



CITY OF DETROIT 2018-2019 Budget in Brief

A Message from City of Detroit Mayor Mike Duggan

I am pleased to note that in 2018 the Financial Review Commission (FRC) voted to end active oversight of the City of Detroit. The FRC didn't go away completely, but it went into a dormancy, which means it only will still review our finances instead of having authority to approve our budgets and large contracts.



This is an important step forward for our city that would not have been possible without strong fiscal management on the part of our Office of Chief Financial Officer, department heads and our partners on City Council. Now, it is up to us all to continue this discipline to keep the FRC in dormancy.

The FY 2018 – 2019 Budget is \$2 Billion and includes \$1 Billion in the General Fund. Forty percent (40%) of this fund supports Public Health and Safety.

The Police Department's **CeaseFire Program** has been expanded from six (6) Precincts to all twelve (12) precincts. This initiative uses prevention, intervention and community-mobilization strategies to reduce crime. The capacity of the **Project Greenlight** has been increased with the addition of crime and intelligence positions at the Real Time Crime Center. Today, we have more than 400 Green Light partner businesses across our city. Just recently Chief Craig and I were pleased to announce another round of raises for our dedicated men & women in blue.

Our general fund Blight Remediation efforts continue with \$50M from unassigned fund balance. These funds will be used to enhance lead abatement, education and outreach programs; double commercial demolitions; remove debris, dead and dangerous trees and continue our graffiti removal efforts.

Our children will benefit from having more locations for recreational activities as twelve schools have become After School Fun Centers through a partnership with the City and the Detroit Public Schools Community District. Detroit youth in grades K-8 can attend and take part in activities, such as chess, board games, art-n-crafts and various athletic and educational activities.

Our jobs initiatives include providing year-round employment readiness programming for high school students connected to Grow Detroit's Young Talent program and expanded outreach for our Detroit at Work program. To help remove barriers to employment that too many face, we also are expanding our prison-based training and reentry programs, as well as our Project Clean Slate expungement initiative.

Each of these initiatives supports our guiding principle that we are building one Detroit, for all of us.

A Message from Councilmember Janeé Ayers

It is my pleasure to serve as chair of the Budget Finance and Audit Committee. The most important role of this committee is to provide proper legislative oversight while crafting policy that best exemplifies our dedication to fiscal responsibility.

In my first year as chair, many eventful moments have arisen. Specifically, our city's emergence from direct financial oversight. While this indicates we are on the pathway to success it does not mean that we are out of the woods.



Though sometimes challenging, with navigating post-bankruptcy and complete financial oversight we have been successful on many plains.

Raising the wages of the city's first responders, continued upgrades to informational technology, reinvestment in city employees through ongoing training, enhancements to public transportation and utilizing creative techniques to provide capital improvements to Rec Centers, parks and city buildings.

I believe that as our finances continue to grow and stabilize we will begin to regrow city departments, advance our delivery of city services, continue on the upward trend in response times and most importantly attract and retain the very best city employees!

Detroit's uncanny ability to handle whatever comes our way is what makes us the greatest. That is the true Spirit of Detroit!

The Budget Development Process

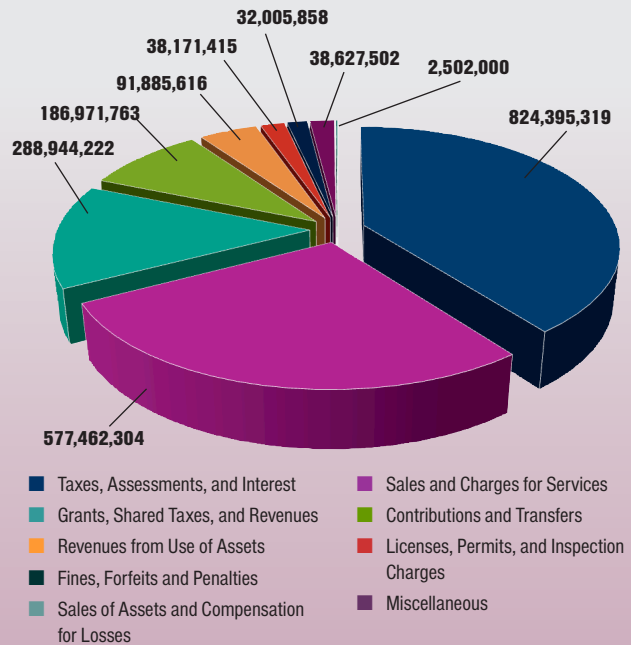
The development of the Fiscal Year (FY) 2019 Budget is the first step to ensure that funding is provided to continue investment in improved service delivery, improved operating and control systems, updated vehicle fleets, more uniform officers and neighborhood stabilization. Both the Executive and the Legislative branches of government take part in the process. The governing principle for this budget is to provide well managed services which will ensure that the City's programs are effective, efficient, and customer focused. We went out to the community and asked residents about their priorities. The budget strives to address those priorities while helping the City continue to grow and thrive. This Budget in Brief provides a snapshot.

