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MEMORANDUM

To: Council Member Angela Whitfield-Calloway, District 2
From: John Naglick, Jr., Chief Deputy CFO/Finance Director – Controller
Donnie Johnson, Deputy Budget Director
Date: April 30, 2025
Re: **Response to Fiscal Year 2025-2026 Non-Departmental Budget Questions**

Please find below response to your questions sent on March 26, 2025, regarding the Fiscal Year 2026 Proposed Budget for Non-Departmental.

1. The capital projects fund was reduced to zero. Please explain.

The administration continues to spend down the more than \$129 million in capital funding previously allocated to Fund 4533 in prior year adopted budgets and midyear amendments. ARPA, UTGO bond issuances, and the city's Vehicle IPA agreement have also enabled the City to shift capital expenditure costs off the General Fund in recent fiscal years. The City has a full slate of capital projects in progress and will be using FY26 to continue and close out many of these projects.

2. The Eastern Market Corporation is an independent entity. Explain why the budget was reduced in this proposed budget. What programs are existing to assist Black Farmers through Eastern Market Programing? What is the dollar amount allocated for this purpose?

The reduction in the contribution to the Eastern Market Corporation is the result of one-time items from the FY25 budget dropping off. The baseline contribution to EMC has not been reduced.

The following Eastern Market programs and initiatives support Black farmers:

- USDA Local Food Purchasing Assistance Funding (administered through the Michigan Department of Education): 3-year approximately \$2M allocation (2023-2025). We have approximately \$600,000 remaining to run this program through September 15 when the program will end. The program was to be extended through 2027, but the USDA recently canceled the extension. The State of Michigan is exploring at least a non-cost extension to allow us additional time beyond September to spend the remaining \$600,000.
- Gilbert Family Foundation funding for the Shed 7 Wholesale Distribution Center project. GFF awarded Eastern Market \$1M to cover capital expenses to build out dedicated dock and refrigeration space for the shared use of Black-owned urban farmers and operational support to subsidize rent for that space. This project will start construction in July of this year and open Spring 2026.

- Several Detroit-based Black-owned farms vend at the Saturday market and participate in the “Mighty Micros” program where we offer reduced stall rental rates to local farms.

3. The Charles H. Wright Museum of African American History is an independent entity. What is the budgeted amount of the City of Detroit contribution to the museum operating expenses? What is the City of Detroit contribution to the capital improvement project.

The FY 2026 Proposed Budget provides the baseline annual contribution of \$2.6m. The Administration and Council agreed to fund an additional \$700,000 in the second FY 2025 midyear supplemental appropriation

The Administration and Council also agreed to provide \$4 Million to support capital improvement projects at the Wright, split between the second FY 2025 midyear supplemental appropriation (\$1M), the FY 2026 Adopted Budget Errata letter (\$1M), and the Administration’s FY 2026 Closing Budget Resolution (\$2M).

4. The Reparation Task Force budget amount was reduced to zero. Please explain.

The funding provided the Reparations Task Force in FY25 was a one-time allocation via the City Council’s changes in Schedule B.

5. The GOAL LINE Early Learning Program was reduced. Please explain.

The \$500,000 was a one-time allocation to GOAL Line via the City Council’s changes in Schedule B which the program used to improve the spaces in which the GOAL Line programs are housed to improve the experience of our participating children.

6. The Paul Robson Theater at the Northwest Activity Center has not had a capital improvement update in 30 years. What is the procedure for having a major survey of the facility in preparation of a capital improvement allocation of \$6 Million in about eleven months? What can be done about emergency needs of the theater?

The Construction & Demolition Department’s Capital Planning Division can review previously performed facilities assessments and determine what updates may be needed for the Northwest Activities Center including the Robson Theater.

7. ARPA funding will end in December 2026. What ARPA funding programs will need general fund support to continue beyond ARPA?

The next mayoral administration will make determinations about which ARPA programs will continue with general fund support. As we proceed to the end of the ARPA funding, the City continues to collect data on each program and its outcomes. This data will inform those future decisions.