



CITY OF DETROIT
MUNICIPAL PARKING DEPARTMENT
AUTO PARKING SYSTEM

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MEMORANDUM

TO: David Whitaker, Legislative Policy Division

FROM: Keith Hutchings, Director, Municipal Parking Department

John Wallace, Agency CFO

DATE: March 19, 2021

RE: MPD Answers to LPD FY22 Budget Questions

In response to questions from City Council Legislative Policy Division, Detroit Airport Department provides the following answers:

Please briefly explain the Municipal Parking Department's new expense initiatives, new capital funding requests, operational reform and savings proposals, and new revenue initiatives/proposals to be implemented in FY 2022. Please provide which appropriation/cost center the new initiative/request/proposal is impacting in FY 2022.

Answer: Parking Department does not have any new revenue, expense or capital initiatives for FY22.

According to the Office of the Chief Financial Officer (OCFO), the Municipal Parking Department had 13 vacancies through December 2020. Please indicate your number of vacancies as February 28, 2021. Please briefly describe the difficulty of filling the vacancies. Also, please briefly explain the Municipal Parking Department's strategy to fill the vacant positions or why the positions will remain vacant.

Answer: Municipal Parking had 11 vacancies as of February 28, 2021. The vacancies are related to resignations, employee deaths, and delayed hires due to decreased activity affected by the COVID-19 pandemic.

For FY 2022, Salaries and Wages will increase by \$1,534,227 (\$1,676,463 to \$3,210,690). Please briefly explain the cause for the increase.

Answer: This increase over FY 21 is primarily driven by budgeted work share savings in FY 21 of approximately \$1.6 million compared to approximately \$375,000 in FY22. The remaining is offset by planned annual pay increases.

For FY 2022, Professional and Contractual Services will decrease by \$1,077,451 (\$5,633,734 to \$4,556,283). Please briefly explain the cause for the decrease.

Answer: This decrease is primarily related to an estimated decrease in tickets to be written during the first half of FY 22 as the local and national economies continue to reopen to normal levels. Lower tickets equate to lower contractual and enforcement cost.



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For FY 2022, Operating Services will decrease by 28,525 (\$1,015,533 to \$987,008). Please briefly explain the cause for the decrease.

Answer: The 3% decrease is mainly driven by lower uniform, printing and building operating costs.

For FY 2022, Municipal Parking Department revenues will decrease by \$4,605,000 (\$21,555,000 to \$16,950,000). Please briefly explain the cause for the decrease.

Answer: This decrease for FY 22 is primarily related to the City's most recent projections from the Revenue Conference which assumes revenues will be lower during the first half of FY 22 as the local and national economies continue to reopen to normal levels.

Please briefly explain the impact the pandemic has had on the Municipal Parking Department's operations.

Answer: The COVID-19 pandemic has affected the department in three ways:

- reduced workforce
- temporary suspension of noticing and holding of hearings
- reduction of General Fund revenue

The majority of the budgeted staff, 75%, are furloughed. Both parking violation noticing and hearing activity was also temporarily suspended. Implementing safety measures facilitated the resumption of notices and hearings. General Fund revenues remain below average and are forecasted to begin to recover in the back half of FY22.

Respectfully Submitted,

Keith Hutchings, Director
Municipal Parking Department
cc. T. Stoudemire, J. Wallace