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**TO:** Lawrence Garcia, Corporate Counsel  
Law Department

**FROM:** David Whitaker, Director  
Legislative Policy Division 

**DATE:** March 6, 2019

**RE:** 2019-2020 Budget Analysis

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

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing on **Wednesday, March 13, 2019 at 3:00 p.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.

**Attachments:**

Issues and Questions

Agency Plan: Mission, Goals and Activity Summary

Budget Summary

Expenditures by Summary Category – All Funds

Revenues by Summary Category – All Funds

Expenditures by Summary Category – Fund Detail

Revenues by Summary Category – Fund Detail

Financial Detail by Department, Fund, Appropriation, & Cost Center – Expenditures

Financial Detail by Department, Fund, Appropriation, & Cost Center – Revenues

FY 2020-2023 Positions

cc: Councilmembers  
Auditor General's Office  
Tanya Stoudemire, Budget Director  
James George, Agency CFO for Governmental Operation Departments  
Julianne Pastula, Assistance Corporation Counsel-Law Department  
Stephanie Washington, Mayor's Office

**Law Department (32)  
FY 2019-20 Budget Analysis by the Legislative Policy Division**

**Law Department 2019-20 Budget**

**Issues and Questions**

1. Please briefly explain the Law 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.
2. According to the Budget Summary, the department had 11 vacancies on January 1, 2019. Please briefly describe the positions that are vacant and any difficulty of filling the vacancies. Also, please briefly explain the department's strategy to fill vacant positions.
3. The Mayor's FY 2020 recommended total appropriations for the Law Department is \$17.1 million a \$1.1 million increase from the \$16.0 million in FY 2019. The increase is mainly due to a \$1.2 million increase in professional and contractual services. There were no other significant changes in the Law department's budget for FY 2020 when compared to the FY 2019 budget. Please explain the \$1.2 million increase in professional and contractual services for FY 2020? How will these additional services benefit the City?
4. Please list the contracts which comprise the FY 2019 and FY 2020 professional and contractual services budgets for the Law Department. Please list the services that the contracted professional provides. Also, list the amount of the contract expected to be expended for each contract in FY 2019 and FY 2020.
5. What is the current status of the bankruptcy cases/litigation?
6. What are the projections for litigation settlements and payments for FY 2019 and FY 2020?
7. What is the total number of open litigation cases against the City as of February 28, 2019 or the latest date where data is available? What is the total amount reserved for the open litigation cases?
8. The number of budgeted positions for the Law Department were unchanged for FY 2020 compared to FY 2019. There was some shifting of positions as 1 Deputy Corporation Counsel position was deleted and 1 Executive Administrative Assistant II position was added. Also, 1

Supervising Assistant Corporation Counsel position was added and 1 Administrative Specialist III position was deleted. Please explain the purpose of the changes in positions for FY 2020?

9. What are the sources (e.g., DDOT attorney services) for the \$1.8 million sales and charges for services revenue for FY 2020? Please list the source and projected revenue for FY 2020.
10. On the revenue side how much in lawsuit settlements (e.g., Deutsche Bank LIBOR case Settlement) and payouts revenue did the City benefit in FY 2019? What other prosecution activities undertaken by the Law Department are expected to result in revenue or reimbursements to the City in FY 2019 and FY 2020?
11. Please provide a status report of the City's program to litigate and collect on delinquent property taxes associated with residential, commercial and industrial properties. Please provide the amount collected so far under this program.
12. A few years ago, a former Corporation Counsel for the City alerted the City Council that the City of Detroit may join a class action lawsuit with other municipalities, or consider filing a class action lawsuit on its own, against opioid manufacturers to seek compensation for the adverse impact on municipal services, particularly those services providing public safety (police services, EMS services, etc.), from dealing with more Detroit citizens who are severely impacted by the use of opioid related pain killers and medications. Please provide Council an update of this initiative, with the response being provided in a privileged and confidential memorandum, if necessary.

## **LAW (32)**

### ***AGENCY PLAN: MISSION, GOALS AND ACTIVITY SUMMARY***

#### **MISSION:**

The Law Department strives to deliver exceptional and efficient legal counsel and representation to the Executive and Legislative branches of City government as mandated by the City Charter.

#### **DESCRIPTION:**

The Law Department is headed by the Corporation Counsel, who is appointed by the Mayor with approval by City Council (2011 Charter revised). The Law Department is comprised of seven divisions: Administration, FOIA, Governmental Affairs, Litigation, Local Prosecution, Labor & Employment, and Transactions and Economic Development. Each division with the exception of Administration, is responsible for a discrete area of the law and is made up of several sections.

