



**OFFICE OF THE
CHIEF FINANCIAL OFFICER
OFFICE OF BUDGET**

Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 1106
Detroit, Michigan 48226

Phone 313•224•6260
www.detroitmi.gov

MEMORANDUM

TO: Irvin Corley, Jr., Executive Policy Manager, Legislative Policy Division

FROM: Steven Watson, Deputy CFO/Budget Director *SW*

DATE: June 23, 2021

RE: ARPA Fiscal Recovery Funds Budget Amendment Resolution

Please find responses below to the items you raised regarding the Mayor's proposed American Rescue Plan Act ("ARPA") Fiscal Recovery Funds Budget Amendment Resolution.

1. For Council President Jones's second item in her memo (second attachment), please add "detailing fund balances at the cost center level".

Response: We will use project numbers to capture activity at the individual project level. We will use cost centers to indicate the department implementing the project. This will work similar to UTGO bond projects, which similarly uses project numbers and cost centers. The capital budget for UTGO bonds reflects various "voter authorized purposes." For ARPA, the appropriations serve the same purposes as the "voter authorized purposes" do for the UTGO bonds.

We will provide account strings (including the project number segment) with contract submissions so that LPD can easily link proposed contracts to project-level budgets. We will also provide Oracle report templates so LPD can run project-level financial reports.

2. The 13th whereas should be adjusted by adding "(each must be approved by City Council)", to correspond with wording for appropriation 22004 per attached schedule. This ensures clarity that the Match Funding for projects for which public or private leverage dollars may be made available will be subject to Council approval.

Response: As discussed at the Committee of the Whole on Tuesday, June 22, we can make such technical corrections in a revised resolution.

3. The 14 whereas indicates \$500,000 for additional legislative oversight to be distributed evenly among City Council Member offices. \$500,000 should be budgeted yearly through FY 2024. Also, \$55,555 should be allocated yearly to LPD through FY 2024 as well, given the greater level of contracts that will be coming through for Council's review. So, whereas 14 should say \$1,700,000 will be distributed evenly from FY 2022 through FY 2024 among City Council Member offices and the Legislative Policy Division.

Response: It was our understanding it was a total of \$500,000 over all three years. However, if \$500,000 per year was the intent, we can make that technical correction in a revised resolution. With respect to LPD staffing, we will include it as part of the central administration allocations that will support OCFO, HR, DoIT, etc.

4. Please update the resolution to indicate an explanation will be given to Council when there is a need to shift funds from one ARPA cost center to another within the same ARPA appropriation to cover a deficit or contract expenditure.

Response: Reports on project-level budgets will be available on demand in Oracle, and we can help setup report templates for LPD's oversight and monitoring responsibilities. The OCFO will also provide quarterly reports on the use of ARPA funds and continue the ARPA working group to discuss the status of projects and changes at the project level.

5. In the first resolve, why is FY 2020-2021 being amended, especially since Council's vote probably wouldn't be until Tuesday, June 29th? Wouldn't ARPA expenditures start in FY 2021-2022?

Response: The City returned 1,000 employees from Work Share to full-time status in April, earlier than the fiscal year 2020-2021 budget assumed. We anticipate using a portion of the ARPA funding to cover that additional cost incurred in the current fiscal year. As is typical with grant funds, the remaining balance of the grant appropriation will carry forward to the new fiscal year.

6. Typically, Council approves applications for grants. Why does the second resolved clause indicate the CFO can apply for future stimulus funds without Council approval?

Response: This authority only covers grant applications from governmental organizations, not acceptance and appropriation. Timing will be critical as the City purses the higher than normal volume of stimulus funding grant opportunities over the coming months. We cannot afford to miss a single deadline and will need this expedited authority to ensure that we do not. The OCFO will continue to submit all grant awards to Council to accept and appropriate them. The OCFO will also provide a monthly summary report of grant applications filed under this provision.

7. Please explain which departments the 15 appropriations would impact. It's not clear from the reso.

Response: Many of the appropriations will cross multiple departments. However, most of the individual projects will be tied to a single department. In such cases, the cost center for the project will be coded to a particular department. These departments and agencies include GSD, DoIT, PDD, HRD, DESC, and others. The project narratives we submitted on Monday, June 21, also identify the departments involved in the various projects.

Cc: Honorable Detroit City Council
David Whitaker, Director, Legislative Policy Division
Jay B. Rising, Chief Financial Officer
John Naglick, Jr., Chief Deputy CFO/Finance Director
Tanya Stoudemire, Chief Deputy CFO/Policy & Administration Director
Avery Peeples, City Council Liaison