



**To:** David Whitaker, Director, Legislative Policy Division  
**From:** John W. Prymack, Detroit Public Lighting Department  
**Date:** March 20, 2025  
**Re:** Responses to 2025-2026 PLD Budget Analysis

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Please find below responses to your questions sent on March 18, 2025, regarding the Fiscal Year 2026 Proposed Budget for the Public Lighting Department.

1. Please briefly explain the department's new expense initiatives, new capital funding requests, operational reform and savings proposals, and new revenue initiatives/proposals to be implemented in FY 2026. Please provide which appropriation/cost center the new initiative/request/proposal is impacting in FY 2026.

No new expense initiatives, operational reforms/savings, or new revenue initiatives/proposals are proposed for FY 2026.

2. Please provide a status update on the decommissioning of the PLD system and the on-going sale of PLD assets. Is there a timeline for decommissioning PLD assets?
  - a. What substation sites are scheduled for sale in FY 2025? Please provide a list of how many substations have been sold to date.

All substations have been de-energized. To date, eight have been cleaned out. We are progressing at the rate of one every four to eight weeks. Other assets estimated finished in five to seven years tied to DTE's hardening program in Detroit.

Once substations have been cleaned out, they are turned over to DBA for sale. All substation sites are up for sale and the DBA is marketing the properties. To date, one has been sold.

3. On page 38-2: Goals, Strategic Priorities and Related City Outcomes- Please elaborate on
  - a. Goal#1: provide well-lit streets as defined using photometric analysis in the Lighting Plan, and how this will improve lighting throughout the City.
  - b. Goal# 3: use of collector streets.
  - c. Goal# 4: lease excess capacity to private fiber optic companies: what new activity or initiative is expected in FY 2026? How much revenue is generated annually by PLD for the lease of excess capacity to private companies? Where is this revenue recorded?

a & b. The PLA is currently upgrading the streetlights on 120 miles of highly trafficked collector corridors across the city, through uniform engineered lighting. This is being done to increase traffic, pedestrian, and community safety. These improvements will also improve reliability and create a more resilient street lighting grid. This will be done by the use of the new poles, wiring and modern lighting equipment.

c. The leasing of excess capacity relies entirely on the needs of the various cable companies. They know where conduits are and approach the City when the locations and their needs match up. PLD is passive on this revenue source. In FY24, revenue from this source was \$657,901.16 and in FY25 we have recorded \$570,248.71. The revenue is recorded in account string 1000-29380-380010-472130-000000-00000-0000-000000.

**4. On page B38-5: Briefly explain the year-over-year changes in Salary & Wages and Employee Benefits:**

**a. There is zero Salary & Wages and Employee Benefits budgeted for FY 2026- 2029. From page B38-4: The FY 2025 budget included 1-FTE (Drafting Technician IV) same as FY 2024; however, the FY Proposed 2026 Budget eliminates this position, please explain. Does the budget include contractors, if so, how many?**

**b. Per the Positions chart on page B38-4, the department has 1 vacant position as of February 5, 2025; no actual position filled. Briefly explain this vacancy.**

- a. The Drafting Technician IV has been persistently vacant with no anticipated future need for this position. The department has four contractors.
- b. See response above

**5. On page B38-7: For FY 2026:**

**a. Please explain the year-over-year decrease in Professional & Contractual Services in Fund 1000.**

**b. Please explain increase in expenditures for Professional & Contractual Services in Fund 1011.**

**c. Please explain increase in Operating Services in Fund 1000.**

**d. Please explain the year-over-year increase in Operating Supplies in Fund 1000.**

**e. Please explain decrease in Operating Supplies in Fund 1011.**

**f. The \$9.4 million budgeted for Other Expenses includes payment of Operating & Maintenance (O&M) expenses to the Public Lighting Authority (PLA). Briefly, describe the agreement between PLD and PLA to pay operating & maintenance costs. Please include the details on how this amount was calculated. PLD is required to pay operating expenses incurred under the PLA-**

**Corridor Bond Program funded with \$22M in 2024 Unlimited Tax General Obligation Bonds (UTGO). How much and where is this reimbursement to the PLA recorded since the Other Expense account declines in FY 2026?**

**g. What is the expiration date on the TMCA contract?**

- a. Decrease due to a small reduction in admin/overhead needs.
- b. Entire Fund 1011 request consolidated in Professional & Contractual Services rather than Professional & Contractual Services and Operating Supplies as in FY 2025.
- c. Increase of Utilities-Electricity driven by DTE rate increases.
- d. Increase due to funding needs for manhole & handhole cover repair.
- e. Entire Fund 1011 request consolidated in Professional & Contractual Services rather than Professional & Contractual Services and Operating Supplies as in FY 2025.
- f. The Memorandum of Understanding (MOU) between PLA and the City of Detroit stipulates the City pays \$126,250 per month for Administrative Costs. Additionally, the City pays \$9.62 per month for overhead fed and \$17.66 per month for underground fed streetlights for standard maintenance. The per streetlight amounts are based on what DTE charged for similar maintenance fees at the time the MOU was put in place December 13, 2013. No changes in rates charged to the City have occurred.
- g. The TMCA contract expired approximately two years ago.

**6. On page B38-8, please explain the year-over-year changes in revenues for Sales & Charges for Services (Fund 1011) and Revenues from Use of Assets (Fund 1000). Sales & Charges decreased by (\$300,000) and Revenues from Use of Assets decreased by (\$22,000). What is included in the Miscellaneous account budget in Fund 1000: \$92,820 in FY 2025, no budget in the FY 2026 and for FY 2027- FY 2029?**

Sales & Charges for Services in Fund 1011 revenue projections reduced due to scrap harvesting becoming more difficult as time progresses; most easily accessible scrap has been harvested with future harvesting yielding less and less. Revenues from Use of Assets in Fund 1000 reduced due to reduced collections expectations from conduit and pole attachment fees based on current and prior year actuals. The FY 2025 Miscellaneous revenue was a DTE Energy reimbursement under the EDSA which is no longer in effect.

**7. On page B38-9, please explain the \$1.43 million increase in Cost Center# 380010-PLD Administration in FY 2026.**

Increase due to additional funding needs for Utilities-Electricity driven by DTE rate increases.

**8. Page C61: PLD's General Fund FY 2026 Budget increase by \$632,607 over the FY 2025 Budget and \$118,804 less than FY 2024 Actuals. Please explain the year-over-year increase for FY 2026 followed by .2% growth for the forecast years. Please explain the one year decrease in FY 2025.**

DTE rate increases have driven increased funding needs for electricity utility costs, this, coupled with a reduction in the PLA transfer contribution, explains the funding variance between the proposed PLD General Fund budget for FY 2026 relative to FY 2025.

- 9. Page C61: PLD's Fund 1011- Appropriation 29381 - Public Lighting Decommissioning- FY 2026 Budget decrease by (\$300,000) over the FY 2025 Budget and is more than \$375,924 over FY 2024 Actuals, please explain.**

Fund 1011 reduced to balance fund with revenues. Revenue projections reduced due to scrap harvesting becoming more difficult as time progresses; most easily accessible scrap has been harvested with future harvesting yielding less and less.