**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.

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**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

<table>
<thead>
<tr>
<th>SEPTEMBER/OCTOBER</th>
<th>NOVEMBER</th>
<th>DECEMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Estimating Conference</td>
<td>Budget Requests Submitted to the Office of Budget</td>
<td>The Office of Budget begins to review the requests</td>
</tr>
<tr>
<td>Budget Instructions Distributed</td>
<td>Preliminary Budget Review with CFO and Mayor</td>
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<tr>
<td>Public Budget Hearing</td>
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<thead>
<tr>
<th>JANUARY</th>
<th>FEBRUARY</th>
<th>MARCH</th>
</tr>
</thead>
<tbody>
<tr>
<td>CFO / Budget Director holds Budget Hearings with Departments</td>
<td>Revenue Estimates Finalized</td>
<td>Mayor, CFO and Budget Director Finalize Budget Mayor Presents Annual Budget and 4-Year Financial Plan to City Council</td>
</tr>
<tr>
<td>Budget Director Submits Recommendation to the CFO</td>
<td>The Office of Budget Submits Budget Recommendation to Mayor</td>
<td>Mayor Reviews Budget Recommendation Mayor Returns Budget with Revisions</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>APRIL</th>
<th>MAY</th>
<th>JUNE</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Council Budget Hearings Held</td>
<td>The Office of Budget Loads the Budget</td>
<td>City Council Approves Tax and Bond Statements</td>
</tr>
<tr>
<td>City Council Votes on Budget</td>
<td>City Clerk Transmits Budget to Mayor</td>
<td></td>
</tr>
<tr>
<td>Mayor May Veto City Council Changes</td>
<td>Mayor Returns Budget with Revisions</td>
<td></td>
</tr>
<tr>
<td>City Council Veto Override (if applicable)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Office of Budget Transmits Annual Budget and 4-Year Financial Plan to the FRC</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The Fiscal Year Begins (July 1st)

How are you paying for my services?

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

Total Revenues: $2.1B
What is the money being used for? (Rounded)

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

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)
**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

**Civil Rights, Inclusion & Opportunity**
- Inv. of Discriminatory Complaints
- Business Certification:
  - Detroit Headquartered
  - Detroit Based
  - Small Business
  - Women and Minority Owned

**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

**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
- Administrates 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 medications 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

<table>
<thead>
<tr>
<th>Budget Category</th>
<th>Budgeted Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Wages</td>
<td>$586.7M</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>249.6M</td>
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<tr>
<td>Professional and Contractual Services</td>
<td>147.9M</td>
</tr>
<tr>
<td>Operating Supplies</td>
<td>98.7M</td>
</tr>
<tr>
<td>Operating Services</td>
<td>157.2M</td>
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<tr>
<td>Equipment Acquisition</td>
<td>10.1M</td>
</tr>
<tr>
<td>Capital Outlays</td>
<td>26.7M</td>
</tr>
<tr>
<td>Fixed Charges</td>
<td>131.5M</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>572.7M</td>
</tr>
<tr>
<td><strong>Sub-Total Expenditures</strong></td>
<td><strong>$2.0B</strong></td>
</tr>
</tbody>
</table>

Surplus Funded Expenditures:

- 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

<table>
<thead>
<tr>
<th>Department</th>
<th>Pos. #</th>
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<tbody>
<tr>
<td>Police</td>
<td>3,287</td>
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<tr>
<td>Fire</td>
<td>1,274</td>
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<tr>
<td>Board of Police Commissioners</td>
<td>35</td>
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<tr>
<td>Health</td>
<td>119</td>
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Judicial Operations

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<thead>
<tr>
<th>Department</th>
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<tbody>
<tr>
<td>36th District Court</td>
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Non-Departmental

<table>
<thead>
<tr>
<th>Department</th>
<th>Pos. #</th>
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<tbody>
<tr>
<td>Various</td>
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Neighborhood and Community

<table>
<thead>
<tr>
<th>Department</th>
<th>Pos. #</th>
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<tbody>
<tr>
<td>Housing &amp; Revitalization</td>
<td>85</td>
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<tr>
<td>Planning</td>
<td>41</td>
</tr>
<tr>
<td>Buildings, Safety Eng. and Environmental</td>
<td>242</td>
</tr>
<tr>
<td>Environmental Affairs &amp; Enforcement</td>
<td>38</td>
</tr>
<tr>
<td>Appeals &amp; Hearings</td>
<td>7</td>
</tr>
<tr>
<td>Library</td>
<td>322</td>
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Water & Sewerage Retail

<table>
<thead>
<tr>
<th>Department</th>
<th>Pos. #</th>
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<tbody>
<tr>
<td>DWSD - Retail</td>
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Public Spaces

<table>
<thead>
<tr>
<th>Department</th>
<th>Pos. #</th>
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<tbody>
<tr>
<td>General Services</td>
<td>870</td>
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<tr>
<td>Public Lighting</td>
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Governmental Operations

<table>
<thead>
<tr>
<th>Department</th>
<th>Pos. #</th>
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<tbody>
<tr>
<td>Mayor’s Office</td>
<td>79</td>
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<tr>
<td>Dept. of Innovation &amp; Technology</td>
<td>136</td>
</tr>
<tr>
<td>Law Department</td>
<td>120</td>
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<tr>
<td>Human Resources</td>
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<tr>
<td>Office of the CFO</td>
<td>479</td>
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<tr>
<td>Civil Rights, Inclusion and Opportunity</td>
<td>18</td>
</tr>
</tbody>
</table>
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.
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 ensures mixed-income neighborhoods for all Detroiter. 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.