

DETROIT CHARTER REVISION COMMISSION

PROPOSAL/ISSUE REVIEW SUMMARY

ISSUE NUMBER: GOS 28

ISSUE CATEGORY: Government Operations and Structure

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

RELATED CHARTER SECTIONS: 7-1205 (Public Lighting), §7-1404 (Transportation), and §7-1504 (Water & Sewerage).

RELEVANT ORDINANCE SECTION: Part III, Ch. 56 (Utilities)

RELEVANT LAW(S): MCL 117.4f; Mich. Const. Art. VII, §§24 (Public Service Facilities) & 25 (Public Utilities; Acquisition, Franchise, Sale)

ISSUE/PROPOSAL STATEMENT: Eliminate/Evaluate limitations placed on the sale of City Assets, specifically §7-1205 (Public Lighting), §7-1404 (Transportation), and §7-1504 (Water & Sewerage).

RATIONALE: “A 3/5 vote of the people is required to “sell or in any way dispose of any property needed to continue the operation of any city owned public utility furnishing lighting” or to “grant any public utility franchise for public lighting which is not subject to revocation at the will of the city council.” The same limitations are stated for the Transportation and Detroit Water and Sewerage Departments in their respective sections.

Discussion. The mayor has stated his intent to decommission the power generation facilities managed by the Public Lighting Department, recognizing the city’s competitive disadvantage providing this type of infrastructure in the high technology age. While the value of these assets is hard to quantify, the unmet capital requirements of each are prohibitive to the city (maybe in the hundreds of millions of dollars), as is keeping up with the increasing pace of technological and management change in the area. As well, with regional development patterns in the postwar period, these types of services have become increasingly unusual to municipalities. ” - Mayor’s *Report on the Impact of the Detroit City Charter on City Service Administration*, p. 5-6.

ANALYSIS:

DISPOSITION/COMMISSION ACTION:

NOTES: