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# City of Detroit

## CITY COUNCIL

**LEGISLATIVE POLICY DIVISION**  
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TO: John Prymack, Interim Director  
**Public Lighting Department**

FROM: David Whitaker, Director   
Legislative Policy Division

DATE: March 5, 2021

RE: 2021-2022 Budget Analysis

Attached is our budget analysis regarding your departments' budgets for the upcoming 2021-2022 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing on **Wednesday, March 10 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 Councilmembers and the City Clerk's Office.

Please contact us if you have any questions.

Thank you for your cooperation in this matter.

### **Attachments**

Issues and Questions  
Proposed Budget

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

## **Public Lighting Department (38)**

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

#### ***Issues and Questions***

1. What is the status of decommissioning and the continuing sale of the department's assets? Last year it was reported that the decommissioning should be completed by this June 30. Is this still the correct timeline? Please explain what EDSA stands for.
2. In the Plan of Adjustment, the PLD revenues for 2017 through 2023 total almost \$100 M for sale of assets. What is the projected revenue collection in the proposed budget? What have been the actual collections year to date?
3. What progress has been made to ready the Mistersky site for disposition. Has there been interest in the property?
4. What plans are being made to ready the substations that will no longer needed by DTE for disposition? Is the \$250,000 contract in place to clean up 31 substations a sufficient amount to complete the project, by this December 31 as previously stated? Please explain in depth.
5. What equipment rentals are taking place that project revenue of \$467,000? How much is projected to be earned in the current fiscal year?
6. Please explain the projected revenue budget in other reimbursements of \$933,000. Where are the funds coming from and why is this dropping from current year?
7. Please explain the projected revenue budget in sale of miscellaneous supplies of \$318,240. Where are the funds coming from and why is this dropping from current year?
8. Please explain the current staffing at PLD. How many full time positions and how many contractors? Are there any unfilled positions?

**PUBLIC LIGHTING (38)****AGENCY PLAN****MISSION:**

The Public Lighting Department (PLD) supports the Public Lighting Authority (PLA) as it maintains the upgraded street light system. PLD works with TMC Alliance and DTE Energy to assure the safety of the general public and to provide reliable power to customers through the City's distribution system as the City assists with converting customers to DTE's system.

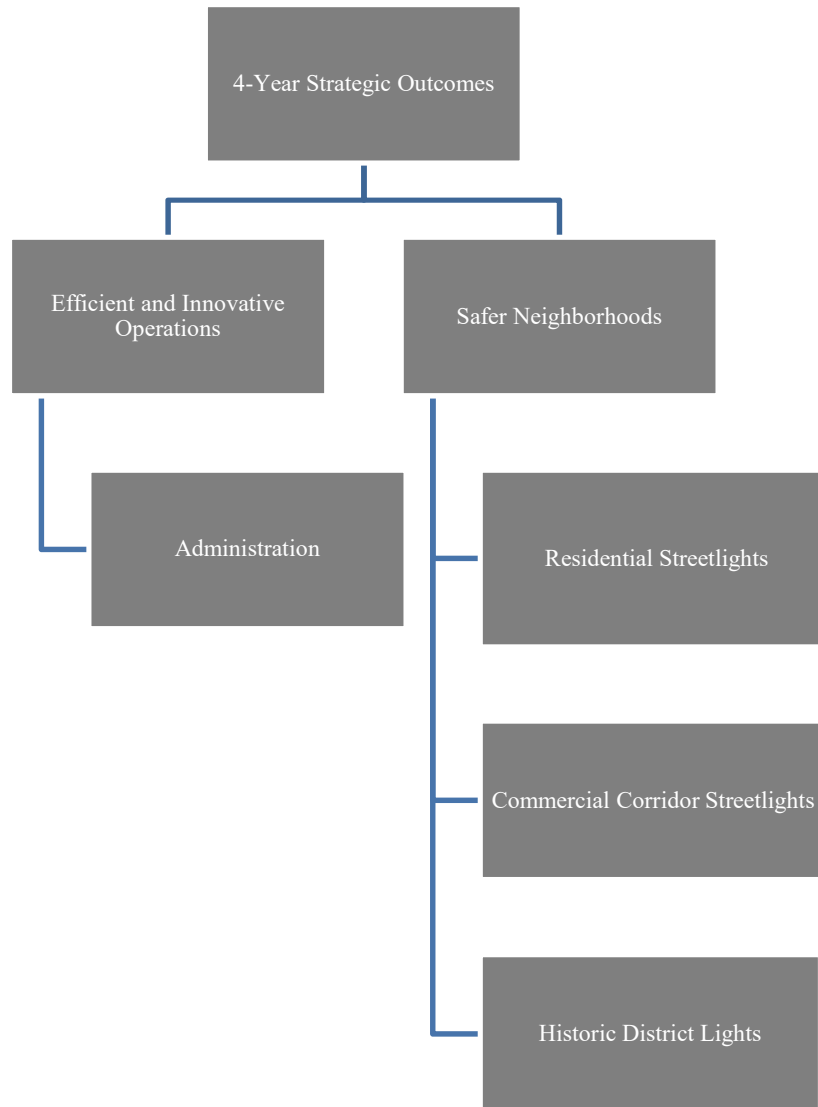
On February 5, 2013, the City created the PLA, a separate municipal corporation pursuant to Michigan Public Act 392 of 2012 (as amended) and the Municipal Lighting Authority Act, MCL 123.1261, to manage and maintain the City's public lighting system. Pursuant to an amendment to the City Utility Users' Tax Act, 1990 PA 100 (as amended) MCL 141.1151-MCL141.1177, the PLA utilizes \$12.5M in utility user tax proceeds to satisfy the debt service obligation of bonds issued to modernize the street light system. Through an inter-local agreement, the City provides additional funds to the PLA to finance the operations and maintenance of the street lighting system after the capital project is complete.

