



LAW DEPARTMENT

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May 20, 2024

Detroit City Council
1340 Coleman A. Young
Municipal Center
Detroit, Michigan

Re: Ordinance to Provide for Proportional Funding of Oversight Agencies

Honorable City Council:

Council President Mary Sheffield has requested that the Law Department prepare an ordinance to amend Chapter 17 of the 2019 Detroit City Code, *Finance*, Article II, *Budget*, by adding, Division 4, *Oversight Funding*, to include Section 17-2-31, *Proportional Funding*, Section 17-2-32, *Adoption of Funding Formula by Resolution*, Section 17-2-33, *Appropriations*, Section 17-2-34, *Four Year Review Required; Annual Reports Required*, Section 17-2-35, *Legislative Determination*, Section 17-2-36, *Minimum Alternative Funding*, and Section 17-2-37, *Reservation of Administrative Rights*, in order to foster strong oversight by the City's oversight agencies of City of Detroit governmental units and officials. A copy of the ordinance which has been approved as to form is attached for your review and consideration.

We are available to answer any questions that you may have concerning this proposed ordinance.

Respectfully submitted,

Adam Saxby
Senior Assistant Corporation Counsel

Enclosure

cc: Malik Washington, City Council Liaison

SUMMARY

This ordinance amends Chapter 17 of the 2019 Detroit City Code, *Finance*, Article II, *Budget*, by adding, Division 4, *Oversight Funding*, to include Section 17-2-31, *Proportional Funding*, Section 17-2-32, *Adoption of Funding Formula by Resolution*, Section 17-2-33, *Appropriations*, Section 17-2-34, *Four Year Review Required; Annual Reports Required*, Section 17-2-35, *Legislative Determination*, Section 17-2-36, *Minimum Alternative Funding*, and Section 17-2-37, *Reservation of Administrative Rights*, in order to foster strong oversight by the City's oversight agencies of City of Detroit governmental units and officials.

1 **BY COUNCIL PRESIDENT MARY SHEFFIELD:**

2 **AN ORDINANCE** to amend Chapter 17 of the 2019 Detroit City Code, *Finance*, Article
3 II, *Budget*, by adding, Division 4, *Oversight Funding*, to include Section 17-2-71, *Proportional*
4 *Funding*, Section 17-2-72, *Adoption of Funding Formula by Resolution*, Section 17-2-73,
5 *Appropriations*, Section 17-2-74, *Four Year Review Required; Annual Reports Required*, Section
6 17-2-75, *Legislative Determination*, Section 17-2-76, *Minimum Alternative Funding*, and Section
7 17-2-77, *Reservation of Administrative Rights*, in order to foster strong oversight by the City’s
8 oversight agencies of City of Detroit governmental units and officials.

9 **IT IS HEREBY ORDAINED BY THE PEOPLE OF THE CITY OF DETROIT**
10 **THAT:**

11 **Section 1.** Chapter 17 of the 2019 Detroit City Code, *Finance*, Article II, be amended by
12 adding Division 4, to include Section 17-2-71, Section 17-2-72, Section 17-2-73, Section 17-2-74,
13 Section 17-2-75, Section 17-2-76, and Section 17-2-77, to read as follows:

14 **CHAPTER 17. FINANCE**

15 **ARTICLE II. BUDGETS**

16 **DIVISION 4. OVERSIGHT FUNDING**

17 **Sec. 17-2-71. Proportional Funding.**

18 Section 8-214 of the 2012 Detroit City Charter mandates that the City Council establish a
19 proportional method of funding for oversight agencies.

20 **Sec. 17-2-72. Adoption of Funding Formula by Resolution.**

21 (a) In order to ensure the proper oversight of City government and as provided for in
22 Section 8-214 of the 2012 Detroit City Charter, City Council shall adopt, by February 10, 2025, a
23 proportional funding formula by resolution which provides for a method to determine an equitable

1 amount of funds to be appropriated to each oversight agency, as defined in Section 8-214 of the
2 2012 Detroit City Charter, for necessary agency functions. The proportional funding formula
3 resolution shall include, at a minimum:

4 (1) A mathematical formula that will aid the City Council in determining a proportional
5 and equitable amount of funding for each oversight agency; and

6 (2) A proposed alternate funding formula that establishes a minimum funding threshold
7 for each oversight agency, should City Council determine that full funding is
8 outweighed by other critical needs of the City.

9 **Sec. 17-2-73. Appropriations.**

10 The City Council shall ensure that the annual budget contains proportional funding for each
11 oversight agency in an amount, at a minimum, commensurate with the most recent proportional
12 funding formula adopted through resolution by City Council.

13 **Sec. 17-2-74. Four Year Review Required; Annual Reports Required.**

14 (a) At least once every four years, the City Council shall conduct a review of the current
15 proportional funding method adopted by resolution in order to determine whether the method
16 requires any alterations.

17 (b) In order to assist City Council in the review identified in Subsection (a) of this
18 section, the oversight agencies shall submit an annual report to City Council and the Office of the
19 Chief Financial Officer at the end of every calendar year, which includes:

20 (1) How much funding was received in the prior year;

21 (2) If the funding was sufficient to ensure the proper oversight of City government;

1 (3) How the agency's operations were impacted, negatively or positively, by the funds;
2 and

3 (4) Any proposed changes to the current mathematical formula adopted by the
4 proportional funding resolution.

5 (e) For the purposes of this division, oversight agencies means the following agencies:

6 (1) Office of Inspector General;

7 (2) Auditor General;

8 (3) Ombudsperson; and

9 (4) Board of Ethics.

10 **Sec. 17-2-75. Legislative Determination.**

11 Notwithstanding anything to the contrary, the requirement for City Council to approve any
12 amount of proportional funding for the oversight agencies is contingent on the City Council's
13 determination that such an appropriation is in the best interest of the City, given the budgetary
14 condition and all other critical needs of the City for that fiscal year.

15 **Sec. 17-2-76. Minimum Alternative Funding.**

16 In the event that City Council determines that a full appropriation in accordance with the
17 most recent proportional funding method adopted by City Council is not in the best interest of the
18 City, City Council shall consider any alternative funding thresholds adopted by the most recent
19 proportional funding resolution.

1 **Sec. 17-2-77. Reservation of Administrative Rights.**

2 Nothing herein shall be construed as to require the administration to set forth or agree to
3 any specific amount of appropriations in the budget.

4 **Secs. 17-2-78 – 17-2-90. Reserved.**

5 **Section 2.** All ordinances or parts of ordinances in conflict with this ordinance are
6 repealed.

7 **Section 3.** This ordinance is hereby declared necessary for the preservation of the
8 public peace, health, safety, and welfare of the people of the City of Detroit.

9 **Section 4.** Where this ordinance is passed by a two-thirds majority of City Council
10 Members serving, it shall be given immediate effect and shall become effective upon publication
11 in accordance with Section 4-118(1) of the 2012 Detroit City Charter. Where this ordinance is
12 passed by less than two-thirds majority of City Council Members serving, it shall become effective
13 30 days after publication in accordance with Section 4-118(2) of the 2012 Detroit City Charter.

Approved as to form:



Conrad L. Mallett
Corporation Counsel