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TO: Conrad Mallett, Corporate Counsel
Law Department

FROM: David Whitaker, Director 
Legislative Policy Division

DATE: March 14, 2023

RE: 2023-2024 Budget Analysis

Attached is our budget analysis regarding your department's budget for the 2023-2024 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing on **Friday, March 17, 2023, at 1:00 p.m.** We would then appreciate a written response to the issues/questions at your earliest convenience before or after your budget hearing. Please forward a copy of your responses to the Council Members, the City Clerk's Office, and the Legislative Policy Division.

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
Appropriation and Cost Center Expenditures and Revenues

cc: Councilmembers
Auditor General's Office
Jay Rising, Chief Financial Officer
Tanya Stoudemire, Chief Deputy CFO-Policy & Administrative Director
Steven Watson, Deputy CFO/Budget Director
Malcolm Walker, Budget Analysis
James George, Agency CFO for Governmental Operation Departments
Malik Washington, Mayor's Office

Law Department (32)
FY 2023-24 Budget Analysis by the Legislative Policy Division

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 2024. Please provide which appropriation/cost center the new initiative/request/proposal is impacting in FY 2024.
2. The Budget Summary show 122 positions in the Law Department on February 10, 2023. This is 3 position greater than the FY 2023 adopted budgeted positions of 119. Please briefly describe the need for the additional positions.
3. Please explain why positions decrease from 119 in FY2023 to 112 in FY2024. Please explain the impact this reduction in FTEs will have on Law Department's operations in FY 2024.
4. On page B32-14, it is indicated that the Michigan Indigent Defense Commission Grant will fund the two new non-General Fund FTEs starting in FY 2024. What services will these two new positions will provide? Please explain why the Law Department's budget doesn't reflect this grant amount starting in FY 2024 and the forecast years.
5. The Mayor's FY 2024 recommended total appropriations for the Law Department is \$18.4 million a \$4.2 million decrease from the \$22.6 million in FY 2023. Questions:
 - a. On page B32-7, please explain why salaries and wages decrease by \$613,103 in FY 2024.
 - b. On page B32-7, please explain why employee benefits only decrease by \$94,000 in FY 2024 when salaries and wages are decreasing by a large amount.
 - c. On page B32-7, please explain why contractual services decrease by \$2.7 million in FY 2024.
 - d. On page B32-7, please explain why operating services decrease by \$644,783 in FY 2024.
 - e. On page B32-8, please explain why sales & charges for services revenue decreases by \$544,000 in FY 2024.
6. Please list the contracts which comprise the FY 2023 and FY 2024 professional and contractual services budgets for the Law Department. Please list the services that the professional and services contractors provide. Also, list the amount of the professional and services contracts that is expected to be expended for each contract in FY 2023.
7. What is the total number of open litigation cases against the City as of February 28, 2023 or the latest date where data is available? What is the total amount reserved for the open litigation cases?
8. Is the City settling these cases without taking them to trial? What is the Law Department's strategy to minimize large litigation payouts?

LAW (32)

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. The Law Department is headed by the Corporation Counsel, who is appointed by the Mayor with approval by City Council.

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, and is the City prosecutor on 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 provides 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.

Operating Programs and Services

The Law Department is organized in seven divisions, responsible for matters arising from discrete areas of the law. The City also engages the services of a legislative liaison in Lansing, and contracts for federal lobbyist services in Washington, D.C.

- **Appeals – Tax Appeals** handles tax appeals. Several involve many millions of dollars of tax in dispute.
- **Criminal Enforcement/Qualify of Life** engages in, both, Civil and Criminal court litigation. First, this division is responsible for filing civil public nuisance lawsuits against owners of properties that illegally operate marijuana, scrapyard and auto related establishments. In addition, at 36TH District Court, attorneys in this division handle criminal court dockets as more described fully below
- **Office of Eviction Defense** reports directly to the Corporation Counsel and Deputy Corporation Counsel and coordinates the provision of legal services to indigent occupants in residential evictions cases in the 36th District Court and in housing-related administrative proceedings which threaten occupancy. With funding from the City, the OED is charged with implementing Chapter 22, Article VII of the Detroit City Code by coordinating with local organizations with expertise to provide such legal services.

