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**EMERGENCY MANAGER  
CITY OF DETROIT**

**ORDER No. 27**

**ORDER ESTABLISHING  
GRANTS MANAGEMENT DEPARTMENT**

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BY THE AUTHORITY VESTED IN THE EMERGENCY MANAGER  
FOR THE CITY OF DETROIT  
PURSUANT TO MICHIGAN'S PUBLIC ACT 436 OF 2012,  
KEVYN D. ORR, THE EMERGENCY MANAGER,  
ISSUES THE FOLLOWING ORDER:

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*Whereas*, on March 28, 2013, Michigan Public Act 436 of 2012 ("PA 436") became effective and Kevyn D. Orr became the Emergency Manager ("EM") for the City of Detroit ("City") with all the powers and duties provided under PA 436; and

Pursuant to Section 9(2) of PA 436, the EM "shall act for and in the place and stead of" the Detroit Mayor (the "Mayor") and the Detroit City Council (the "City Council"); and

Section 9(2) of PA 436 also grants the EM "broad powers in receivership to rectify the financial emergency and assure the fiscal accountability of the [City] and the [City's] capacity to provide or cause to be provided necessary governmental services essential to the public health, safety, and welfare;" and

Further, Section 9(2) of PA 436 prohibits, during the pendency of receivership, the Mayor and City Council from exercising "any of the powers of those offices except as may be specifically authorized in writing by the emergency manager or as otherwise provided by [PA 436] and are subject to any conditions required by the [EM];" and

Pursuant to Section 10(1) of PA 436, the EM may “issue to the appropriate local elected and appointed officials and employees, agents, and contractors of the local government the orders the emergency manager considers necessary to accomplish the purposes of this act;” and

Pursuant to Section 12(1)(b) of PA 436, “notwithstanding any charter provision to the contrary,” the EM may “[a]mend, revise, approve, or disapprove the budget of the local government, and limit the total amount appropriated or expended;” and

Section 12(1)(g) of PA 436 authorizes the EM, “notwithstanding any charter provision to the contrary,” to “[m]ake, approve, or disapprove any appropriation, contract, expenditure, loan, the creation of any new position, or the filling of any vacancy in a position by any appointing authority;” and

Section 12(1)(i) of PA 436 authorizes the EM, “notwithstanding any charter provision to the contrary,” and “[n]otwithstanding any minimum staffing level requirement established by charter or contract, [to] establish and implement staffing levels for the local government;” and

Section 12(1)(n) of PA 436 authorizes the EM, “notwithstanding any charter provision to the contrary,” to “[c]onsolidate or eliminate departments of the local government or transfer functions from 1 department to another and appoint, supervise, and, at his or her discretion, remove administrators, including heads of departments other than elected officials;” and

Section 12(1)(ff) of PA 436 authorizes the EM, “notwithstanding any charter provision to the contrary,” to “[r]emove, replace, appoint, or confirm the appointments to any office, board, commission, authority, or other entity which is within or is a component unit of the local government;” and

The EM has determined that the City lacks a centralized grants management system capable of monitoring and ensuring compliance with the requirements of its various federal, state, and local grants. Previous annual audits have repeatedly: (i) produced adverse opinion letters and declarations of material weaknesses in internal controls; (ii) demonstrated a lack of consistent policies and procedures as it relates to grants management; and (iii) resulted in questioned costs by auditors in the amount of tens of millions of dollars.

The EM has further determined that the City’s current method of managing grants adversely affects the City’s ability to effectively provide for the public health, welfare, and safety of its citizens. To that end, the EM has determined that the establishment of a Grants Management Department in the City of Detroit will enhance the City’s capacity to ensure the proper management of the City’s grant funding.

**It is hereby ordered that:**

1. The Chief Financial Officer for the City of Detroit is directed to establish a Grants Management Department, to be called the Office of Grants Management (“OGM”).
2. The Grants Management Department will be comprised of the following four (4) divisions: (a) Transportation and Public Spaces; (b) Public Safety and Health; (c) Community Development Block Grant; and (d) Housing and Urban Development – Non-Community Development Block Grant.
3. Notwithstanding any City or human resources rule, regulation, policy, agreement, ordinance, or practice to the contrary, including but not limited to the City’s Civil Service Rules, the Chief Financial Officer, with the cooperation and assistance of the Emergency Manager or his designee and the Human Resources Department, shall conduct recruitments and offer employment to any and all qualified candidates in a way that will meet the immediate needs of the Grants Management Department.
4. Nothing in this Order shall be interpreted as contrary to Federal law.
5. If any component of this Order is declared illegal, unenforceable, or ineffective by a court of competent jurisdiction, such component shall be deemed severable so that all other components contained in this Order shall remain valid and effective.
6. This Order is effective immediately as of the date of execution below.
7. The EM may modify, amend, rescind, replace, supplement or otherwise revise this Order at any time.
8. This Order shall be distributed to the Mayor, members of the City Council, and all City department heads.

Dated: June 27, 2014

By:

  
Keyyn D. Orr  
Emergency Manager  
City of Detroit

cc: State of Michigan Department of Treasury  
Mayor Michael Duggan  
Members of Detroit City Council