

## DETROIT CHARTER REVISION COMMISSION

### PROPOSAL/ISSUE REVIEW SUMMARY

**ISSUE NUMBER:** GDS 5

**ISSUE CATEGORY:** Government Department & Services

**SOURCE:** Mayor, January 2010 *“Report on the Impact of the Detroit City Charter on City Service Administration”*

**RELATED CHARTER SECTIONS:** §7-102; See generally Articles 6 and 7

Bernice Leatherwood, Citizen

Letter dated 10/7/10, Submitted 10/12/10

**RELEVANT ORDINANCE SECTION:**

**RELEVANT LAW(S):**

---

**ISSUE/PROPOSAL STATEMENT:** Allow flexibility in eliminating, merging & reassigning functions of staff departments that are currently required by Charter. Generally allow this flexibility for all executive functions and operations.

**RATIONALE:** “Staff departments enjoy more protections than other city departments in that they can’t be merged with other departments and they receive appropriations for all of their duties (vs. mothballing or transferring functions). The expectation is that they are making possible all of the rest of the day-to-day operations of the city departments.

Some cities integrate all or most internal support functions into one organization with the expectation that operating agency needs will be best served through more streamlined processes. Each department poses inherent costs in the overhead of office space, an executive team, and other support staffing. Separation of similar functions – such as resource planning, or contract approvals – creates inefficiencies as well by inhibiting coordination. For example, the separation of the Budget Department from the Finance Department (a highly unusual arrangement per Appendix II) [See Appendix II below] adds steps to the contract approval process, thus making management more cumbersome.” – *Mayor’s Report on the Impact of the Detroit City Charter on City Service Administration, p. 2*

“This provision [7-102, Assignment of Authorized Functions] is so complex that it has been difficult to administer in the last decade as the city has nearly every year attempted reorganizations. Conflict over the proposed reassignment of Consumer Affairs Department staff has even led to litigation between the City Council and the Administration. The utility of such precision and intricacy in what is intended to be a guiding document is not clear. To the extent that this provision keeps the city’s organization chart large, it may represent millions of dollars in excess city expenditures for overhead and support.” — *Mayor’s Report on the Impact of the Detroit City Charter on City Service Administration, p. 2*

#### **“Findings of 2005 Benchmarking Study on Separation of Budget and Finance Departments**

- Ten of 17 municipalities studied had consolidated budget and finance functions, meaning that there is a single department performing all related responsibilities
- Only 5 of the 17 municipalities had stand-alone budget functions, and these include the nation’s three most populous cities (from 3 – 9 times the size of Detroit): New York, Los Angeles and Chicago city governments
- Two municipalities combined the budget function with other management responsibilities”  
–*Mayor’s Report on the Impact of the Detroit City Charter on City Service Administration, Appendix II, p. 8*

**ANALYSIS:**

**DISPOSITION/COMMISSION ACTION:**

**NOTES:**