LAW (32)

- **Government Affairs (Municipal)** is responsible for the preparation of ordinances and for opinion requests made by the Mayor, City Council, and members of the City Council, City Clerk, or the head of any agency; The Municipal Section attorneys serve as General Counsel to the Board of Police Commissioners, the Board of Ethics, and the Election Commission; Processes all third-party document production subpoenas; Prepares all responses to Freedom of Information Act appeals; Reviews all criminal subpoenas prior to DPD Law preparing a response; The Law Department Liaison to City Council is also housed in the Municipal Section.
- **FOIA Division** is to ensure the City's compliance with the Freedom of Information Act (FOIA) and applicable laws. Under the Michigan FOIA statute, the public has a right to access public records to assist in their understanding of the functioning of their government. The FOIA Division facilitates these requests and works with City departments and agencies to respond to requests received. This is accomplished by obtaining responsive records, reviewing those records, and applying statutory exemptions consistent with state law and relevant case law. The records vary from simple auto accidents and contracts to complete homicide case files, as well as sensitive records. In addition to facilitating responses to requests for records, the FOIA Division also provides advice and guidance on FOIA matters, works to ensure that searches conducted are sufficient and that the documents produced are responsive. Lastly, the FOIA Division also coordinates and calculates statutory costs and fees based on information provided by responding departments.
- **Labor & Employment** section provides legal counseling and representation for nearly 100% of all employment litigation and labor relations and administrative proceedings in which the City of Detroit or its employees are a party. Specifically, these matters include, but are not limited to, union arbitration hearings, lawsuits, Civil Service Hearings; Michigan Department of Civil Rights/Equal Employment Opportunity Commissions claims (also provide advice and counsel to CRIO); Wage and Hour Complaints; MIOSHA complaints; Veteran's Preference and, Appeals. The section also responds to client inquiries, as well as, provide legal advice and counsel to client departments throughout the City of Detroit. Additionally, this section provides training to employees on the substance and implementation of state and federal laws and regulations which impact upon labor and employment relations (e.g. FMLA, ADA, FLSA etc)

LAW (32)

- **Litigation** reports directly to the Corporation Counsel and Deputy Corporation Counsel and provides direct legal counsel and litigation services to the Office of the Mayor, City Council, municipal departments, and individual municipal employees. The Litigation Division, one of the largest governmental civil litigation divisions in the State of Michigan, is charged with:
- **Transactions and Economic Development** is responsible for providing advice and counsel to City departments, agencies, and elected officials regarding transactions involving or impacting the City of Detroit. The two major areas of responsibility are real estate matters and contracts.
- **Workers' Compensation** answer and defend all Worker's Compensation lawsuits filed against the City of Detroit; Answer and defend the City of Detroit's interests in any Worker's Compensation action that names the City of Detroit; Handles all Worker's Compensation appellate matters up to and including the Michigan Supreme Court; Coordinates with the Third-Party Administrator (CompOne) regarding Worker's Compensation litigation; Provides Advice and Counsel to the Risk Management division regarding the Worker's Compensation Act; Provides Advice and Counsel to City departments regarding Worker's Compensation law and best practices in managing Worker's Compensation risk.

Other sections within these divisions include: Claims, Blight Litigation, Expungement, and Special Projects (Blight and Revitalization).

LAW (32)

Goals, Strategic Priorities and Related City Outcomes

Goals / Strategic Priorities	Timeframe	Related City Outcome
1. Maximize the level of client satisfaction with department services	July 2023 – June 2024	Effective Governance
2. Provide advice and counsel to assist the clients in achieving their business objectives with minimal legal exposure	July 2023 – June 2024	Efficient & Innovative Operations
3. Ensure staff and attorney preparedness for all legal proceedings and client contacts, demonstrating professionalism and integrity at all times	July 2023 – June 2024	Effective Governance
4. Provide necessary professional skills training to all lawyers and staff to maximize the quality and efficiency of legal services delivered	July 2023 – June 2024	Efficient & Innovative Operations
5. Provide effective legal representation and timely advice and counsel in commercial and development transactions	July 2023 – June 2024	Efficient & Innovative Operations
6. Assist with community empowerment through vigorous prosecution of crimes and blight violations pursuant to City ordinances.	July 2023 – June 2024	Safer Neighborhood
7. Defend all legal actions against the City and pursue litigation to protect the City's interests	July 2023 – June 2024	Efficient & Innovative Operations
8. Process records requests pursuant to state law	July 2023 – June 2024	Efficient & Innovative Operations
9. File affirmative litigation in Circuit Court against landowners not in compliance with the Detroit Municipal Code.	July 2023 – June 2024	Vibrant & Beautiful City
10. Capture billable time	July 2023 – June 2024	Efficient & Innovative Operations

