) I know one of the stated goals of the department is to improve the auditing and consulting capabilities of the OAG staff. In addition, attrition was stated as a factor that has presented a challenge. Can you briefly explain what your recruiting efforts and training opportunities have been?
- 4) Please update Council on the special projects that the OAG been working on?
- 5) What has the OAG done to encourage input from citizens?

CITY CLERK 2009 MAR 20 PM1128

Honorable Colleagues Hon. Janice Winfrey, City Clerk