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City of Detroit

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TO: Miriam Blanks-Smart, Executive Director
Department of Administrative Hearings

FROM: David Whitaker, Director 
Legislative Policy Division

DATE: March 12, 2019

RE: **2019-2020 Budget Analysis**

Attached is our budget analysis regarding your agency'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 **Friday, March 15, 2019 at 10:00 am**. 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 as well.

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's Office
Dave Massaron, Acting Chief Financial Officer
James George, Agency Chief Financial Officer
Stephanie Washington, Mayor's Office

Department of Appeals and Hearings (45)

FY 2019-20 Budget Analysis by the Legislative Policy Division

Issues and Questions

- 1) According to the Director of DAH, their current IT Programmer will go from DoIT's budget to the DAH's budget. What is the financial impact to your budget? Why was this change made?
- 2) What do you foresee will be the most challenging part of your department's operations for FY 2020?
- 3) Since there has been an update to the City of Detroit's website related to Blight, can you please advise of the following:
 - a. Has there been any change in your collectability since the change in the City of Detroit's website due to the public display of blight ticket information?
 - b. If so, what type of impact has it made?
 - c. Do you see a direct correlation?
 - d. What has been the percentage of increase in the collectability?
- 4) Do you have all of the necessary resources and tools in order to accomplish your "Agency Goals?" If not, what are you in need of to help support you in obtaining the goals for your agency?
- 5) What has caused the decrease in the Professional & Contractual Services amount from \$295,003 in the adopted budget for FY 2019 to \$193,770 for FY 2020?
- 6) What is the equipment acquisition amount of \$185,539 related to for FY 2020?
 - a. Also, will there be other fees related to maintaining this equipment? If so, what is the amount and how often are payments made?
 - b. How will this equipment help you to accomplish your "Agency Goals"?
- 7) According to the OCFO-Budget Division, they indicated that the DAH has 9 FTE positions as of 1/1/2019 and for FY 2020, 9 was recommended as well. However, 7 were part of the Adopted FY 2019 Budget.
 - a. Can you please explain why there was a change with the number of FTE's for the DAH?
 - b. How will the additional 2 FTE's impact your department?
- 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.

DEPARTMENT OF APPEALS AND HEARINGS (45)

AGENCY PLAN: MISSION, GOALS AND ACTIVITY SUMMARY

MISSION:

The Department of Appeals and Hearings (DAH) provides quality administrative hearings in a timely, efficient and cost-effective manner, with respect for the dignity of individuals and their due process rights.

DESCRIPTION:

The DAH is an independent administrative hearings bureau that adjudicates blight violations, assesses civil fines and costs pursuant to the schedule in the anti-blight ordinances and reviews administrative decisions of City departments and agencies and makes the final agency decisions.

AGENCY GOALS:

1. Adjudicate blight code violations issued by authorized City agents with sensitivity to the violations' impact on the escalating problem of blight in Detroit.
2. Enhance collectability of fines and fees through garnishments and liens utilizing the Department's decisions and orders.
3. Review and make final decisions on administrative decisions of City departments and agencies.

Department Name: Department of Appeals & Hearings (DAH)
 Department #: 45

Budget Summary:

	FY 2018 Actual		FY 2019 Adopted Budget		FY 2020 Recommended Budget	
	General Fund	All Funds	General Fund	All Funds	General Fund	All Funds
Total Revenues	2,108,590	2,108,590	1,564,500	1,564,500	1,800,000	1,800,000
Total Expenditures	815,574	815,574	1,065,830	1,065,830	1,108,666	1,294,205
Net Tax Cost	(1,293,017)	(1,293,017)	(498,670)	(498,670)	(691,334)	(505,795)

	FY 2021 Forecast		FY 2022 Forecast		FY 2023 Forecast	
	General Fund	All Funds	General Fund	All Funds	General Fund	All Funds
Total Revenues	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
Total Expenditures	926,234	926,234	939,073	939,073	952,167	952,167
Net Tax Cost	(873,766)	(873,766)	(860,927)	(860,927)	(847,833)	(847,833)