On July 1, 2014, the City entered into an agreement with DTE Energy to transition electric customers to DTE Energy. The conversion will be accomplished over a 5 to 7-year period. During this time, the City, through its contractor, will operate and maintain an electric grid with DTE reimbursing the City and its contractor for all expenses related to the delivery of electric power. This agreement excludes decommissioning, abatement and salvage operations. PLD currently coordinates these activities in line with the transition of customers.

**STRATEGIC PRIORITIES:**

- Maintain electricity distribution grid during the transition to DTE Energy, as the City of Detroit phases out of the electric service business.
- Maintain legacy electric conduit grid and make available to City of Detroit information technology department for fiber optic communication cables and lease excess capacity to private fiber optic companies.

**PUBLIC LIGHTING (38)**



**Department Name:** Public Lighting Department

**Department #:** 38

**Budget Summary:**

	FY2020 Actual		FY2021 Adopted		FY2022 Mayor	
	General Fund	All Funds	General Fund	All Funds	General Fund	All Funds
Total Revenues	14,244,113	14,433,377	1,600,000	1,912,000	1,400,000	1,718,240
Total Expenditures	16,933,377	16,933,377	17,137,708	17,449,708	17,133,934	17,452,174
<b>Net Tax Cost</b>	<b>2,689,265</b>	<b>2,500,001</b>	<b>15,537,708</b>	<b>15,537,708</b>	<b>15,733,934</b>	<b>15,733,934</b>

	FY2023 Forecast		FY2024 Forecast		FY2025 Forecast	
	General Fund	All Funds	General Fund	All Funds	General Fund	All Funds
Total Revenues	1,200,000	1,524,605	1,000,000	1,331,097	800,000	1,137,719
Total Expenditures	17,128,877	17,453,482	17,131,456	17,462,553	17,134,086	17,471,805
<b>Net Tax Cost</b>	<b>15,928,877</b>	<b>15,928,877</b>	<b>16,131,456</b>	<b>16,131,456</b>	<b>16,334,086</b>	<b>16,334,086</b>

Positions (by FTE):	1/1/2021 Actual	FY2021 Adopted	FY2022 Mayor	FY2023 Forecast	FY2024 Forecast	FY2025 Forecast
General Fund	2	4	3	3	3	3
Non-General Fund	-	-	-	-	-	-
<b>Total Positions</b>	<b>2</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>

**CITY OF DETROIT  
BUDGET DEVELOPMENT  
EXPENDITURES BY SUMMARY CATEGORY - ALL FUNDS  
DEPARTMENT 38 - PUBLIC LIGHTING DEPARTMENT**

Department # - Department Name Summary Category	FY2021 Adopted	FY2022 Mayor	FY2023 Forecast	FY2024 Forecast	FY2025 Forecast
<b>38 - Public Lighting Department</b>	<b>17,449,708</b>	<b>17,452,174</b>	<b>17,453,482</b>	<b>17,462,553</b>	<b>17,471,805</b>
Salaries & Wages	204,135	113,766	108,709	111,288	113,918
Employee Benefits	90,361	43,201	43,201	43,201	43,201
Professional & Contractual Services	2,000,000	1,500,000	1,500,000	1,500,000	1,500,000
Operating Supplies	427,950	434,290	440,655	447,147	453,769
Operating Services	4,398,999	4,957,654	4,957,654	4,957,654	4,957,654
Other Expenses	10,328,263	10,403,263	10,403,263	10,403,263	10,403,263
<b>Grand Total</b>	<b>17,449,708</b>	<b>17,452,174</b>	<b>17,453,482</b>	<b>17,462,553</b>	<b>17,471,805</b>

