

Detroit mayor demands mass layoffs and cuts in city services

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On Wednesday evening, Detroit Mayor Kwame Kilpatrick laid out a sweeping plan for mass layoffs, pay and benefit cuts for city employees, reductions in city services, and tax increases targeting working people and small businesses. In his 15-minute televised speech, the Democratic mayor said the city faced a \$230 million shortfall in the 2005-2006 fiscal year, which begins July 1, and he was intent on eliminating the deficit.

Kilpatrick struck the pose of a businessman intent on balancing the books, not the mayor of a city staggering under the weight of years of auto plant closures, job losses, population decline and deteriorating city services. He stated: “The future of our city hinges on fundamentally restructuring and reengineering government, and that requires sacrifice and solutions from everyone.”

He threatened that, without the drastic cuts, the city faced being placed in receivership, under which state authorities would come in and unilaterally impose cuts. “We have failed for decades to make tough decisions by spending millions as our tax base was shrinking,” he said, “by making government bigger.” He vowed to reform city government spending.

The “sacrifices and solutions” he now proposes are truly breathtaking, and Kilpatrick made it clear that these draconian cuts are only the beginning. Immediately, pink slips are being sent out to 686 of the city’s 17,000 workers, effective March 4, and another 237 vacant positions will not be refilled.

All nonunion employees’ wages will be cut by 10 percent. The mayor made the token gesture of cutting his own \$176,000 salary and that of his appointees by 10 percent. He is asking union members, suppliers and private contractors to take an equal pay cut. Firefighters and uniformed police officers would not be affected.

He estimated these pay cuts combined would trim \$77 million from the city budget.

Kilpatrick is demanding unionized employees also accept a 10 percent pay cut in the form of “days off without pay.” Under the plan, workers would have their hours reduced from 40 hours a week to an average of 36 hours, with a commensurate cut in pay. Overtime pay, which many workers have come to depend upon to make ends meet, would not take effect until after 40 hours’ work.

These cuts would have to be ratified by city union members, and the mayor will be relying on union leaders to force workers to accept them, dangling the threat of state receivership over their heads. Kilpatrick commented to the *Detroit News*, “If we don’t make a definitive change now, there will be a receiver in here a year from now. The receiver can end pension payments. The receiver doesn’t have to honor any contracts. It’s over.”

Cuts in hours for city workers will not only affect these workers and their families, but will negatively affect resident city services, such as Water & Sewerage, Public Lighting, the Detroit Recreation Department, the Department of Health and myriad other vital services.

The city will end 24-hour bus service, eliminating bus runs between midnight and 4 a.m. One hundred forty Detroit Department of Transportation (DDOT) employees, most of whom are drivers, will be immediately laid off, and another 66 vacant positions will be eliminated. The mayor said he will schedule a series of public hearings before a decision is made on which routes to cut during the 4 a.m. to midnight timeslot when buses will continue to operate.

The cuts in early morning bus services will place undue hardship on low-paid workers who rely on bus services to ride to and from their jobs, many of which

are outside city limits in the suburbs. As anyone with any acquaintance with the DDOT will testify, the system has been on life-support for decades and long waits for dilapidated buses are the norm. Any further cuts in service will be disastrous.

But on Wednesday, Kilpatrick made the absurd statement that the city could no longer afford to subsidize the city buses—“That’s \$80 million that’s going to supplement a system that’s dying,” he said. According to this logic, the City of Detroit has no responsibility to see that it that the DDOT survives or to fund other vital city services for its residents.

The mayor also made clear that the city’s Public Lighting Department was under scrutiny. City residents often wait months for a response to reports of blacked-out streetlights, which make city streets dangerous in the early morning and evening hours, particularly for school children. But Kilpatrick hinted that he is open to privatizing the system. He told the Detroit *Free Press*, “We are not a utility company and we don’t do it very well. We do it pretty badly.”

Even if all the cuts proposed Wednesday are enacted, they would only account for some \$77 million of the \$230 million the mayor claims is needed to balance the city budget. In addition to the 10 percent cut he hopes to impose on city workers, he will conduct a review of employee benefits to determine where other cuts can be made.

Under consideration are proposals to shift newly hired workers from a guaranteed pension plan to an inferior 401(k)-type savings plan, shifting some health care costs to workers and sharply reducing the number of health care providers. Workers’ compensation benefits will also be considered for potential cuts. Buyouts for employees with 25 or 30 years’ service are being examined.

Also under consideration are tax increases that in the main would burden working people and small businesses. Kilpatrick plans to seek state approval for a prepared food tax, a cigarette tax and a liquor tax. He will also ask for an increase in the utility (gas) tax, from 5 percent to 6 percent. Detroit is the only Michigan city that presently charges a utility tax. There is no talk of increasing property taxes on businesses, which have been given huge tax breaks in recent decades in an effort to woo them into the city.

Under Mayor Kilpatrick, and his predecessors,

Democrats Dennis Archer and Coleman Young, Detroit has seen a continual decline in city services. Once a city teeming with auto factories, entire city blocks are now filled with either abandoned houses or vacant lots. Residents have continued to leave the city in large numbers, faced with a crumbling infrastructure and a deteriorating school system.

Last November, the Detroit Public Schools announced the elimination of 4,000 jobs and the closing of 25 to 40 schools. These jobs cuts were in addition to the 2,100 jobs eliminated beginning in April 2003.

At the same time, taxpayer money has been funneled into the construction of three gambling casinos, a Major League Baseball park and a National Football League stadium. In small pockets of Detroit targeted for gentrification, poor and homeless residents have been forced out to make way for luxury loft and condominium construction.

The police department, which has apparently escaped any cutbacks, largely functions as a private security force for the city’s business elite to keep the streets clear of the unemployed and working poor. Thus, the mayor yesterday imposed a youth curfew during the North American International Auto Show being held in downtown Detroit. Announcing the curfew—which will require that children younger than 18 be accompanied by an adult, after 5 p.m. on weekends and on Monday’s Martin Luther King Jr. holiday—police spokesman James Tate said, “Patrons wanted to be able to enjoy the event without feeling uncomfortable by swarms of unsupervised teens just hanging out.”

In this socially polarized environment, Kwame Kilpatrick and his entourage of black upper-middle-class entrepreneurs on-the-take have risen to the top, presiding over a city population that is increasingly marginalized. The latest round of cuts demanded by this layer are bound to provoke anger not only from the city’s workforce, but from Detroit’s working and poor families who are being asked to sacrifice yet again.



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