Positions (by FTE):	1/1/2019 Actual	FY 2019 Adopted	FY 2020 Recommended	FY 2021 Forecast	FY 2022 Forecast	FY 2023 Forecast
	General Fund	9	7	9	9	9
Non-General Fund	-	-	-	-	-	-
Total Positions	9	7	9	9	9	9

DEPARTMENT OF APPEALS AND HEARINGS (45)

ACTIVITY DESCRIPTION

BLIGHT VIOLATIONS ADJUDICATION

The Department of Appeals and Hearings (DAH) is a quasi-judicial tribunal and administrative appeals bureau that provides expedient, independent and impartial adjudication of municipal ordinance violations and administrative decisions. This activity houses ticket processing, hearing officers and information technology staff. The tribunal is run by a Director, Manager, support staff and the Hearings Officers.

The DAH is an innovative approach to enforcing the Detroit City Code as it applies to property maintenance and blight prevention. The department's focus is to resolve blight violations in an effort to improve the quality of life of Detroit residents. In FY20, the DAH will begin implementing a document scanning project that will allow respondent information to be e-filed. Blight violations have a major impact on the quality of life in Detroit and DAH operates effectively to handle those violations.

ADMINISTRATIVE APPEALS

The DAH also provides for an effective, efficient and objective method for reviewing and making final decisions on administrative decisions by City departments and agencies.

Since its opening in 2005 the DAH has conducted approximately 400,000 hearings.

CITY OF DETROIT
 BUDGET DEVELOPMENT
 EXPENDITURES BY SUMMARY CATEGORY - ALL FUNDS

Department # - Department Name Summary Category	FY2019 Adopted	FY2020 Recommended	FY2021 Forecast	FY2022 Forecast	FY2023 Forecast
45 - Department of Appeals & Hearings (DAH)	1,065,830	1,294,205	926,234	939,073	952,167
Salaries & Wages	450,831	566,606	577,939	589,498	601,287
Employee Benefits	169,017	199,587	200,842	202,122	203,427
Professional & Contractual Services	295,003	193,770	-	-	-
Operating Supplies	18,692	21,208	21,208	21,208	21,208
Operating Services	128,787	124,995	124,995	124,995	124,995
Equipment Acquisition	-	185,539	-	-	-
Other Expenses	3,500	2,500	1,250	1,250	1,250
Grand Total	1,065,830	1,294,205	926,234	939,073	952,167

CITY OF DETROIT
 BUDGET DEVELOPMENT
 REVENUES BY SUMMARY CATEGORY - ALL FUNDS

Department # - Department Name Summary Category	FY2019 Adopted	FY2020 Recommended	FY2021 Forecast	FY2022 Forecast	FY2023 Forecast
45 - Department of Appeals & Hearings (DAH)	1,564,500	1,800,000	1,800,000	1,800,000	1,800,000
Revenues from Use of Assets	157,600	158,000	158,000	158,000	158,000
Sales & Charges for Services	1,406,900	1,642,000	1,642,000	1,642,000	1,642,000
Grand Total	1,564,500	1,800,000	1,800,000	1,800,000	1,800,000

**CITY OF DETROIT
BUDGET DEVELOPMENT
EXPENDITURES BY SUMMARY CATEGORY - FUND DETAIL**

Department # - Department Name Fund # - Fund Name Summary Category	FY2019 Adopted	FY2020 Recommended	FY2021 Forecast	FY2022 Forecast	FY2023 Forecast
45 - Department of Appeals & Hearings (DAH)	1,065,830	1,294,205	926,234	939,073	952,167
1000 - General Fund	1,065,830	1,108,666	926,234	939,073	952,167
Salaries & Wages	450,831	566,606	577,939	589,498	601,287
Employee Benefits	169,017	199,587	200,842	202,122	203,427
Professional & Contractual Services	295,003	193,770	-	-	-
Operating Supplies	18,692	21,208	21,208	21,208	21,208
Operating Services	128,787	124,995	124,995	124,995	124,995
Other Expenses	3,500	2,500	1,250	1,250	1,250
4533 - City of Detroit Capital Projects	-	185,539	-	-	-
Equipment Acquisition	-	185,539	-	-	-
Grand Total	1,065,830	1,294,205	926,234	939,073	952,167