For an in-depth look at the City's budget, visit www.detroitmi.gov

BUDGET DEVELOPMENT PROCESS

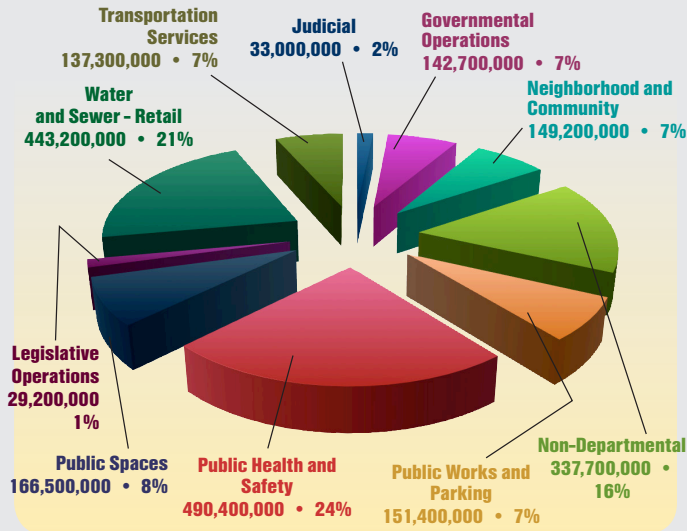
| SEPTEMBER/ OCTOBER | NOVEMBER | DECEMBER |
|---|--|--|
| Revenue Estimating Conference Budget Instructions Distributed Public Budget Hearing | Budget Requests Submitted to the Office of Budget | The Office of Budget begins to review the requests Preliminary Budget Review with CFO and Mayor |
| JANUARY | FEBRUARY | MARCH |
| CFO / Budget Director holds Budget Hearings with Departments Budget Director Submits Recommendation to the CFO | Revenue Estimates Finalized The Office of Budget Submits Budget Recommendation to Mayor Mayor Reviews Budget Recommendation Mayor Returns Budget with Revisions | Mayor, CFO and Budget Director Finalize Budget Mayor Presents Annual Budget and 4-Year Financial Plan to City Council |
| APRIL | MAY | JUNE |
| City Council Budget Hearings Held City Council Votes on Budget City Clerk Transmits Budget to Mayor Mayor May Veto City Council Changes City Council Veto Override (if applicable) The Office of Budget Transmits Annual Budget and 4-Year Financial Plan to the FRC | The Office of Budget Loads the Budget | City Council Approves Tax and Bond Statements |
| The Fiscal Year Begins (July 1st) | | |

How are you paying for my services?



| Revenue Source | Examples | \$ |
|---|---|--------|
| Taxes, Assessments and Interest | Income Taxes Property Taxes Wagering Taxes / Payments Gas & Weight Taxes | 824.4M |
| Sales and Charges for Services | Solid Waste Fees Municipal Service Fees Transportation Revenue Other Reimbursements | 577.5M |
| Grants, Shared Taxes and Revenues | Revenue Sharing Grant Reimbursements | 288.9M |
| Contributions and Transfers | General Fund Contributions | 186.9M |
| Miscellaneous | Miscellaneous Receipts | 38.6M |
| Licenses, Permits and Inspection Charges | Safety Inspection Fees Business License Fees Permit Charges Construction Inspection Fees | 38.2M |
| Fines, Forfeits and Penalties | Parking Fines Ordinance Fines Forfeits | 32.0M |
| Sales of Assets and Compensation for Losses | Sales of Real Property Sale of Equipment | 2.5M |
| Revenues from Use of Assets | Parking Facility Revenues Golf Course Concessions Airport Hangar Rental | 91.9M |
| Total Revenues: \$2.1B | | |

What is the money being used for? (Rounded)



SERVICES PROVIDED BY CATEGORY

Public Health & Safety - \$490,400,000 • 24%

Police

- Enforcement of Laws
- Criminal Investigation
- Community Policing
- Crime Prevention
- Emergency Call Center

Fire

- Fire Suppression
- Emergency Medical Services (EMS)
- Fire Investigation
- Arson Investigation
- Fire Dispatch

Board of Police Commissioners

- Supervisory Control & Oversight of the Police Department
- Establishment of Policies, Rules and Regulations (In Consultation w/ the Chief of Police & Approval of the Mayor)
- Review and Approval of the Police Department Budget
- Receive and Resolve Citizens' Complaints

Health

- Maternal – Child Health
- Immunizations, Lead, Vision and Hearing Testing
- HIV – Aids Program / Sexually Transmitted Disease Clinic
- Promotion of Health Nutrition
- Food & Environmental Health and Safety

Judicial Operations - \$33,000,000 • 2%

36th District Court

- Has Jurisdiction Over:
 - General Civil Matters
 - Landlord / Tenant Matters
 - Civil Infractions (Incl. Traffic and some Parking Violations)
 - Preliminary Examinations (Misdemeanor and Felony Offenses)

Non-Departmental - \$337,700,000 • 16%

Department Neutral Activities

- Board of Ethics
- Detroit Building Authority
- Debt Service

Neighborhood and Community - \$149,200,000 • 7%

Blight Remediation

- Returning vacant, abandoned and foreclosed property to productive use
- Maximize the use of funds by concentrating on neighborhood demolitions
- Administering the Dangerous Building process
- Issuing tickets for blighted properties
- Demolishing Residential & Commercial properties
- Securing vacant properties

Housing and Revitalization

- Identify / Promote Development
- Target Neighborhood Investment
- Allocation of HOME funds to create affordable housing
- Allocation of CDBG funds to neighborhood result driven organizations

Planning

- Provides project management for the creation of citywide plans by engaging local communities in participatory planning

Buildings, Safety Engineering and Environmental

- Business Licenses
- Construction Permits
- Zoning Permits
- Inspection Services
- Coordinates License Approvals
- Compliance Enforcement
- Field Investigations
- Show Cause Hearings

Environmental Affairs

- Develop programs that improve and protect the City's water, air and land resources.

Appeals & Hearings

- Resolve Blight Violations
- Adjudication of Municipal Violations
- Fine Collections

Library

- Provides access to collections of books, periodicals, journals, photographs, government documents and DVDs
- Provides free community information and referral service
- Provides literacy, workforce development, technology and learning support

Water & Sewer – Retail – \$443,200,000 • 21%

- Management of the City of Detroit's Local System

Public Spaces - \$166,500,000 • 8%

Recreation

Recreation Centers
Parks
Recreational Programs
Cemetery Management

General Services

Ground Maintenance for City-owned grounds, parks, vacant lots
Procurement, Maintenance and Disposal of City vehicles
Building Management and Custodial Services for City-owned facilities
Maintaining vacant lots, removal of graffiti and corridor clean-up

Public Lighting

Support the Public Lighting Authority (PLA) as it upgrades the City's street light system
Provide reliable power to customers and assist with converting customers to DTE's system

Governmental Operations - \$142,700,000 • 7%

Mayor's Office

Chief Executive Officer
Development of Key Initiatives for the City of Detroit
Office of Homeland Security
Executive and Administrative authority for the implementation of programs, services and activities

Department of Innovation & Technology (DoIT)

IT and Consulting Services
Information Management
Application Development
System Maintenance
Data Security
Technology Acquisition
Telecommunications

Law Department

Legal Counsel for the City of Detroit
Ordinance Preparation
Preparation of Legal Opinions
Charter Compliance Enforcement
Contract Review
Advise on Liability Reduction Strategies

Human Resources

Employee Services
Recruitment Planning
Employee Development
Job Classification / Compensation
Labor Relations
Benefits Administration

Office of the CFO

Property Assessment
Budget Development & Execution
Contracting and Procurement
Financial Reporting
Departmental Financial Services
Financial Planning & Analysis
Grants Management
Tax Collection & Recording

Civil Rights, Inclusion & Opportunity

Inv. of Discriminatory Complaints
Business Certification:
Detroit Headquartered
Detroit Based
Small Business
Women and Minority Owned

Public Works/Parking - \$151,400,000 • 7%

Public Works

Waste Collection & Disposal
Street:
Construction
Maintenance
Resurfacing
Cleaning
Snow Removal
Street Signs, Markings and Signals
General Inspection

Municipal Parking

Parking Enforcement
Parking Ticket Processing
Parking Fine Collections
Operation & Maintenance of On- and Off-Street Parking

Legislative Operations - \$29,200,000 • 1%

City Council

Accountable for the Legislative Branch of Government
Enactment & Amendment of Laws
Budget Approval & Monitoring
Contract Approval & Monitoring
Approval of Settlements

City Clerk

Chairs the Election Commission
Maintains Public Records
Certifies Official Documents
Administers Oaths of Office

Elections

Administer Elections / Maintain Voter Registration Records
Maintain Voting Equipment / Voter Education
Poll Worker Recruitment

Auditor General

Conducts Independent Financial, Performance & Operational Audits
Analysis of the Mayor's Proposed Budget.

Inspector General

Conducts investigations to detect and prevent waste, abuse, fraud and corruption by any public servant, city agency, program or official act, contractor and subcontractor, business entity seeking contracts and persons seeking certification of eligibility for participation in any City program

Ombudsman

Receive, investigate, mediate and resolve citizen complaints against city government
Review investigations and hearings conducted by other city departments
Provide information, referrals, assistance and recommendations

Zoning Appeals

Conducts investigations and hearings regarding variances, exceptions or modifications of approved regulated uses of land

Transportation Services - \$137,300,000 • 7%

Department of Transportation

Public Transit Services

Airport

Airport Operations

Terminal & Hangar Management

Budget Overview

The development of the City's budget includes the analysis of historical data, current financial & budgetary data and the use of economic data to develop forecasts for future years.

2018-2019 BUDGET BY CATEGORY

| Budget Category | Budgeted Amount |
|--|-----------------|
| Salaries and Wages | \$586.7M |
| Employee Benefits | 249.6M |
| Professional and Contractual Services | 147.9M |
| Operating Supplies | 98.7M |
| Operating Services | 157.2M |
| Equipment Acquisition | 10.1M |
| Capital Outlays | 26.7M |
| Fixed Charges | 131.5M |
| Other Expenses | 572.7M |
| Sub-Total Expenditures | \$2.0B |
| <i>Surplus Funded Expenditures:</i> | |
| Blight Reduction | 45.2M |
| Capital Projects | 52.2M |
| Other One-Time Projects | 2.6M |
| Total Surplus Funded Expenditures | 100.0M |
| Total Expenditures | \$2.1B |

BUDGETED POSITIONS BY DEPARTMENT

(As Adopted 7/01/18)

Public Health & Safety

| Department | Pos. # |
|-------------------------------|--------|
| Police | 3,287 |
| Fire | 1,274 |
| Board of Police Commissioners | 35 |
| Health | 119 |

Judicial Operations

| Department | Pos. # |
|---------------------|--------|
| 36th District Court | 326 |

Non-Departmental

| Department | Pos. # |
|------------|--------|
| Various | 103 |

Neighborhood and Community

| Department | Pos. # |
|--|--------|
| Housing & Revitalization | 85 |
| Planning | 41 |
| Buildings, Safety Eng. and Environmental | 242 |
| Environmental Affairs & Enforcement | 38 |
| Appeals & Hearings | 7 |
| Library | 322 |

Water & Sewerage Retail

| Department | Pos. # |
|---------------|--------|
| DWSD - Retail | 618 |

Public Spaces

| Department | Pos. # |
|------------------|--------|
| General Services | 876 |
| Public Lighting | 5 |

Governmental Operations

| Department | Pos. # |
|---|--------|
| Mayor's Office | 79 |
| Dept. of Innovation & Technology | 136 |
| Law Department | 120 |
| Human Resources | 106 |
| Office of the CFO | 479 |
| Civil Rights, Inclusion and Opportunity | 18 |

BUDGETED POSITIONS BY DEPARTMENT Cont.
(As Adopted 7/01/18)

Public Works / Parking

| Department | Pos. # |
|-------------------|--------|
| Public Works | 438 |
| Municipal Parking | 90 |

