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TO: Carol Weaver, Chair  
Detroit Charter Revision Commission

FROM: David Whitaker, Director   
Legislative Policy Division Staff

DATE: March 16, 2021

RE: 2021-2022 Budget Analysis

Attached is our budget analysis regarding your agency's budget for the 2021-2022 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing on **Wednesday, March 24, 2020 at 11:00 a.m.** We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Council members 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.

DW:dh:ss

Attachments:

cc: Councilmembers  
Auditor General's Office  
Jay Rising, Acting Chief Financial Officer  
Tanya Stoudemire, Chief Deputy CFO  
Steve Watson, Budget Director  
Avery Peebles, Mayor's Office

## **Charter Revision Commission**

### **FY 2021-2022 Budget Analysis by the Legislative Policy Division**

The 2018 Charter Revision Commission of Detroit is a public body organized pursuant to the affirmative vote of the people of the City of Detroit at an election held Tuesday, November 6, 2018, to propose revisions to the Charter of the City of Detroit (current Charter being effective as of January 1, 2012). The citizens of Detroit will vote on proposed revisions.

The Charter Revision Commission began its three-year charge to review and to modify the City of Detroit's 2012 Charter.

For FY 2022, the Mayor has recommended \$116,500 in the Non-Departmental budget for the Charter Revision Commission a reduction of \$183,500 (61.17%), given that the 2022 fiscal year is the final year of funding for the Commission.

#### Issues and Questions

- 1) The Mayor has recommended \$116,500 for the Charter Revision Commission for FY 2022. Is this a sufficient level of funding for the Commission to complete its work on the Charter? If no, why?
- 2) According to a February 2021 article in the Detroit News, the Administration is alleging "...the commission's revisions could spur an "imminent fiscal crisis" that would send the city \$3.4 billion into debt within four years, trigger placement of an emergency manager and violate terms of the city's bankruptcy order."<sup>1</sup> How does the Commission respond to these comments and what type of research methods did the commission use that factored in the Commission to make its recommendations?
- 3) What was the Commission's rationale in recommending an elected corporation counsel?
- 4) What was the Commission's rationale in recommending an elected Fire Commission? How would a commission improve upon the operations of the Fire Department?

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<sup>1</sup> <https://www.detroitnews.com/story/news/local/detroit-city/2021/02/27/commission-adopts-sweeping-plan-revise-detroit-city-charter/4575153001/>

**NON-DEPARTMENTAL (35)**

- **Media Services**, formerly the Detroit Cable Communications Commission (established by ordinance in 1981), is the City’s local video franchising authority with direct responsibility for review and issuance of franchise agreements and permit agreements to telecommunications providers for use of the City’s right-of-way for telecommunications facilities. As the City’s video production and television broadcast services provider, Media Services is responsible for daily programming, operation and management of Government Access Channel 10, Education Access Channel 22, Neighborhoods Channel 21 and Public Access Channel 68. Media Services interfaces with the Mayor’s Office; City Council; City departments and commissions; educational institutions; and community organizations to produce programming that is responsive to the public’s diverse information needs and interests.
- **Communications Services** staff promotes a positive city image with effective communications with the City’s customers - residents, business owners, employees, visitors and the media. As the communications arm, staff provides high-quality service to city agencies and elected officials in their efforts to communicate programs, initiatives and information to various audiences. Services include strategic communications planning and counseling, media relations, event planning, website management, writing, graphic design, photography and Total Copy Center services. Staff support Motor City Makeover and Halloween in the “D”, under the Mayor’s Communications Director.
- **Pension Administration** is responsible for the administration of the employee retirement systems, and it is the governing body for the Employee Benefit Plan. The Retirement Systems fully reimburses the City of Detroit for Pension Division personnel costs.
- Funding for the **Detroit Charter Revision Commission** is included; FY 2022 is the final year of funding for the body.

The Non-Departmental agency records the salaries and benefits for the 11 elected officials of the City of Detroit: Mayor, City Clerk and City Council Members, in the **Elected Officials Compensation** cost center. General Fund contributions are made to enterprise agencies, cultural agencies and the **Detroit Wayne Port Authority** and **Detroit Land Bank Authority** (below).

GENERAL FUND CONTRIBUTIONS	FY22 Recommend
Airport	\$1,869,288
Detroit Department of Transportation	40,000,000
Charles W. Museum of African-American History	1,900,000
Detroit Historical Society (does not include property insurance)	500,000
Detroit Zoological Institute	570,000
Eastern Market	225,000
Detroit Wayne Port Authority	250,000
Detroit Land Bank Authority	11,000,000
Detroit Community Education Commission (Community Programs)	250,000

B-281

**CITY OF DETROIT  
BUDGET DEVELOPMENT  
FINANCIAL DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER - EXPENDITURES  
DEPARTMENT 35 - NON-DEPARTMENTAL**

