

**COUNCIL PRESIDENT BRENDA JONES STATEMENT ON THE CITY OF DETROIT  
FISCAL YEAR 2020/2021 BUDGET AS APPROVED BY THE DETROIT CITY COUNCIL**

**(Detroit, MI – May 5, 2020)** On March 9, 2020, when the Detroit City Council held our first budget hearing for the upcoming fiscal year, NO ONE anticipated that it would be a shortened budget review cycle and we would conduct official business from our homes. But, Detroiters have the resiliency to overcome the impact of the COVID-19 pandemic on our way of life. This is our current reality as the Detroit City Council continues to fulfill our Charter-mandated duty of approving the budget. As the Detroit City Council President, I had the responsibility to lead the City Council into a new digital reality as a result of these extremely challenging times.

Council began the budget process almost two months ago and we were scheduled to have 43 hearings for a budget totaling \$2.3B. When Governor Whitmer issued her Stay Home, Stay Safe Executive Order (E.O.), Council briefly recessed its budget process to abide by the E.O.'s instructions. Governor Whitmer then issued another E.O. that allowed public bodies to meet virtually without violating the Open Meetings Act. I immediately began working with my staff, the City Clerk's Office, the Media Services Department and the Department of Information Technology to find the best way for City Council to resume its budget meetings and other meetings that would allow transparency and public engagement. Detroit City Council conducted its first digital meeting on March 24, 2020. Then, on April 27, we not only held the first of six digital Executive Budget Sessions to establish the budget we approved today, we also began to address an estimated \$194M COVID-19 related FY 2021 shortfall.

This truncated budget process could not have happened without the outstanding hard work of the Detroit City Council Virtual Operations Team. I also commend my City Council colleagues, the Administration, the City Clerk's Office, the Legislative Policy Division, the Media Services Department, the Department of Information Technology, and my staff.

With the advent of the 2021 budget process, there were several new initiatives I prioritized to provide increased funding to target Detroit small business development and support; encourage Detroit contractors to hire Detroit residents; and enhance opportunities for Detroiters in skilled trades. I am very pleased that some of these priorities are included in the final budget.

I also believe it is very important to note that Council had a strong community engagement component included in the Administration's closing resolution related to Outcome Based Budgeting, a process that ties allocations to results. As your two at-large Council representatives, Member Ayers and I have conducted a Community Budget Survey process with an in-person community feedback meeting for the past couple of years. We are fully aware of the importance of community involvement in the before, during and after the budget development process. As such, I have sponsored the Community Engagement Ordinance and Engagement Policy, of which some components were utilized to set standards for the budget. I look forward to the passage of my Community Engagement Ordinance that will further enhance City of Detroit engagement standards by creating a long-term policy to outlast any City Council or Administration. This will ensure that residents in the City of Detroit are heard and considered in crucial actions impacting their neighborhoods, communities and quality of life.

In 2019, the City of Detroit spent \$691M on the procurement of goods and services. However, a number of those contractors have few (or no) Detroiters employed to perform those contracts. Furthermore, several industries, such as the vehicle maintenance and repair industry, have a lack of Detroit contractors and employees. As we prepare to regain economic stability and achieve sustainability post COVID-19, it is imperative that the City of Detroit embraces and embodies every opportunity to be a consistent source of economic empowerment for residents through small business development, contracting and employment opportunities.

However, due to a lack of adequate resources to assess, manage and increase the number of Detroit residents employed on City of Detroit contracts, a comprehensive report is not able to be completed. This is necessary in order to evaluate what industries the City of Detroit should invest workforce development dollars, small business grant funding and targeted business outreach.

Furthermore, the collaborative effort between the Office of Contracting and Procurement (OCP), Civil Rights, Inclusion and Opportunity Department (CRIO) and Workforce Development needs improvement to evaluate contractor employment dynamics. Training programs, vigorous outreach and employment strategies are required to ensure that residents are prepared for contract opportunities. This condition also hinders the city from guaranteeing that contractors are aware of how to access and hire qualified Detroiters to perform services on City of Detroit contracts.

City of Detroit contracts are a beneficial mechanism to achieve economic equity and facilitate opportunities for Detroit residents. Following two years of rigorous community engagement, supported by the Detroit Supply Schedule Ordinance, we found that many businesses desiring to provide City of Detroit contractual services have unique barriers, including access to funding for business startup costs. That is why it is prudent for the city to invest in preparing Detroit workers and businesses so that they are primed to take advantage of opportunities as they become available. The city's continued need for janitorial services, ground maintenance and other recurring services can provide opportunities to hire Detroit residents and engage Detroit businesses. This should ultimately result in greater investment into services that improve neighborhoods, such as public safety, clean streets, and other defined community priorities.

