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TO: Barbara Hansen, Director
Detroit Transportation Corporation – People Mover

FROM: David Whitaker, Director 
Legislative Policy Division

DATE: March 12, 2019

RE: 2019-2020 Budget Analysis

Attached is our budget analysis regarding your department's budget for the upcoming 2019-2020 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing on **Monday, March 18 at 1 p.m.** We would then appreciate a written response to the issues/questions prior to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

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: Councilmembers
Auditor General
David Massaron, Chief Financial Officer
Tanya Stoudemire, Budget Director
Stephanie Washington, Mayor's Office

Detroit Transportation Corporation (People Mover)

FY 2019-2020 Budget Analysis by the Legislative Policy Division

Summary

The Detroit Transportation Corporation (DTC) was created by the City of Detroit pursuant to P.A. 7 of 1967 as a component unit of the city for the basic purpose of acquiring, completing and operating the Downtown People Mover.

The DTC is governed by a Board of Directors consisting of six members, appointed by the Mayor without compensation or set terms. The City Council President also sits on the board.

The DTC organization structure includes twelve divisions: Administration, Executive, Accounting, Field Operations, Homeland, Human Resources, Maintenance, Marketing, Operations Administration, Quality Control, Safety, and System Operations.

For 2019-2020, the recommended budget proposes an operating subsidy of \$6.5 million which is the same as the prior three years' subsidy.

Issues and Questions

1. What is the current condition of the People Mover?
2. Are there any new capital needs for the system?
3. Please provide a copy of the 2019-2020 budget approved by the Board.
4. In the financial statements for June 30, 2018, it reports that the unrestricted deficit position has increased by \$500,000 since June 20, 2017. This is to the Administration - why wouldn't the subsidy have been increased to cover the deficit of \$800,000? What steps are being taken to not have that deficit increase either in this fiscal year or in the upcoming year?
5. Ticket sales went from \$1.4 million in 2017 to \$1.16 million in 2018. What were sales in 2016? What is projected for this proposed budget?
6. Please indicate the number of vacancies as of January 31, 2019. Please briefly describe the difficulty of filling the vacancies. Also, please briefly explain the department's strategy to fill any vacant positions, or request new positions.
7. Have there been discussions with Municipal Parking as they prepare to rehab and reopen Joe Louis Parking Garage to alleviate parking downtown. Is that plan expected to increase ticket or monthly pass sales?
8. 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 2020. Please provide which appropriation/cost center the new initiative/request/proposal is impacting in FY 2020.