**CITY OF DETROIT  
BUDGET DEVELOPMENT  
REVENUES BY SUMMARY CATEGORY - ALL FUNDS  
DEPARTMENT 38 - PUBLIC LIGHTING DEPARTMENT**

Department # - Department Name Summary Category	FY2021 Adopted	FY2022 Mayor	FY2023 Forecast	FY2024 Forecast	FY2025 Forecast
<b>38 - Public Lighting Department</b>	<b>1,912,000</b>	<b>1,718,240</b>	<b>1,524,605</b>	<b>1,331,097</b>	<b>1,137,719</b>
Revenues from Use of Assets	533,000	467,000	400,000	333,000	267,000
Sales & Charges for Services	1,379,000	1,251,240	1,124,605	998,097	870,719
<b>Grand Total</b>	<b>1,912,000</b>	<b>1,718,240</b>	<b>1,524,605</b>	<b>1,331,097</b>	<b>1,137,719</b>

**CITY OF DETROIT  
BUDGET DEVELOPMENT  
EXPENDITURES BY SUMMARY CATEGORY - FUND DETAIL  
DEPARTMENT 38 - PUBLIC LIGHTING DEPARTMENT**

Department # - Department Name Fund # - Fund Name Summary Category	FY2021 Adopted	FY2022 Mayor	FY2023 Forecast	FY2024 Forecast	FY2025 Forecast
<b>38 - Public Lighting Department</b>	<b>17,449,708</b>	<b>17,452,174</b>	<b>17,453,482</b>	<b>17,462,553</b>	<b>17,471,805</b>
<b>1000 - General Fund</b>	<b>17,137,708</b>	<b>17,133,934</b>	<b>17,128,877</b>	<b>17,131,456</b>	<b>17,134,086</b>
Salaries & Wages	204,135	113,766	108,709	111,288	113,918
Employee Benefits	90,361	43,201	43,201	43,201	43,201
Professional & Contractual Services	2,000,000	1,500,000	1,500,000	1,500,000	1,500,000
Operating Supplies	115,950	116,050	116,050	116,050	116,050
Operating Services	4,398,999	4,957,654	4,957,654	4,957,654	4,957,654
Other Expenses	10,328,263	10,403,263	10,403,263	10,403,263	10,403,263
<b>1011 - PLD Decommissioning Reserve Fund</b>	<b>312,000</b>	<b>318,240</b>	<b>324,605</b>	<b>331,097</b>	<b>337,719</b>
Operating Supplies	312,000	318,240	324,605	331,097	337,719
<b>Grand Total</b>	<b>17,449,708</b>	<b>17,452,174</b>	<b>17,453,482</b>	<b>17,462,553</b>	<b>17,471,805</b>



**CITY OF DETROIT  
BUDGET DEVELOPMENT  
REVENUES BY SUMMARY CATEGORY - FUND DETAIL  
DEPARTMENT 38 - PUBLIC LIGHTING DEPARTMENT**

Department # - Department Name Fund # - Fund Name Summary Category	FY2021 Adopted	FY2022 Mayor	FY2023 Forecast	FY2024 Forecast	FY2025 Forecast
<b>38 - Public Lighting Department</b>	<b>1,912,000</b>	<b>1,718,240</b>	<b>1,524,605</b>	<b>1,331,097</b>	<b>1,137,719</b>
<b>1000 - General Fund</b>	<b>1,600,000</b>	<b>1,400,000</b>	<b>1,200,000</b>	<b>1,000,000</b>	<b>800,000</b>
Revenues from Use of Assets	533,000	467,000	400,000	333,000	267,000
Sales & Charges for Services	1,067,000	933,000	800,000	667,000	533,000
<b>1011 - PLD Decommissioning Reserve Fund</b>	<b>312,000</b>	<b>318,240</b>	<b>324,605</b>	<b>331,097</b>	<b>337,719</b>
Sales & Charges for Services	312,000	318,240	324,605	331,097	337,719
<b>Grand Total</b>	<b>1,912,000</b>	<b>1,718,240</b>	<b>1,524,605</b>	<b>1,331,097</b>	<b>1,137,719</b>

**CITY OF DETROIT  
BUDGET DEVELOPMENT  
FINANCIAL DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER - EXPENDITURES  
DEPARTMENT 38 - PUBLIC LIGHTING DEPARTMENT**