Therefore, I urge the Administration to implement a targeted business, employment and development plan that consists of the following:

- The formation of a Housing and Revitalization Department (HRD) program to set aside at least twenty-five percent (25%) of Motor City Match award dollars for investment into businesses that can perform City of Detroit contractual services to ensure Detroit businesses have access to capital.
- The creation of a city-wide contractual assessment by the Office of the Chief Financial Officer (OCFO), and the OCP of (1) the number of Detroiters employed by each contractor; (2) which services lack Detroit-resident employment; (3) the number of Detroit-Based and Detroit-Headquartered businesses within the City of Detroit; and (4) which services lack Detroit business representation.

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- A collaboration between the OCFO, OCP, CRIO and the Office of Workforce Development to develop a strategy, program and metrics geared towards tracking and monitoring the number of Detroit residents employed on City of Detroit Contracts; determining training and employment needs to prepare residents for employment on these contracts; and planning and hosting community engagement/outreach fairs with City of Detroit contractors that have less than 51% Detroit residents employed on their city contracts. This should be done to ensure that Detroit residents are trained, prepared, and have access to employment on all City of Detroit contracts.

As we move forward, I will continue a weekly contract assessment to review the number of Detroiters employed by companies receiving city contracts; in what industries we are lacking qualified Detroiters; how the Detroit Employment Solutions Corporation (DESC) achieve greater alignment of their training efforts to employers' needs; and target grant funding to achieve these goals in order to hold the city departments and contractors accountable for the expenditure of taxpayers' dollars. I also am working on various Procurement Ordinance Amendments to support targeted business, employment and development, while also ensuring that Detroit Headquartered businesses that hire Detroiters are given first priority for the receipt of City of Detroit contracts.

Sustained employment of Detroiters remains my focal point. Therefore, in collaboration with CRIO, \$340,000 has been allocated to the Skilled Trades Readiness Fund. This will continue to assist residents interested in the skilled trades and make sure they are able to receive support to remove some of the most common barriers to employment such as: basic skills training, child care costs, and access to affordable transportation.

As a result of complaints from the Detroit Towing Association, the Detroit City Council advocated for an agreement between the Detroit Towing Association and the Detroit Police Department in order to safeguard the quality of life and financial opportunities for our small businesses in the tow industry. Although there are still concerns, there was an agreement that was reached between both entities to ensure that only twenty-five percent (25%) of all police authorized tows are done by the Detroit Police Department. I urge the Detroit Police Department to continue to work with Detroit Towing Associations that represents small businesses that continue to employ City of Detroit residents.

I began by referencing the unique circumstances we find ourselves in at this time and the unexpected \$194M shortfall we are facing. This has required numerous city departments to experience cuts to their originally requested or proposed budgets. This also has required our employees to be furloughed or temporarily laid-off. To that end, while I recognize the importance of the Constitutionally-mandated work of the Detroit Charter Commission and did not vote to reduce their budget, I do understand we all must sacrifice for the good of the whole. My colleagues and I have ensured that if additional funds are needed, the Charter Commission has the ability to request a budget amendment in order to ensure they are able to carry out the duties the residents of the City of Detroit elected them to uphold.

To our retirees, I will continue to fight to ensure that your pensions are funded. Although, because of constraints, there was no supplemental \$20M deposit into the Retiree Investment Protection Fund, the City of Detroit still will invest the scheduled \$50M into the Retiree Investment Protection Fund. I will continue to work with Mayor Duggan and the Chief Financial Officer, Dave Massaron, to ensure that the City of Detroit is able to pay pensions in the future.

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To our City of Detroit employees that have been hardest hit by this pandemic, I stand by you, with you and for you. You are valued, appreciated and resilient. We know that there is now a new normal and the past is far behind us. However, as we continue to see a decrease in COVID-19 cases and an increase in testing capability, I am optimistic that we will gradually transition back into City operations in the near future. Your safety is my highest priority and I am currently working on an emergency ordinance establishing COVID-19 and other infectious disease prevention policies within the City of Detroit.

Although, crucial budget initiatives were not able to be met, such as funding the target business and employment development and the supplemental \$20M investment into the Retiree Investment Protection Fund, I believe the budget we approved today is fiscally responsible and demonstrates our optimism that this current COVID-19 related situation will be resolved. I look forward to the passage of additional Cares Act Funding to support state and local governments impacted by COVID-19. I want everyone in Detroit to know that this will not beat us. As a result of the leadership of our Governor, our Mayor, myself and my colleagues, and the tremendous sacrifice of our medical professionals, first responders and other essential workers, we have been able to set national standards on battling COVID-19, although it is my belief that we have other objectives to accomplish, such as the implementation of city-wide testing plan for all Detroiters including but not limited testing centers throughout the districts and/or a mobile hot spot testing unit. In true Detroit fashion, we will rise triumphant to tell the story of how Detroiters' strength, passion and prayers overcame the greatest pandemic of our time.

God Bless,

A handwritten signature in black ink, reading "Brenda Jones". The signature is fluid and cursive, with the first name "Brenda" being more prominent than the last name "Jones".

Brenda Jones

**Your Detroit City Council President**