LAW (32)

Budget By Service

Services	FY 2024 Mayor Proposed	FY 2024 Mayor Proposed FTE
Appeals	\$794,017	4.0
Blight Litigation	\$539,506	3.0
Criminal Enforcement & Quality of Life Issues	\$1,387,875	14.0
Development negotiations and contracts	\$2,153,208	14.0
Direct Support to agencies etc.	\$1,368,137	11.0
FOIA Response	\$2,042,961	18.0
Labor & Employment	\$1,563,257	10.0
Litigation & Claims	\$6,497,208	35.0
Program Management & Implementation	\$1,616,180	3.0
Public policy lobbying	\$474,000	-
Total:	\$18,436,349	112.0

Metrics and Data

Metrics	Data	Related Goal #
Blight litigation - # of hours recorded/submitted	350 hours	9
Development negotiations - # of hours recorded/submitted	4,316.5 hours	5
FOIA response - # of hours recorded/submitted	3,759 hours	8
Litigation and claims - # of hours recorded/submitted	4,945.44	7
Direct support to legislative bodies, boards, commissions, and departments/agencies - # of hours recorded/submitted	1,233	2

Department Name: Law Department

Department #: 32

Budget Summary:

	FY2022 Actual		FY2023 Adopted		FY2024 Mayor Proposed	
	General Fund	All Funds	General Fund	All Funds	General Fund	All Funds
Total Revenues	1,469,574	3,747,768	2,260,000	2,260,000	1,716,000	1,716,000
Total Expenditures	19,923,239	22,255,482	22,567,760	22,567,760	18,436,349	18,436,349
Net Tax Cost	18,453,665	18,507,714	20,307,760	20,307,760	16,720,349	16,720,349

	FY2025 Forecast		FY2026 Forecast		FY2027 Forecast	
	General Fund	All Funds	General Fund	All Funds	General Fund	All Funds
Total Revenues	1,722,103	1,722,103	1,728,312	1,728,312	1,734,626	1,734,626
Total Expenditures	18,804,092	18,804,092	19,061,900	19,061,900	19,319,817	19,319,817
Net Tax Cost	17,081,989	17,081,989	17,333,588	17,333,588	17,585,191	17,585,191

Positions (by FTE):	2/10/2023 Actual	FY2023 Adopted	FY2024 Mayor Proposed	FY2025 Forecast	FY2026 Forecast	FY2027 Forecast
General Fund	109	119	110	110	110	110
Non-General Fund	8	-	2	2	2	2
ARPA	5	-	-	-	-	-
Total Positions	122	119	112	112	112	112

**CITY OF DETROIT
BUDGET DEVELOPMENT
EXPENDITURES BY SUMMARY CATEGORY - ALL FUNDS
DEPARTMENT 32 - LAW DEPARTMENT**

Department # - Department Name Summary Category	FY2023 Adopted	FY2024 Mayor Proposed	FY2025 Forecast	FY2026 Forecast	FY2027 Forecast
32 - Law Department	22,567,760	18,436,349	18,804,092	19,061,900	19,319,817
Salaries & Wages	11,569,793	10,956,690	11,170,011	11,331,290	11,498,525
Employee Benefits	3,585,658	3,491,589	3,566,249	3,622,099	3,671,697
Professional & Contractual Services	4,632,489	1,952,782	1,991,838	2,011,757	2,031,874
Operating Supplies	327,630	227,881	232,439	234,763	237,110
Operating Services	2,433,190	1,788,407	1,824,175	1,842,417	1,860,841
Other Expenses	19,000	19,000	19,380	19,574	19,770
Grand Total	22,567,760	18,436,349	18,804,092	19,061,900	19,319,817

