



# CITY OF DETROIT 2019-2020 Budget In Brief

## A Message from City of Detroit Mayor Mike Duggan



In this first budget enacted since being released from active state financial oversight, I am proud to share that we as a city are investing in Detroiters today, and saving for Detroit's future.

Today we are investing more in public safety and job training. We are supporting more affordable housing and park renovations while continuing

our neighborhood blight removal efforts that already have brought the removal of 18,000 dangerous vacant buildings.

Although federal Hardest Hit Fund (HHF) funds demolition will be exhausted next year, the City will continue to eliminate blight to support property values and neighborhood development. This budget increases funding for demolition of blighted houses and commercial structures aligned with the Plan of Adjustment.

This budget adds 30 police detective positions and funds the first of what will be hundreds of traffic monitoring cameras that also can provide police investigators with still images that may be of value to police in ongoing criminal investigations, pending approval by the Board of Police Commissioners and City Council.

Meanwhile, we also are planning for our city's future. With this budget, we nearly double our Rainy Day Fund so that we won't need to cut police officers and firefighters in a possible economic downturn. We are putting money into the Retiree Protection Fund to pay the pension spike in 2024. I thank the City Council for their collaboration in setting this fiscally sustainable course for the city.

In addition to helping pay for the land acquisition for the expanded FCA plant and the 5,000 new jobs it will bring to our city, this budget funds a new pilot program at Detroit Employment Solutions Corporation (DESC) called BOOST to address the gap between residents' educational level, skills, experience and job requirements. At the Civil Rights, Inclusion & Opportunity (CRIO) Department, the City will add inspectors primarily focused on monitoring policies to grow Detroit jobs.

Of course, as Detroit comes back, we have to make sure

the residents who stayed here can still afford to live here. That's why we have made affordable housing a budget priority. Through the Affordable Housing Leverage Fund and investments in this budget, we are helping residents stay in their homes and encouraging mixed-income neighborhoods. To support single-family housing, this budget includes 0% loans – matched by philanthropy, conventional senior home repair, and lead remediation funding that leverages state and federal grants.

## A Message from Councilmember Janeé Ayers



This term, I have the privilege of chairing what I believe is the most important sub-committee of Detroit City Council, the Budget, Finance and Audit Committee. I take this duty very seriously, as in everything I do, strive to find a balance between building a vibrant city for today and building financial stability for tomorrow.

This year, we've accomplished much to achieve that balance. The City is starting to make large investments in long neglected assets and infrastructure. We passed a comprehensive Capital Agenda that includes renovations to our City Airport, fire houses, recreation centers and more. While bettering our City, we've also been able to better our finances with our 4th straight year of balanced budgets. With this balanced budget comes a large contribution to our rainy day fund and continued early debt payments that have reduced the City's debt enough to allow for the possibility of new bonds, if that's what our residents choose to do.

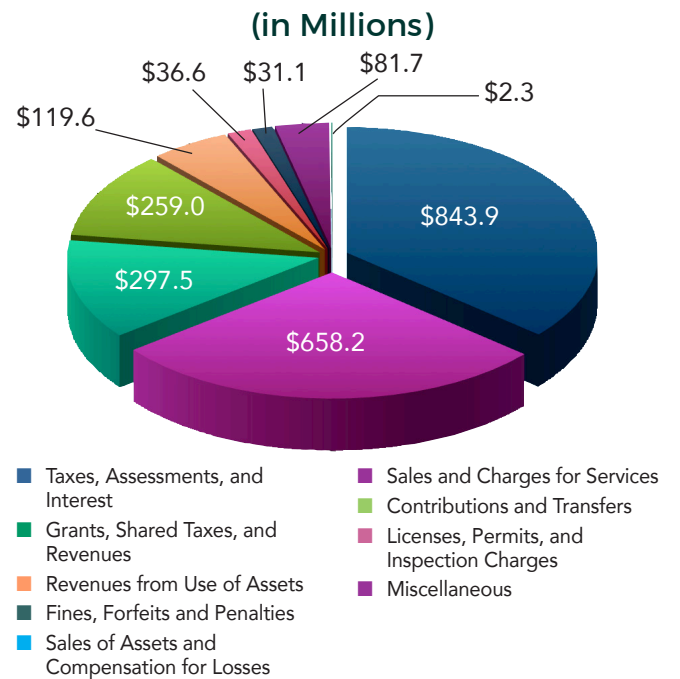
With the beginning of the new fiscal year, I am both reflecting on the City's financial progress and looking to the future. It is truly a testament to the financial health of Detroit when we can simultaneously build a robust rainy day fund, pay down our debt early and make all the great investments towards our assets and infrastructure that you have been seeing and will continue to see and I am honored to play a role in this improvement. As both a public servant and a lifelong Detroiters, I'm proud of our City's progress and excited to see us continue to grow and improve.