Department # - Department Name					
Fund # - Fund Name	FY2021	FY2022	FY2023	FY2024	FY2025
Appropriation # - Appropriation Name	Adopted	Mayor	Forecast	Forecast	Forecast
Cost Center # - Cost Center Name					
<b>38 - Public Lighting Department</b>	<b>17,449,708</b>	<b>17,452,174</b>	<b>17,453,482</b>	<b>17,462,553</b>	<b>17,471,805</b>
<b>1000 - General Fund</b>	<b>17,137,708</b>	<b>17,133,934</b>	<b>17,128,877</b>	<b>17,131,456</b>	<b>17,134,086</b>
<b>00123 - Public Lighting Administration</b>	<b>17,137,708</b>	-	-	-	-
380010 - PLD Administration	17,137,708	-	-	-	-
<b>29380 - Public Lighting - Administration</b>	-	<b>17,133,934</b>	<b>17,128,877</b>	<b>17,131,456</b>	<b>17,134,086</b>
380010 - PLD Administration	-	17,133,934	17,128,877	17,131,456	17,134,086
<b>1011 - PLD Decommissioning Reserve Fund</b>	<b>312,000</b>	<b>318,240</b>	<b>324,605</b>	<b>331,097</b>	<b>337,719</b>
<b>13947 - PLD Decommissioning Reserve</b>	<b>312,000</b>	-	-	-	-
381100 - PLD Decommissioning	312,000	-	-	-	-
<b>29381 - Public Lighting Decommissioning</b>	-	<b>318,240</b>	<b>324,605</b>	<b>331,097</b>	<b>337,719</b>
381100 - PLD Decommissioning	-	318,240	324,605	331,097	337,719
<b>Grand Total</b>	<b>17,449,708</b>	<b>17,452,174</b>	<b>17,453,482</b>	<b>17,462,553</b>	<b>17,471,805</b>

**CITY OF DETROIT  
BUDGET DEVELOPMENT  
FINANCIAL DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER - REVENUES  
DEPARTMENT 38 - PUBLIC LIGHTING DEPARTMENT**

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>38 - Public Lighting Department</b>	<b>1,912,000</b>	<b>1,718,240</b>	<b>1,524,605</b>	<b>1,331,097</b>	<b>1,137,719</b>
<b>1000 - General Fund</b>	<b>1,600,000</b>	<b>1,400,000</b>	<b>1,200,000</b>	<b>1,000,000</b>	<b>800,000</b>
<b>00123 - Public Lighting Administration</b>	<b>1,600,000</b>	-	-	-	-
380010 - PLD Administration	1,600,000	-	-	-	-
<b>29380 - Public Lighting - Administration</b>	-	<b>1,400,000</b>	<b>1,200,000</b>	<b>1,000,000</b>	<b>800,000</b>
380010 - PLD Administration	-	1,400,000	1,200,000	1,000,000	800,000
<b>1011 - PLD Decommissioning Reserve Fund</b>	<b>312,000</b>	<b>318,240</b>	<b>324,605</b>	<b>331,097</b>	<b>337,719</b>
<b>13947 - PLD Decommissioning Reserve</b>	<b>312,000</b>	-	-	-	-
381100 - PLD Decommissioning	312,000	-	-	-	-
<b>29381 - Public Lighting Decommissioning</b>	-	<b>318,240</b>	<b>324,605</b>	<b>331,097</b>	<b>337,719</b>
381100 - PLD Decommissioning	-	318,240	324,605	331,097	337,719
<b>Grand Total</b>	<b>1,912,000</b>	<b>1,718,240</b>	<b>1,524,605</b>	<b>1,331,097</b>	<b>1,137,719</b>

**CITY OF DETROIT  
BUDGET DEVELOPMENT  
POSITION DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER  
DEPARTMENT 38 - PUBLIC LIGHTING DEPARTMENT**

<b>Department # - Department Name</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>
<b>Fund # - Fund Name</b>	<b>Adopted</b>	<b>Mayor</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
<b>Appropriation # - Appropriation Name</b>					
<b>Cost Center # - Cost Center Name</b>					
<b>Job Code - Job Title</b>					
<b>38 - Public Lighting Department</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>1000 - General Fund</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>00123 - Public Lighting Administration</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>380010 - PLD Administration</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
010187 - Director of Public Lighting	1	0	0	0	0
012031 - Senior Clerk	1	0	0	0	0
193034 - Drafting Technician IV	1	0	0	0	0
739932 - Street Lighting Maintenance Foreman	1	0	0	0	0
<b>29380 - Public Lighting - Administration</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>380010 - PLD Administration</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
012031 - Senior Clerk	0	1	1	1	1
193034 - Drafting Technician IV	0	1	1	1	1
739932 - Street Lighting Maintenance Foreman	0	1	1	1	1
<b>Grand Total</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>