**CITY OF DETROIT
BUDGET DEVELOPMENT
REVENUES BY SUMMARY CATEGORY - ALL FUNDS
DEPARTMENT 32 - LAW DEPARTMENT**

Department # - Department Name Summary Category	FY2023 Adopted	FY2024 Mayor Proposed	FY2025 Forecast	FY2026 Forecast	FY2027 Forecast
32 - Law Department	2,260,000	1,716,000	1,722,103	1,728,312	1,734,626
Sales & Charges for Services	2,260,000	1,716,000	1,722,103	1,728,312	1,734,626
Grand Total	2,260,000	1,716,000	1,722,103	1,728,312	1,734,626

**CITY OF DETROIT
BUDGET DEVELOPMENT
EXPENDITURES BY SUMMARY CATEGORY - FUND DETAIL
DEPARTMENT 32 - LAW DEPARTMENT**

Department # - Department Name Fund # - Fund Name Summary Category	FY2023 Adopted	FY2024 Mayor Proposed	FY2025 Forecast	FY2026 Forecast	FY2027 Forecast
32 - Law Department	22,567,760	18,436,349	18,804,092	19,061,900	19,319,817
1000 - General Fund	22,567,760	18,436,349	18,804,092	19,061,900	19,319,817
Salaries & Wages	11,569,793	10,956,690	11,170,011	11,331,290	11,498,525
Employee Benefits	3,585,658	3,491,589	3,566,249	3,622,099	3,671,697
Professional & Contractual Services	4,632,489	1,952,782	1,991,838	2,011,757	2,031,874
Operating Supplies	327,630	227,881	232,439	234,763	237,110
Operating Services	2,433,190	1,788,407	1,824,175	1,842,417	1,860,841
Other Expenses	19,000	19,000	19,380	19,574	19,770
Grand Total	22,567,760	18,436,349	18,804,092	19,061,900	19,319,817

**CITY OF DETROIT
BUDGET DEVELOPMENT
REVENUES BY SUMMARY CATEGORY - FUND DETAIL
DEPARTMENT 32 - LAW DEPARTMENT**

Department # - Department Name Fund # - Fund Name Summary Category	FY2023 Adopted	FY2024 Mayor Proposed	FY2025 Forecast	FY2026 Forecast	FY2027 Forecast
32 - Law Department	2,260,000	1,716,000	1,722,103	1,728,312	1,734,626
1000 - General Fund	2,260,000	1,716,000	1,722,103	1,728,312	1,734,626
Sales & Charges for Services	2,260,000	1,716,000	1,722,103	1,728,312	1,734,626
Grand Total	2,260,000	1,716,000	1,722,103	1,728,312	1,734,626

**CITY OF DETROIT
BUDGET DEVELOPMENT
FINANCIAL DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER - EXPENDITURES
DEPARTMENT 32 - LAW DEPARTMENT**

Department # - Department Name					
Fund # - Fund Name	FY2023	FY2024	FY2025	FY2026	FY2027
Appropriation # - Appropriation Name	Adopted	Mayor Proposed	Forecast	Forecast	Forecast
Cost Center # - Cost Center Name					
32 - Law Department	22,567,760	18,436,349	18,804,092	19,061,900	19,319,817
1000 - General Fund	22,567,760	18,436,349	18,804,092	19,061,900	19,319,817
28320 - Effective Governance - Legislative Services	992,399	474,000	483,480	488,315	493,198
320055 - Legislative Services	992,399	474,000	483,480	488,315	493,198
29320 - Efficient and Innovative Operations Support - Law	21,575,361	17,962,349	18,320,612	18,573,585	18,826,619
320010 - Law Administration	20,913,361	17,962,349	18,320,612	18,573,585	18,826,619
320055 - Legislative Services	662,000	-	-	-	-
Grand Total	22,567,760	18,436,349	18,804,092	19,061,900	19,319,817

**CITY OF DETROIT
BUDGET DEVELOPMENT
FINANCIAL DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER - REVENUES
DEPARTMENT 32 - LAW DEPARTMENT**