The development of the Fiscal Year (FY) 2020 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 uniformed 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 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](http://www.detroitmi.gov)

**How are you paying for my services?**



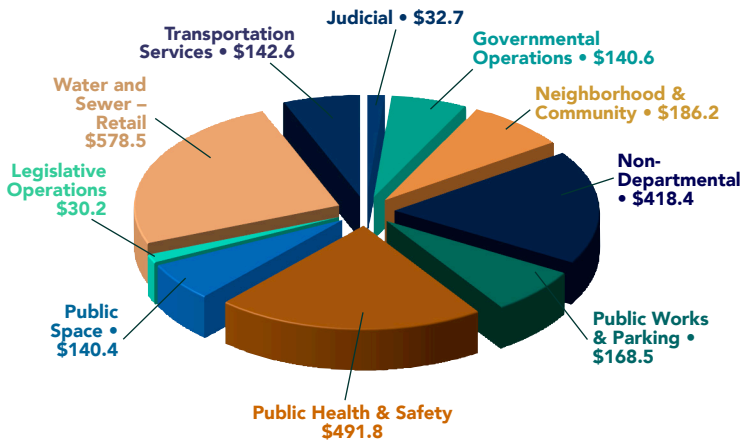
BUDGET DEVELOPMENT PROCESS		
<b>SEPTEMBER</b> Revenue Estimating Conference	<b>OCTOBER</b> Budget Instructions Sent to Departments  Public Budget Meeting Held	<b>NOVEMBER</b> Budget Requests Submitted to the OCFO – Office of Budget (OB)  OB Begins Review of Submissions
<b>DECEMBER</b> OB Analyzes and Prepares Preliminary Budget Overview for Mayor and CFO to Review	<b>JANUARY</b> CFO and Budget Director Hold Budget Hearings with Departments  Budget Director Submits Recommendation to CFO	<b>FEBRUARY</b> Revenue Estimates Finalized  OB Submits Budget to Mayor  Mayor Returns Budget with Revisions
<b>MARCH</b> Mayor Receives Four-Year Financial Plan  Mayor's Budget Address	<b>APRIL</b> Public Hearing on Budget  City Council Votes on Budget  City Clerk Transmits Budget to Mayor  Mayor Approval or Veto of Budget  City Council Veto Override (if applicable)  Four-Year Financial Plan Transmitted to FRC	<b>MAY</b> OB Loads the Adopted Budget   <b>JUNE</b> City Council Approves Tax and Bond Statements
<b>THE FISCAL YEAR BEGINS JULY 1st</b>		

REVENUE SOURCE	EXAMPLES	\$ in Millions
Taxes, Assessment and Interest	Income Taxes Property Taxes Wagering Taxes Gas & Weight Taxes	843.9M
Sales and Charges for Services	Solid Waste Fees Municipal Service Fees Transportation Fares Other Reimbursements	658.2M
Grants, Shared Taxes and Revenues	Revenue Sharing Grant Reimbursements	297.5M
Contributions and Transfers	General Fund Contributions Use of Fund Balance	259.0M
Miscellaneous	Water & Sewerage Bonds DIA & Foundation Support	81.7M
Licenses, Permits and Inspection Charges	Safety Inspection Fees Business License Fees Permit Charges Construction Inspection Fees	36.6M
Fines, Forfeits and Penalties	Parking Fines Ordinance Fines Forfeits	31.1M
Sales of Assets and Compensation for Losses	Sales of Real Property Sale of Equipment	2.3M
Revenues from Use of Assets	Parking Facility Revenues Golf Course Concessions Airport Hangar Rental	119.6M