Legislative Operations

| Department | Pos. # |
|-------------------|--------|
| City Council | 73 |
| City Clerk | 20 |
| Elections | 108 |
| Auditor General | 15 |
| Inspector General | 10 |
| Ombudsman | 8 |
| Zoning Appeals | 5 |

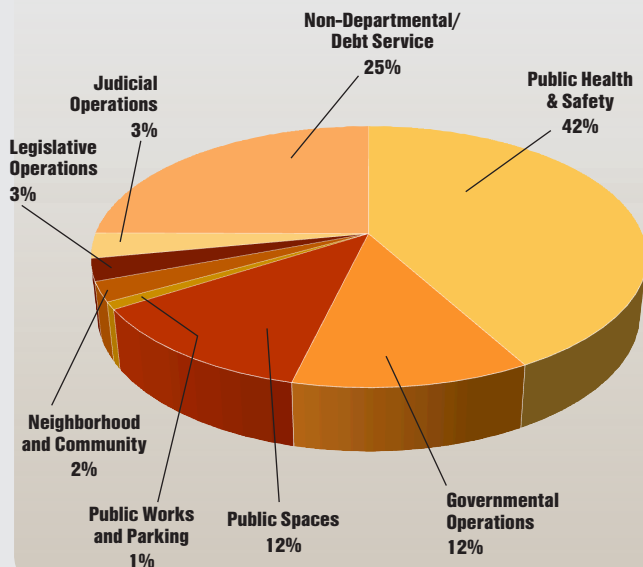
Transportation Services

| Department | Pos. # |
|----------------|--------|
| Transportation | 927 |
| Airport | 4 |

**City of Detroit:
2018-2019 General Fund Budget**

Where does it go?

Total Expenditures: \$1.07B



DID YOU KNOW THAT...?

September 2018 marked the 60th anniversary of the **Spirit of Detroit**? The 26 foot tall bronze sculpture was dedicated in September in 1958.

The administration and functions of the former Recreation Department have been transferred to the **General Services Department**. Recreation is now a division of GSD.

Sunday hours are back at your **Detroit Public Library**. The Main Library and two (2) branches, the Redford Branch and the Wilder Branch, will open on Sundays between October and May.

DETROIT CITY COUNCIL

Brenda Jones, *President*
Mary Sheffield, *President Pro Tem*

Janeé Ayers
Scott Benson
Raquel Castañeda-López
Gabe Leland
Roy McCalister
Andre L. Spivey
James Tate



I've heard Detroit is “doing development differently”... What does that mean?

THE FUTURE OF DETROIT NEIGHBORHOODS: ONE DETROIT. FOR ALL OF US.

The City of Detroit and partners are bringing a proven model of economic growth and affordable housing preservation and development to support Detroit’s neighborhoods. This work is built off of the approach and lessons learned in Greater Downtown, as well as a pilot of three initial neighborhoods, and has two arms: the Strategic Neighborhood Fund, and the Affordable Housing Leverage Fund.

STRATEGIC NEIGHBORHOOD FUND – Starting in three neighborhoods, we developed a comprehensive investment model that achieves growth through a combination of infrastructure investments and support for catalytic real estate projects. The fund will now expand into an additional seven neighborhoods with \$130M for five types of investments:

1. Community engagement and planning with the neighborhoods: \$3M total, fully funded
2. Streetscapes: \$49M total, fully funded
3. Park improvements: \$21M total, \$14M philanthropic need
4. Single-family home rehabilitation: \$7M total, \$7M philanthropic need
5. Mixed-use / Multifamily: \$50M total, \$35M philanthropic need

The \$130M fund is expected to leverage an additional \$113M in developer equity and debt for a total of \$243M in investment across the target neighborhoods.



What is the AFFORDABLE HOUSING LEVERAGE FUND (AHLF)?

Preserving and creating affordable housing is essential to achieving inclusive growth. The Affordable Housing Leverage Fund is a tool to protect existing residents and ensure mixed-income neighborhoods for all Detroiters. AHLF's goals over the next five years are:

1. Preserve the affordability of 10,000 units that are currently at risk
2. Produce 2,000 new affordable units, or 20% of the overall development pipeline

The \$250M fund is expected to leverage \$515M in equity, debt and Tax Credits—for a total of \$765M in projects across the whole city, not just in target neighborhoods.