The Department is required by Charter to represent the City of Detroit in all civil actions or proceedings filed against the City. The Corporation Counsel may also prosecute any action or proceeding in which the City has a legal interest in accordance with the Charter. The Corporation Counsel is the City prosecutor and shall institute on behalf of the people, cases arising from the provisions of the Charter or City ordinances and prosecute all actions for the recovery of fines, penalties and forfeitures.

The Department is also responsible for providing advice and opinions to the Mayor, members of City Council or the head of any City agency, approving the form and substance of all contracts, bonds and written instruments, and drafting, upon the request of the Mayor or any member of City Council, any ordinance or resolution for introduction before City Council.

#### **AGENCY GOALS:**

1. Maximize the level of client satisfaction with department services.
2. Provide effective advice and counsel to assist the clients in achieving their business objectives with minimal legal exposure.
3. Ensure attorney preparedness for all legal proceedings and client contacts.
4. Provide necessary professional skills training to all lawyers and staff to maximize the quality and efficiency of legal services delivered to the City.
5. Provide effective legal representation in claims and litigation and timely advice and counsel in commercial and development transactions.
6. Assistance in community empowerment through vigorous prosecution of misdemeanor crimes, including ordinance and blight violation matters.

Department Name: Law Department  
 Department #: 32

**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	1,780,001	1,780,001	1,938,000	1,938,000	1,977,000	1,977,000
Total Expenditures	15,508,204	15,507,304	16,004,529	16,004,529	17,114,516	17,147,516
<b>Net Tax Cost</b>	<b>13,728,204</b>	<b>13,727,304</b>	<b>14,066,529</b>	<b>14,066,529</b>	<b>15,137,516</b>	<b>15,170,516</b>

	FY 2021 Forecast		FY 2022 Forecast		FY 2023 Forecast	
	General Fund	All Funds	General Fund	All Funds	General Fund	All Funds
Total Revenues	2,016,000	2,016,000	2,056,000	2,056,000	2,096,000	2,096,000
Total Expenditures	17,176,550	17,176,550	17,378,761	17,378,761	17,585,017	17,585,017
<b>Net Tax Cost</b>	<b>15,160,550</b>	<b>15,160,550</b>	<b>15,322,761</b>	<b>15,322,761</b>	<b>15,489,017</b>	<b>15,489,017</b>

Positions (by FTE):	1/1/2019 Actual	FY 2019 Adopted	FY 2020 Recommended	FY 2021 Forecast	FY 2022 Forecast	FY 2023 Forecast
	General Fund	109	120	120	120	120
Non-General Fund	-	-	-	-	-	-
<b>Total Positions</b>	<b>109</b>	<b>120</b>	<b>120</b>	<b>120</b>	<b>120</b>	<b>120</b>

## **LAW (32)**

### **ACTIVITY DESCRIPTIONS:**

#### **ADMINISTRATION AND OPERATIONS**

The function of this activity is to provide legal services to all branches of government of the City of Detroit. These services include researching and writing legal opinions and representing the City, its agencies and employees in a variety of legal proceedings, including condemnation proceedings, civil litigation, criminal prosecution of ordinance violations and claims against the City. Services also include review of all City contracts, leases, development and indemnity agreements, preparing ordinances and rendering legal advice.

Sections within the Department include: Claims, Litigation, Appeals, Labor & Employment, Governmental Affairs (which includes FOIA and Municipal), Transactions & Economic Development, Blight Litigation, Tax Appeals, Local Prosecution and Special Projects (Blight and Revitalization). Major client agencies are: Mayor's Office, City Council, Office of the City Clerk, Police, Fire (including EMS), Public Works, Transportation, Airport, Planning and Development, Housing and Revitalization; Buildings, Safety, Engineering and Environmental Department, Public Lighting Department, Board of Ethics, Human Resources, Municipal Parking, Department of Health and Wellness Promotion, OCFO(including Office of Budget and Office of Contracting and Purchasing), Department of Innovation and Technology, General Services; Civil Rights, Inclusion and Opportunity(CRIO), Homeland Security and Emergency Management, Board of Zoning Appeals, Office of the Inspector General, and Department of Elections.

#### **LEGISLATIVE LIAISON**

The City of Detroit engages the services of a legislative liaison. The appropriation pays for an office in Lansing, Michigan and provides for a contract for Federal Lobbyist services in Washington, D.C. The Mayor's Office provides the oversight of this contract.