Department # - Department Name					
Fund # - Fund Name	FY2023	FY2024	FY2025	FY2026	FY2027
Appropriation # - Appropriation Name	Adopted	Mayor Proposed	Forecast	Forecast	Forecast
Cost Center # - Cost Center Name					
32 - Law Department	2,260,000	1,716,000	1,722,103	1,728,312	1,734,626
1000 - General Fund	2,260,000	1,716,000	1,722,103	1,728,312	1,734,626
29320 - Efficient and Innovative Operations Support - Law	2,260,000	1,716,000	1,722,103	1,728,312	1,734,626
320010 - Law Administration	2,260,000	1,716,000	1,722,103	1,728,312	1,734,626
Grand Total	2,260,000	1,716,000	1,722,103	1,728,312	1,734,626

**CITY OF DETROIT
BUDGET DEVELOPMENT
POSITION DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER
DEPARTMENT 32 - LAW DEPARTMENT**

Department # - Department Name					
Fund # - Fund Name					
Appropriation # - Appropriation Name	FY2023	FY2024	FY2025	FY2026	FY2027
Cost Center # - Cost Center Name	Adopted	Mayor Proposed	Forecast	Forecast	Forecast
Job Code - Job Title					
32 - Law Department	119	112	112	112	112
1000 - General Fund	119	110	110	110	110
28320 - Effective Governance - Legislative Services	8	0	0	0	0
320055 - Legislative Services	8	0	0	0	0
091157.Supervising Assistant Corporation Counsel	1	0	0	0	0
13111002.Project Manager Analytics Specialist II	1	0	0	0	0
43601103.Administrative Assistant III	1	0	0	0	0
43601104.Administrative Assistant IV	2	0	0	0	0
929102.Administrative Special Services Staff II	2	0	0	0	0
929103.Administrative Special Services Staff III	1	0	0	0	0
29320 - Efficient and Innovative Operations Support - Law	111	110	110	110	110
320010 - Law Administration	111	110	110	110	110
010104.Deputy Corporation Counsel	1	1	1	1	1
010127.Corporation Counsel Election Commissioner \$II000	1	1	1	1	1
012031.Senior Clerk	2	2	2	2	2
012086.Records Manager	1	0	0	0	0
012249.Administrative Assistant - Grade II - Law	1	1	1	1	1
013325.Legal Secretary	10	10	10	10	10
013326.Senior Legal Secretary	3	3	3	3	3
013376.Executive Administrative Assistant II	1	1	1	1	1
091133.Associate Assistant Corporation Counsel	0	3	3	3	3
091142.Assistant Corporation Counsel	27	21	21	21	21
091152.Senior Assistant Corporation Counsel	28	26	26	26	26

**CITY OF DETROIT
BUDGET DEVELOPMENT
POSITION DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER
DEPARTMENT 32 - LAW DEPARTMENT**

Department # - Department Name					
Fund # - Fund Name					
Appropriation # - Appropriation Name	FY2023	FY2024	FY2025	FY2026	FY2027
Cost Center # - Cost Center Name	Adopted	Mayor Proposed	Forecast	Forecast	Forecast
Job Code - Job Title					
091157.Supervising Assistant Corporation Counsel	7	10	10	10	10
091191.Assistant Corporation Counsel Exempted	2	2	2	2	2
091192.Senior Assistant Corporation Counsel Exempted	2	3	3	3	3
091941.Legal Assistant	13	14	14	14	14
11931424.Chief of Criminal Enforcement and Quality of Life	1	1	1	1	1
13111002.Project Manager Analytics Specialist II	0	1	1	1	1
13111004.Project Manager Analytics Specialist IV	3	3	3	3	3
81012051.Head Clerk	1	1	1	1	1
929102.Administrative Special Services Staff II	1	0	0	0	0
931420.Chief Legal Counsel For Transactional and Economic	1	1	1	1	1
931421.Chief Administrative Corporation Counsel	3	3	3	3	3
931422.Chief of Staff Law	1	1	1	1	1
931423.Chief of Litigation	1	1	1	1	1
2119 - FY2020 MIDC Grants Fund	0	2	2	2	2
20777 - Michigan Indigent Defense Commission Grant	0	2	2	2	2
321111 - Law Department Grants	0	2	2	2	2
13111004.Project Manager Analytics Specialist IV	0	2	2	2	2
Grand Total	119	112	112	112	112