

# Detroit Mayor Bing proposes \$300 million cut in city budget

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Detroit's Mayor David Bing presented a \$1 billion budget for the city's fiscal year 2013-2014, \$300 million less than the previous year. While it is Emergency Manager Kevyn Orr who has ultimate authority over all spending, Bing's proposal will set the tone for subsequent financial decisions.

The emergency manager law gives all powers of city government to Orr, appointed by Governor Rick Snyder to represent the interests of the banks and bondholders through an escalation of the assault on the working class. Bing and City Council officials have been retained by Orr, however, to assist in these measures and attempt to give them greater legitimacy.

Bing's budget includes cuts and changes to a wide swath of city services. Current furloughs will be continued, and there will be a further reduction in city employees. The current budget calls for funding for 9,800 city workers, down from 10,437 positions in fiscal year 2012-2013 and 12,644 employees in 2011-2012.

Other components include keeping vacant one hundred unfilled city positions in fire, police, transportation, finance and general services. Among these are twenty empty firefighter positions that will not be filled. Bing has also proposed cutting the City Council's budget by \$4 million dollars, reducing the staff of each council member from between four and eight down to one.

To raise revenues for the city, Bing further proposed that user fees for city agencies will increase by 15 to 50 percent.

In his remarks on the budget proposal, Bing said, "Bottom line: we must manage our expenses to align with our revenue. We cannot allow expenses to exceed revenue. In preparing this budget, we are confronted with making difficult and challenging decisions on cuts

and reductions. And we were confronted with having to manage our city finances like never before in Detroit's history."

The primary "challenging decision" that Bing would like to deal with are the pensions of the city workers, which currently comprise one third of the budget. City officials have long been opposed to legislation mandating that city pensions must be kept solvent. Interim budget director Brent Hartzell said that in order for the city to fulfill its obligations to retirees, the city's operating budget had to be cut by 10 percent.

Orr has indicated that he may send the city through bankruptcy courts in an effort to force through pension cuts. Under the claim that "there is no money", all in Detroit's establishment are agreed that the 20,000 pensioners in Detroit must take draconian cuts to their pensions. Former city workers average less than \$20,000 a year in pensions, while police and firefighters average less than \$30,000 a year, before taxes.

No commentators note that these cuts to pensions and city services are demanded at the same time as Detroit has funneled hundreds of millions of dollars into banks like JP MorganChase and Bank of America for debt servicing. The auto companies have made billions in profits by slashing the wages of new hires in half. Dan Gilbert, the multi-billionaire owner of Quicken Loans, is buying up buildings in downtown for a pittance to cash in on the planned gentrification of the city.

Bing has also proposed to allocate resources for 40 new Emergency Medical Service personnel for a reported \$13 to \$14 an hour. Another major aspect of Bing's budget is the joint reopening of Mound Correctional Facility by the city and the state under the Michigan Department of Corrections.

Bing's budget came on the same day that Detroit

Public Schools emergency manager Roy Roberts announced the closing of a further four schools. The teachers who work at the closing schools are to be placed in a district-wide placement pool and will ostensibly be rehired if a vacancy for their qualifications opens.

The response by the media and local politicians to Bing's proposal has been striking, focusing primarily on the reduction of the City Council's budget. There is no outcry from any section of Detroit's establishment about cutting more than six hundred city workers or the continued cuts to fire services.



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