**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
<b>32 - Law Department</b>	<b>16,004,529</b>	<b>17,147,516</b>	<b>17,176,550</b>	<b>17,978,761</b>	<b>17,585,017</b>
Salaries & Wages	8,988,112	9,018,728	9,197,603	9,380,055	9,566,156
Employee Benefits	3,364,440	3,171,168	3,190,540	3,210,299	3,230,454
Professional & Contractual Services	1,573,128	2,807,675	2,741,462	2,741,462	2,741,462
Operating Supplies	209,767	264,574	264,574	264,574	264,574
Operating Services	1,769,498	1,762,371	1,762,371	1,762,371	1,762,371
Equipment Acquisition	21,084	33,000	-	-	-
Other Expenses	78,500	90,000	20,000	20,000	20,000
<b>Grand Total</b>	<b>16,004,529</b>	<b>17,147,516</b>	<b>17,176,550</b>	<b>17,978,761</b>	<b>17,585,017</b>

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
<b>32 - Law Department</b>	<b>1,938,000</b>	<b>1,977,000</b>	<b>2,016,000</b>	<b>2,056,000</b>	<b>2,096,000</b>
Sales & Charges for Services	1,734,000	1,769,000	1,804,000	1,840,000	1,876,000
Miscellaneous	204,000	208,000	212,000	216,000	220,000
<b>Grand Total</b>	<b>1,938,000</b>	<b>1,977,000</b>	<b>2,016,000</b>	<b>2,056,000</b>	<b>2,096,000</b>



**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
<b>32 - Law Department</b>	<b>16,004,529</b>	<b>17,147,516</b>	<b>17,176,550</b>	<b>17,378,761</b>	<b>17,585,017</b>
<b>1000 - General Fund</b>	<b>16,004,529</b>	<b>17,114,516</b>	<b>17,176,550</b>	<b>17,378,761</b>	<b>17,585,017</b>
Salaries & Wages	8,988,112	9,018,728	9,197,603	9,380,055	9,566,156
Employee Benefits	3,364,440	3,171,168	3,190,540	3,210,299	3,230,454
Professional & Contractual Services	1,573,128	2,807,675	2,741,462	2,741,462	2,741,462
Operating Supplies	209,767	264,574	264,574	264,574	264,574
Operating Services	1,769,498	1,762,371	1,762,371	1,762,371	1,762,371
Equipment Acquisition	21,084	-	-	-	-
Other Expenses	78,500	90,000	20,000	20,000	20,000
<b>4533 - City of Detroit Capital Projects</b>	<b>-</b>	<b>33,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
Equipment Acquisition	-	33,000	-	-	-
<b>Grand Total</b>	<b>16,004,529</b>	<b>17,147,516</b>	<b>17,176,550</b>	<b>17,378,761</b>	<b>17,585,017</b>

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

Department # - Department Name	FY2019 Adopted	FY2020 Recommended	FY2021 Forecast	FY2022 Forecast	FY2023 Forecast
Fund # - Fund Name					
Summary Category					
<b>32 - Law Department</b>	<b>1,938,000</b>	<b>1,977,000</b>	<b>2,016,000</b>	<b>2,056,000</b>	<b>2,096,000</b>
1000 - General Fund	1,938,000	1,977,000	2,016,000	2,056,000	2,096,000
Sales & Charges for Services	1,734,000	1,769,000	1,804,000	1,840,000	1,876,000
Miscellaneous	204,000	208,000	212,000	216,000	220,000
<b>Grand Total</b>	<b>1,938,000</b>	<b>1,977,000</b>	<b>2,016,000</b>	<b>2,056,000</b>	<b>2,096,000</b>

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

Department # - Department Name Fund # - Fund Name Appropriation # - Appropriation Name Cost Center # - Cost Center Name	FY2019 Adopted	FY2020 Recommended	FY2021 Forecast	FY2022 Forecast	FY2023 Forecast
<b>32 - Law Department</b>	<b>16,004,529</b>	<b>17,147,516</b>	<b>17,176,550</b>	<b>17,878,761</b>	<b>17,585,017</b>
1000 - General Fund	16,004,529	17,114,516	17,176,550	17,378,761	17,585,017
00527 - Law Administration & Operations	15,670,113	16,802,516	16,864,550	17,066,761	17,273,017
320010 - Law Administration	15,670,113	16,802,516	16,864,550	17,066,761	17,273,017
20250 - Consolidated Legislative Services	334,416	312,000	312,000	312,000	312,000
320055 - Legislative Services	334,416	312,000	312,000	312,000	312,000
4533 - City of Detroit Capital Projects	-	33,000	-	-	-
20507 - CoD Capital Projects	-	33,000	-	-	-
320010 - Law Administration	-	33,000	-	-	-
<b>Grand Total</b>	<b>16,004,529</b>	<b>17,147,516</b>	<b>17,176,550</b>	<b>17,978,761</b>	<b>17,585,017</b>