**Total Revenues: \$2.3B**



**What is the money being used for?**  
(in Millions)



**SERVICES PROVIDED BY CATEGORY**

**Public Health & Safety • \$491.8M / 21%**

**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 Request
- 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 • \$32.7M / 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 • \$418.4M / 18%**

- Legacy Pensions
- Retiree Protection Fund
- Board of Ethics
- Detroit Building Authority
- Debt Service

**Neighborhood and Community • \$186.2M / 8%**

**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 and 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 • \$578.5M / 25%

Management of the City of Detroit's Local System

## Public Space • \$140.4M / 6%

### Parks and Recreation

Recreation Centers  
Parks  
Recreational Programs  
Cemetery Management

### General Services

Ground Maintenance for City owned grounds, parks and 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  
Oversee the transition and decommissioning the of PLD grid to DTE

## Governmental Operations • \$140.6M / 6%

### 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 and Monitoring  
Contracting and Procurement  
Financial Reporting  
Departmental Financial Services  
Financial Planning & Analysis  
Grants Management  
Tax Collection & Recording

### Civil Rights, Inclusion & Opportunity

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

## Public Works / Parking • \$168.5M / 7%

### Public Works

Waste Collection & Disposal  
Street:  
Construction  
Maintenance  
Resurfacing  
Cleaning  
Snow Removal  
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 • \$30.2M / 1%

### City Council

Enactment & Amendment of Laws  
Budget Approval & Monitoring  
Contract Approval & Monitoring  
Approval of Settlements

### City Clerk

Chairs the Election Commission  
Maintains Public Record  
Certifies Official Documents  
Administers Oath of Office



**Elections**

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

**Auditor General**

Conducts independent Financial, Performance and Operational Audits

**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 • \$142.6 / 6%**

**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.

**2019-2020 Budget by Category**

Budget Category	Budgeted Amount
Salaries and Wages	\$623.7M
Employee Benefits	264.8M
Professional and Contractual Services	246.3M
Operating Supplies	107.4M
Operating Services	165.3M
Equipment Acquisition	15.9M
Capital Outlays	25.7M
Fixed Charges	156.5M
Other Expenses	561.7
<b>Sub-Total Expenditures</b>	<b>\$2.2B</b>
Surplus Funded Expenditures:	
Blight Reduction	73.0M
Capital Projects	32.5M
Reserves	57.1M
<b>Total Surplus Funded Expenditures</b>	<b>\$162.6M</b>
<b>Total Expenditures</b>	<b>\$2.3B</b>

**BUDGETED POSITIONS BY DEPARTMENT**

(as of 7/01/19) Total - 10,260

Department	No. of Pos.
<b>Public Health &amp; Safety</b>	
Police	3,337
Fire	1,275
Board of Police Commissioners	35
Health	115
<b>Total:</b>	<b>4,762</b>
<b>Judicial Operations</b>	
36th District Court	325
<b>Total:</b>	<b>325</b>
<b>Non-Departmental</b>	
Various	129
<b>Total:</b>	<b>129</b>



**BUDGETED POSITIONS BY DEPARTMENT**

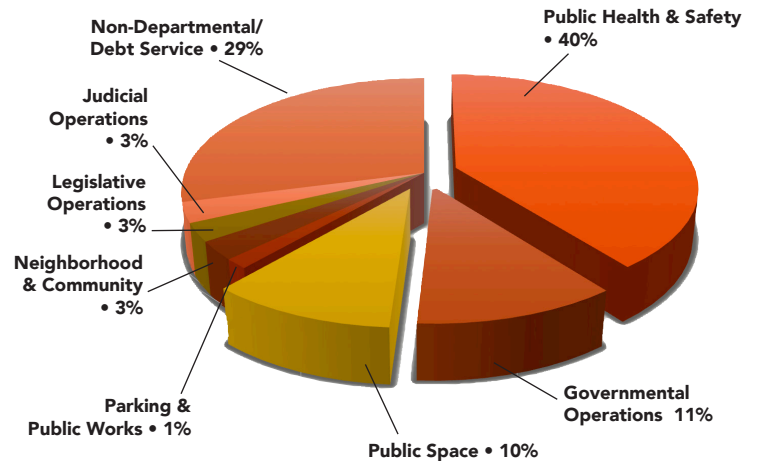
(as of 7/01/19)