CITY OF DETROIT
 BUDGET DEVELOPMENT
 REVENUES BY SUMMARY CATEGORY - FUND DETAIL

Department # - Department Name Fund # - Fund Name Summary Category	FY2019 Adopted	FY2020 Recommended	FY2021 Forecast	FY2022 Forecast	FY2023 Forecast
45 - Department of Appeals & Hearings (DAH)	1,564,500	1,800,000	1,800,000	1,800,000	1,800,000
1000 - General Fund	1,564,500	1,800,000	1,800,000	1,800,000	1,800,000
Revenues from Use of Assets	157,600	158,000	158,000	158,000	158,000
Sales & Charges for Services	1,406,900	1,642,000	1,642,000	1,642,000	1,642,000
Grand Total	1,564,500	1,800,000	1,800,000	1,800,000	1,800,000

CITY OF DETROIT
 BUDGET DEVELOPMENT
 FINANCIAL DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER
 EXPENDITURES

Department # - Department Name	FY2019 Adopted	FY2020 Recommended	FY2021 Forecast	FY2022 Forecast	FY2023 Forecast
Fund # - Fund Name					
Appropriation # - Appropriation Name					
Cost Center # - Cost Center Name					
45 - Department of Appeals & Hearings (DAH)	1,065,830	1,294,205	926,234	939,073	952,167
1000 - General Fund	1,065,830	1,108,666	926,234	939,073	952,167
11159 - DAH Blight Violation Adjudication	1,065,830	1,108,666	926,234	939,073	952,167
450010 - DAH Administration	1,065,830	1,108,666	926,234	939,073	952,167
4533 - City of Detroit Capital Projects	-	185,539	-	-	-
20507 - CoD Capital Projects	-	185,539	-	-	-
450010 - DAH Administration	-	185,539	-	-	-
Grand Total	1,065,830	1,294,205	926,234	939,073	952,167

CITY OF DETROIT
 BUDGET DEVELOPMENT
 FINANCIAL DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER
 REVENUES

Department # - Department Name Fund # - Fund Name Appropriation # - Appropriation Name Cost Center # - Cost Center Name	FY2019 Adopted	FY2020 Recommended	FY2021 Forecast	FY2022 Forecast	FY2023 Forecast
45 - Department of Appeals & Hearings (DAH)	1,564,500	1,800,000	1,800,000	1,800,000	1,800,000
1000 - General Fund	1,564,500	1,800,000	1,800,000	1,800,000	1,800,000
11159 - DAH Blight Violation Adjudication	1,564,500	1,800,000	1,800,000	1,800,000	1,800,000
450010 - DAH Administration	1,564,500	1,800,000	1,800,000	1,800,000	1,800,000
Grand Total	1,564,500	1,800,000	1,800,000	1,800,000	1,800,000

CITY OF DETROIT
FY2020 - 2023 Positions - Mayor

45000-Administrative Hearings	FY 2018-19 FTE	FY 2019-20 FTE	FY 2020-21 FTE	FY 2021-22 FTE	FY 2022-23 FTE
Appropriation	Budget	Mayor	Forecast	Forecast	Forecast
Cost Center					
Job Code and Title					
11159-DAH Blight Violation Adjudication					
450010-DAH Administration					
010170.Director of Administrative Hearings	1	1	1	1	1
010908.Manager I - Administrative Hearings	0	1	1	1	1
012051.Head Clerk	4	4	4	4	4
012234.Administrative Assistant - Grade II - Administrative Hearings	1	1	1	1	1
091198.Manager of Administrative Hearings	1	1	1	1	1
15112102.Sys Analyst II (Info Tech Spc II)	0	1	1	1	1
Total 450010-DAH Administration	7	9	9	9	9
Total 11159-DAH Blight Violation Adjudication	7	9	9	9	9
Agency Total	7	9	9	9	9