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
<b>32 - Law/Department</b>	<b>1,938,000</b>	<b>1,977,000</b>	<b>2,016,000</b>	<b>2,056,000</b>	<b>2,096,000</b>
1000 - General Fund	1,938,000	1,977,000	2,016,000	2,056,000	2,096,000
00527 - Law Administration & Operations	1,938,000	1,977,000	2,016,000	2,056,000	2,096,000
320010 - Law Administration	1,938,000	1,977,000	2,016,000	2,056,000	2,096,000
<b>Grand Total</b>	<b>1,938,000</b>	<b>1,977,000</b>	<b>2,016,000</b>	<b>2,056,000</b>	<b>2,096,000</b>

CITY OF DETROIT  
 FY2020 - 2023 Positions - Mayor

32000-Law Department												
Appropriation	Cost Center	Job Code and Title	Budget	FY 2018-19 FTE	FY 2019-20 FTE	Mayor	FY 2020-21 FTE	Forecast	FY 2021-22 FTE	Forecast	FY 2022-23 FTE	Forecast
00527-Law Administration and Operations												
320010-Law Administration												
010104	Deputy Corporation Counsel		2	1	1	1	1	1	1	1	1	1
010127	Corporation Counsel - Election Commissioner		1	1	1	1	1	1	1	1	1	1
011705	Executive Manager - Law		1	1	1	1	1	1	1	1	1	1
012021	Clerk		3	0	0	0	0	0	0	0	0	0
012031	Senior Clerk		0	3	3	3	3	3	3	3	3	3
012051	Head Clerk		1	1	1	1	1	1	1	1	1	1
012086	Records Manager		1	1	1	1	1	1	1	1	1	1
012249	Administrative Assistant - Grade II-Law		1	1	1	1	1	1	1	1	1	1
013326	Senior Legal Secretary		4	4	4	4	4	4	4	4	4	4
013376	Executive Administrative Assistant II		0	1	1	1	1	1	1	1	1	1
076022	Project Manager and Analytics Specialist III		1	0	0	0	0	0	0	0	0	0
091142	Assistant Corporation Counsel		30	30	30	30	30	30	30	30	30	30
091152	Senior Assistant Corporation Counsel		29	29	29	29	29	29	29	29	29	29
091157	Supervising Assistant Corporation Counsel		9	10	10	10	10	10	10	10	10	10
091191	Assistant Corporation Counsel - Exempted		3	3	3	3	3	3	3	3	3	3
091192	Senior Assistant Corporation Counsel - Exempted		1	1	1	1	1	1	1	1	1	1
091941	Legal Assistant		10	10	10	10	10	10	10	10	10	10
931401	Administrative Specialist III		1	0	0	0	0	0	0	0	0	0
931420	Chief Legal Counsel For Transactional and Economic Development		1	1	1	1	1	1	1	1	1	1
931421	Chief Administrative Corporation Counsel		1	1	1	1	1	1	1	1	1	1
931422	Chief of Staff - Law		1	1	1	1	1	1	1	1	1	1
931423	Chief of Litigation		1	1	1	1	1	1	1	1	1	1
931425	Deputy Chief of Criminal Enforcement		1	1	1	1	1	1	1	1	1	1
111003	Project Manager & Analytics Specialist III		0	1	1	1	1	1	1	1	1	1
013325	Legal Secretary		15	15	15	15	15	15	15	15	15	15
931424	Chief of Criminal Enforcement and Quality of Life		1	1	1	1	1	1	1	1	1	1
931419	Chief Legal Counsel - Capital & Infrastructure		1	1	1	1	1	1	1	1	1	1
Total 320010-Law Administration			120	120	120	120	120	120	120	120	120	120
Total 00527-Law Administration and Operations			120	120	120	120	120	120	120	120	120	120
Agency Total			120	120	120	120	120	120	120	120	120	120