Department # - Department Name	FY2021	FY2022	FY2023	FY2024	FY2025
Fund # - Fund Name	Adopted	Mayor	Forecast	Forecast	Forecast
Appropriation # - Appropriation Name					
Cost Center # - Cost Center Name					
<b>35 - Non-Departmental</b>	<b>265,303,513</b>	<b>349,574,655</b>	<b>282,568,226</b>	<b>415,769,733</b>	<b>417,566,009</b>
<b>1000 - General Fund</b>	<b>263,303,513</b>	<b>347,534,655</b>	<b>280,487,426</b>	<b>413,647,317</b>	<b>415,401,145</b>
00199 - Non Dept Public Commemorations	2,925	-	-	-	-
350010 - Public Commemorations	2,925	-	-	-	-
00204 - Other Operations Services	596,353	-	-	-	-
350020 - Dues & Memberships	386,235	-	-	-	-
350030 - Other Operations Services	210,118	-	-	-	-
00277 - Non Dept Detroit Building Authority	1,032,190	-	-	-	-
350310 - Detroit Building Authority	1,032,190	-	-	-	-
00335 - Non Dept Parking Programs	97,500	-	-	-	-
350060 - Special Parking Programs	97,500	-	-	-	-
00341 - Non Dept Tax Support	37,500,000	-	-	-	-
350080 - DDOT Contribution for Operations	37,500,000	-	-	-	-
00347 - Non Dept Airport Support	1,675,458	-	-	-	-
350090 - Airport Contribution for Operations	1,675,458	-	-	-	-
00396 - Non Dept World Trade Program	250,000	-	-	-	-
350140 - Detroit Port Authority	250,000	-	-	-	-
00664 - Non Dept CAYMC Building Rent & Rehabilitation	430,564	-	-	-	-
350200 - CAYMC Building Rent & Rehabilitation	430,564	-	-	-	-
00844 - Charter Commission	300,000	-	-	-	-
351250 - Charter Revision Commission	300,000	-	-	-	-
00852 - Non Dept Claims Fund (Insurance Premium)	12,100,000	-	-	-	-
350220 - Claims Fund (Insurance Premiums)	12,100,000	-	-	-	-

**CITY OF DETROIT  
BUDGET DEVELOPMENT  
FINANCIAL DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER - EXPENDITURES  
DEPARTMENT 35 - NON-DEPARTMENTAL**

Department # - Department Name					
Fund # - Fund Name	FY2021	FY2022	FY2023	FY2024	FY2025
Appropriation # - Appropriation Name	Adopted	Mayor	Forecast	Forecast	Forecast
Cost Center # - Cost Center Name					
350090 - Airport Contribution for Operations	-	1,869,288	1,869,288	1,869,288	1,869,288
350140 - Detroit Port Authority	-	250,000	250,000	250,000	250,000
<b>27352 - Community Programs Support</b>	-	<b>460,018</b>	<b>460,018</b>	<b>460,018</b>	<b>460,018</b>
350230 - CEC Goal Line	-	250,000	250,000	250,000	250,000
350240 - EITC Support	-	210,018	210,018	210,018	210,018
<b>28350 - Special Public Programs</b>	-	<b>119,425</b>	<b>2,925</b>	<b>2,925</b>	<b>2,925</b>
350010 - Public Commemorations	-	2,925	2,925	2,925	2,925
351250 - Charter Revision Commission	-	116,500	-	-	-
<b>28351 - Board of Ethics</b>	-	<b>377,637</b>	<b>382,435</b>	<b>387,329</b>	<b>392,320</b>
350165 - Board of Ethics	-	377,637	382,435	387,329	392,320
<b>28352 - Media Services &amp; Communications</b>	-	<b>1,427,842</b>	<b>1,435,605</b>	<b>1,453,357</b>	<b>1,471,464</b>
350325 - Communications Services	-	585,590	588,489	595,134	601,912
350326 - Media Services	-	842,252	847,116	858,223	869,552
<b>28354 - Elected Officials Compensation</b>	-	<b>1,466,994</b>	<b>1,466,994</b>	<b>1,466,994</b>	<b>1,466,994</b>
350007 - Elected Officials' Compensation	-	1,466,994	1,466,994	1,466,994	1,466,994
<b>29350 - Citywide Overhead</b>	-	<b>41,759,018</b>	<b>42,363,957</b>	<b>46,504,430</b>	<b>46,403,505</b>
350020 - Dues & Memberships	-	386,235	386,235	386,235	386,235
350200 - CAYMC Building Rent & Rehabilitation	-	220,354	430,564	430,564	430,564
350220 - Claims Fund (Insurance Premiums)	-	12,100,000	12,100,000	12,100,000	12,100,000
350310 - Detroit Building Authority	-	1,174,579	1,190,432	1,206,602	1,223,096
350800 - Centralized Payments	-	27,877,850	28,256,726	32,381,029	32,263,610
<b>29351 - Pension-Related Payments</b>	-	<b>106,945,409</b>	<b>82,010,817</b>	<b>224,077,534</b>	<b>224,145,584</b>
350015 - Pension Benefits Administration	-	3,270,409	3,335,817	3,402,534	3,470,584