



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

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**To:** Mary Sheffield, President, Detroit City Council  
**From:** Steven Watson, Deputy CFO-Budget Director, Office of the Chief Financial Officer  
**Date:** June 21, 2024  
**Re:** **Request for Status Update on DPL Reduced Administrative Costs**

Please find responses below to your questions sent on June 10, 2024, regarding the reduction of the Detroit Public Library (DPL) central staff services (administrative) costs.

**1. Have the reductions been implemented?**

- a. Yes, the reductions have been implemented for the current fiscal year and for fiscal years going forward. The changes were communicated to DPL's CFO via telephone call in early April and formally communicated to Executive Director Mondowney and CFO Brown via memo on June 5, 2024.

**2. Summary of the process for reducing fees**

- a. The Office of the Controller in the OCFO is responsible for the City's Cost Allocation Plan (CAP). The cost allocation plan distributes indirect costs from the General Fund to ensure that non-general funds and component units are fairly and accurately paying for the services they receive.
- b. The Offices of the Controller and Budget examined the allocation categories for DPL and determined that some of these categories are *de minimis* and thus could be excluded from the latest revision of the CAP.

**3. Result of the Reduction**

- a. As a result of the review process, the DPL's central staff services charge was reduced from approximately \$1.2 million to \$0.7 million, a reduction of 42%.
- b. Remaining costs are attributable to services rendered to DPL by the OCFO, Human Resources payroll management, an allocation of software licensing costs for DPL's use of City of Detroit financial systems, and a portion of costs related to the Auditor General's oversight activities.

**Cc:** Honorable Detroit City Council  
Jay B. Rising, Chief Financial Officer  
Tanya Stoudemire, Chief Deputy CFO/Policy & Administration Director  
Janani Ramachandran Yates, Deputy Budget Director  
Donnie Johnson, Associate Budget Director  
Malik Washington, City Council Liaison