Department	No of Pos.
<b>Neighborhood and Community</b>	
Housing & Revitalization	86
Planning	40
Buildings, Safety Eng. and Environmental	268
Environmental Affairs & Enforcement	49
Appeals & Hearings	9
Library	326
<b>Total:</b>	<b>778</b>
<b>Water &amp; Sewerage Retail</b>	
DWSD – Retail	650
<b>Total:</b>	<b>650</b>
<b>Public Spaces</b>	
General Services	850
Public Lighting	4
<b>Total:</b>	<b>854</b>
<b>Government Operations</b>	
Mayor’s Office	77
Dept. of Innovation & Technology	140
Law Department	120
Human Resources	104
Office of the CFO	525
Civil Rights, Inclusion and Opportunity	12
<b>Total:</b>	<b>978</b>
<b>Public Works / Parking</b>	
Public Works	481
Municipal Parking	95
<b>Total:</b>	<b>576</b>
<b>Legislative Operations</b>	
City Council	76
City Clerk	20
Elections	97
Auditor General	14
Inspector General	8
Ombudsman	8
Zoning Appeals	4
<b>Total:</b>	<b>227</b>
<b>Transportation Services</b>	
Transportation	977
Airport	4
<b>Total:</b>	<b>981</b>

**2018-2019 GENERAL FUND BUDGET**

**Where Does It Go?**

Total Expenditures: \$1.14B



**Did You Know That...?**

The **Department of Transportation** has an additional fifty (50) positions, to expand transit services including Drivers and Dispatchers. This, along with additional buses, will enable the department to provide hundreds of additional rides a day.

The **Buildings Safety, Engineering and Environmental Department** has additional positions to handle the increased number of inspections resulting from construction activity and to support the rental ordinance. The Compliance Team will hold property owners accountable for reducing blight.

Funding for **Blight Reduction** includes an allocation of \$50 million for the demolition of blighted houses and commercial structures.

**DETROIT CITY COUNCIL**

Brenda Jones, *President*  
 Mary Sheffield,  
*President Pro Tem*  
 Janeé Ayers  
 James Tate

Roy McCalister  
 Scott Benson  
 Andre L. Spivey  
 Raquel Castañeda-López  
 Gabe Leland



## What does the 2020 Census mean for Detroit and how is the City preparing?

The goal of the Detroit 2020 Census campaign is to increase the City's overall Census self-response rate to above 70%.

In the 2010 Census, Detroit's response rate decreased 6%, the largest drop of any major US city. This resulted in the approximately \$1,800 lost per Detroit resident per year, amounting to hundreds of millions of dollars in lost federal funding for programs in areas such as:

- Education: each year, Michigan schools get approx. \$1.1 billion in education grants, special education and Head Start
- Health Care: Detroit gets over \$2 billion each year of the State's dollars for Medicaid and Medicare
- Food Assistance: Michigan get approx. \$2.6 billion in funding each year for WIC, Food Stamps (SNAP), and School lunch programs
- Roads: Michigan gets over \$1 billion for road construction each year from the federal government, based on the census count

The City is collaborating with partners to launch a \$3.2M campaign to educate and motivate all Detroiters to complete the Census. This effort includes a "Complete Count Committee" of 85 influential private, public, and non-profit leaders from across the City to oversee and support the campaign's communications, outreach, field, data and technology, and funding needs.

Some key components that support implementation of this strategy include:

- Recruitment of Neighborhood Census Ambassadors (Census Captains), volunteers for each Census tract to survey area for group quarters, organize and track sign up events, and work with block clubs to assist with Census.
- Formation of teams of influencers representing non-traditional messengers and hard-to-count populations to deploy as outreach workers and feature in videos on social media.
- Establish 100 Questionnaire Assistance Centers, with 24/7 staffing, in high traffic areas within target tracts to assist in completing the census online.
- Create survey tool for residents to quickly, confidentially report misinformation or other problems with the Census

### City Commitment

The City is dedicating significant time and resources to this effort, including:

- 3 full-time staff leading Be Counted Detroit
- 23 Department of Innovation and Technology staff (~25-50% of their time)
- 20 leaders from across departments (~10-25% of their time)

