

Detroit City Council targets public transportation, arts and fire department

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The Democratic Party-controlled Detroit City Council issued a call for this week for savage new cuts. The council is proposing to slash another \$65 million in spending beyond the \$200 million reduction contained in the budget Mayor David Bing outlined last month.

Among the areas targeted are public transportation as well as fire and police. The budget also contains huge funding reductions for Detroit cultural institutions including the Detroit Institute of Arts (DIA), the Detroit Historical Museum and the Charles H Wright Museum of African American History.

The proposed new cuts come as the Bing administration is pushing ahead with plans to loot the pension funds of city workers. On Thursday, the mayor's office announced that an agreement had been reached with the city's two pension funds to defer over \$60 million in payments. The city owes money to the funds to compensate for the \$2 billion in losses in the wake of the 2008 financial crash.

The multimillionaire Bing is demanding that the city's 10,000 municipal workers agree to increased health care and pension payments. He is threatening to use new powers granted by the state of Michigan to bring in an Emergency Financial Manager to void existing collective bargaining agreements if the city's 48 unions don't agree to the cuts.

Pay for city workers is already so low that many qualify for public assistance. The average city worker currently earns less than \$30,000 a year.

The attacks on city workers and city services takes place in the context of a statewide assault on public workers. On Tuesday, the Republican controlled Michigan Senate passed legislation that limits to 80 percent the amount that county and city governments as well as public schools can contribute to health care premiums starting January 1, 2012. The bill now goes

to the House where passage is expected.

Last week the Michigan legislature abolished the state business tax while raising taxes on workers and retirees. The measure will save Michigan corporations some \$1.7 billion annually while for the first time taxing retiree pensions and slashing many tax credits for workers, such as the property tax and earned income credit.

The budget crisis facing state and local governments is due both to the economic crisis precipitated by reckless Wall Street speculation and the policies of successive Democratic and Republican administrations of slashing taxes for the wealthy.

The most recent tax handout to business is further exacerbating the state's budget crisis, impelling even more attacks on education and social programs.

The budget proposed by the Detroit City Council will cut another \$7.4 million from the chronically underfunded Detroit Department of Transportation and \$4.4 million from the People Mover, the downtown monorail system. The Detroit Fire Department, already suffering from extreme lack of resources, is slated for an additional \$6.6 million cut.

The Detroit Transportation Department is already facing the threat of deep cuts, including the elimination of three bus routes and the curtailment of 24-hour service and reduced weekend service. The cuts will mean even further hardship for the 25 percent of Detroit residents who lack cars and for thousands of students who rely on bus transportation.

The budget will decimate the already meager funding for art and cultural institutions in the city. The Detroit Historical Museum would see its funding decline to just \$112,000 from \$450,000, and the DIA would get just \$125,000, down from \$500,000. In 2009 the DIA carried out a 20 percent reduction in staff, eliminating

56 full and 7 part-time positions. The cuts resulted in the elimination of public programs and exhibitions.

The African American History Museum would lose one half of its \$2 million budget, and the Detroit Zoo could lose its entire \$750,000 subsidy. The popular Eastern Market is slated to lose most of a \$265,000 annual subsidy. The money goes for special events, repairs and basic infrastructure such as street lighting.

In a separate development, the Detroit Public Library Friday withdrew a plan to close as many as 10 of 23 branches and layoff dozens of staff. Library officials claimed the proposed cuts were based on a misinterpretation of tax collection projections and a failure to factor in savings from the elimination of 70 staff positions due to retirement and layoffs this spring. Earlier in the week scores of angry staff and library patrons denounced the closure plans at a public hearing.



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