



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

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April 8, 2024

Honorable Detroit City Council
Coleman A. Young Municipal Center
2 Woodward Avenue
Detroit, MI 48226

Re: Fiscal Year 2023-2024 Supplemental Appropriations and Transfers Request (Revised)

Honorable Detroit City Council Members:

The Administration is requesting Fiscal Year 2023-2024 supplemental appropriations and transfers for the expenditures outlined below and in the attached resolution.

Resource Increases:

- \$72.7 million of the revenue increase approved at the February 2024 Revenue Conference
- \$57.1 million from available FY23 unassigned fund balance (prior year surplus)
- \$21.9 million from the Retiree Protection Fund (RPF)

Appropriation Decrease

- \$8.25 million of Vehicle Installment Purchase Agreement debt service due to a one-year delay

Appropriation Increases:

- \$50 million for Risk Management Fund reserves for legal liabilities
- \$31.2 million for Capital Projects separate from those funded with bonds, grants, and the FY25 budget (e.g., ADA accessibility, service yards, climate resiliency, and solid waste)
- \$21.9 million for legacy pensions switch to a 30-year level principal amortization method
 - Includes \$6.5 million transferred to DDOT for its additional share of legacy pension
- \$17 million for Police overtime and current services hiring trend
- \$13 million for demolition pipeline not covered by Proposal N Bonds or ARPA funds
- \$11 million for Fire/EMS overtime and ambulance unit expansion
- \$7.8 million transfer to Solid Waste Management Fund for phase-in of the budget and fee impact from the new trash hauling contracts and service expansion
- \$3 million for Detroit Detention Center contract with State of Michigan
- \$3 million for Construction and Demolition Department facilities repair and maintenance
- \$1.8 million for Law Department outside counsel legal services contracts
- \$350,000 for Affordable Housing Fund (from District Detroit annual contribution)

In addition, the resolution authorizes the CFO to prepay long-term advances made from the General Fund to the DDOT and Airport enterprise funds, which are otherwise repaid annually from General Fund contributions to those same funds (see pg. 61, FY23 ACFR). The proposed FY25 Budget assumes this prepayment will occur. It has no net budget impact and eliminates unnecessary annual inter-fund transactions.

We respectfully request your approval of the attached resolution, with a waiver of reconsideration, to authorize these supplemental appropriations and transfers.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven Watson". The signature is fluid and cursive, with the first name "Steven" being more prominent than the last name "Watson".

Steven Watson
Deputy CFO / Budget Director

Att: Fiscal Year 2023-2024 Supplemental Appropriations and Transfers Resolution

Cc: Jay B. Rising, Chief Financial Officer
Tanya Stoudemire, Chief Deputy CFO/Policy & Administration Director
John Naglick, Jr., Chief Deputy CFO/Finance Director/Controller
Regina Greear, Deputy CFO/Departmental Financial Services
Janani Ramachandran Yates, Deputy Budget Director
Malik Washington, City Council Liaison

RESOLUTION

BY COUNCIL MEMBER _____

WHEREAS, Section 17(1) of State of Michigan Public Act 2 of 1968 (the “Uniform Budgeting and Accounting Act”) states that a deviation from the original general appropriations act shall not be made without amending the general appropriations act; and

WHEREAS, Section 18(3) of the Uniform Budgeting and Accounting Act states that an administrative officer of the local unit shall not incur expenditures against an appropriation account in excess of the amount appropriated by the legislative body; and

WHEREAS, Section 8-210 of the 2012 Detroit City Charter authorizes that if during the fiscal year the Mayor advises the City Council that there are available for appropriation revenues in excess of those estimated in the budget, the City Council may make supplemental appropriations for the year up to the amount of the excess; and

WHEREAS, Section 8-211 of the 2012 Detroit City Charter authorizes that any time during the fiscal year upon written request by the Mayor, the City Council may, by resolution, transfer all or part of any unencumbered appropriation balance among the programs, services or activities within an agency or from one agency to another; and

WHEREAS, the OCFO-Office of Budget, on behalf of the Mayor, has submitted recommended supplemental appropriations and transfers to the Detroit City Council, as provided in this resolution and the attached Schedule A.

NOW, THEREFORE, BE IT RESOLVED, that the Detroit City Council hereby approves amending the Fiscal Year 2023-2024 Budget by increasing and decreasing Revenue and Expenditure Appropriations as outlined in the attached Schedule A; **AND BE IT FURTHER**

RESOLVED, that the Chief Financial Officer, or their designee, may amend Fiscal Year 2023-2024 appropriations by such amounts as are necessary to prepay long-term advances from the General Fund to the Transportation and Airport enterprise funds; provided further, that the Chief Financial Officer, or their designee, shall provide a final report on such actions to the Detroit City Council; **AND BE IT FINALLY**

RESOLVED, that the Chief Financial Officer, or their designee, is hereby authorized and shall take all appropriate actions necessary to implement the foregoing provisions and actions authorized by this resolution.

Schedule A: Fiscal Year 2023-2024 Supplemental Appropriations and Transfers

Fund	Type	Dept	Approp. No. and Name	Change
1000-General Fund	Revenue	34-Parking	27341 - Parking Garages (Feb 2024 REC)	1,718,000
1000-General Fund	Revenue	35-Non-Dept	20255 Prior Year Activity (FY23 Surplus)	12,957,177
1000-General Fund	Revenue	35-Non-Dept	29352 - Major Taxes and Other Revenues (Feb 2024 REC)	70,674,823
				85,350,000
1000-General Fund	Expenditure	16-CDD	29160 CDD Shared Services	3,000,000
1000-General Fund	Expenditure	18-DSLIP	29353 Debt Repayment (from delayed Vehicle IPA)	(8,250,000)
1000-General Fund	Expenditure	24-Fire	25242 Fire Fighting and Response	11,000,000
1000-General Fund	Expenditure	32-Law	29320 Efficient And Innovative Operations Support - Law	1,800,000
1000-General Fund	Expenditure	35-Non-Dept	26352 Solid Waste Services Support	7,800,000
1000-General Fund	Expenditure	35-Non-Dept	29350 Citywide Overhead (for Risk Management)	50,000,000
1000-General Fund	Expenditure	37-Police	25372 Police Emergency Response	17,000,000
1000-General Fund	Expenditure	37-Police	25373 Public Services	3,000,000
				85,350,000
1000-General Fund	Revenue	18-DSLIP	29181 - Legacy Pension Obligations (from RPF)	21,900,000
1000-General Fund	Expenditure	18-DSLIP	29181 - Legacy Pension Obligations	21,900,000
5301-DDOT Operating	Revenue	20-DDOT	29203 - DDOT Legacy Liabilities	6,500,000
5301-DDOT Operating	Expenditure	20-DDOT	29203 - DDOT Legacy Liabilities	6,500,000
1000-General Fund	Revenue	36-HRD	26364 - Affordable Housing Fund (Feb 2024 REC)	350,000
1000-General Fund	Expenditure	36-HRD	26364 - Affordable Housing Fund	350,000
1003-Blight Remediation	Revenue	35-Non-Dept	20255 Prior Year Activity (FY23 Surplus)	13,000,000
1003-Blight Remediation	Expenditure	16-CDD	21200 Detroit Demolition	13,000,000
4533-Capital Projects	Revenue	35-Non-Dept	20255 Prior Year Activity (FY23 Surplus)	31,175,000
4533-Capital Projects	Expenditure	35-Non-Dept	20507 Cod Capital Projects	31,175,000