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Bing cool to state-city consent agreement

Mayor says deal won't solve Detroit's financial crisis, rebuffs role of emergency manager

Darren A. Nichols/ The Detroit News
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Detroit — Mayor Dave Bing on Tuesday blasted the idea of forging a consent agreement with the state, saying it wouldn't allow him to force union concessions critical to keeping Detroit solvent.

Some City Council members believe such an agreement would give Bing more power over the budget without resorting to an emergency manager.

But Bing said the action wouldn't move the needle on escalating employee health care and pension costs that are crippling the city's ability to manage its own finances. Health care costs are rising at a rate of nearly 35 percent a year, he said.

A consent decree would give the mayor authority to privatize city operations, sell assets and change ordinances — but wouldn't alter the city's basic governing structure.

"There are a lot of people who are saying to go to the route of consent agreement," Bing said.

"The reality is the consent agreement still doesn't get you where you need to be because you can't break contracts. Going there does not solve the problem."

Although he told The Detroit News last month he would consider becoming emergency manager if asked, Bing on Tuesday stressed there's no way he's going to do that.

Too many people — from city residents to council members — have said they don't support state involvement, he said.

"I've been very clear. That is not my desire," Bing said. "If offered the position, I won't take it. That's not what I was voted in for. I don't even want to be considered for that position."

Bing's comments came hours before a committee of the City Council and administration representatives met behind closed doors to hash out competing plans to solve Detroit's fiscal crisis. No conclusions were reached, and both sides agreed to meet again, City Council President Pro Tem Gary Brown said.

But Brown defended seeking a consent agreement, saying it would give the mayor some leverage with the city's 48 unions. Under a consent agreement, contracts can be imposed once they expire in June, Brown said.

"That's a powerful tool as far as I'm concerned," Brown said. "The real object is to make it to June, and that would be a tool needed to get concessions on contracts. We have to make it to June. That's why the cuts are necessary to get there."

Earlier this month, the mayor proposed a plan calling for givebacks of \$40 million from all city workers while outsourcing services, including public lighting and management of city buses. Later, he called for cutting 1,000 city jobs.

Aiming to save \$102 million

Bing's plan also calls on the state to return more than \$220 million in revenue sharing to the city and for a tax hike on corporations of less than 1 percent, effective Jan. 1

His plan aims for \$102 million in savings in fiscal 2012 and \$258 million in fiscal 2013.

"Nobody has come to me and said that doesn't make sense," Bing said. "I'm not going to be pushed into a position based on what's popular."

"... All my life I've been a competitor and I've won in almost everything that I've done. I intend to win here. But I'm not so naive or egotistical to believe I can do it by myself. ... I can't allow 11,000 people who work in the city to determine the fate of the 700,000-plus that are here."

The City Council has proposed eliminating 2,300 jobs — including 500 public safety positions — and hiking transit fares in addition to other measures. Bing said he opposes broad cuts to police and fire.

Some city unions, particularly those representing public safety employees, said they have given up enough already.

"Certainly we are all in this together," said Dan MacNamara, president of the Detroit Fire Fighters Association. "People are not noticing how much we've already given back. We've had some significant cuts already. Public safety has (given concessions) already."

Gov. Rick Snyder has said he supports the city's efforts to right its financial ship but has said that action is needed soon to avoid state intervention. His spokesman this week said that no deadline has been set, but "timing is of the essence."

Bing said Tuesday he has met with more than 100 local ministers, community leaders and the business community to seek support and input on his plan.

Bing added that he has a meeting scheduled with Snyder later this week.

By late Tuesday, Bing was set to receive input from city departments on where layoffs should come from. The data will be analyzed until Dec. 5 to figure out what areas can be cut to minimize the impact on services. The layoffs would take effect in February.

Bing said while he will consider ideas proposed by City Council members, public safety is his top priority and that he alone will make the final decisions about the city's financial future.

"We can't have 10 mayors," he said. "There are certain council members who feel they've got the answers. I believe I know what the hell I'm doing."

Bing called the fiscal situation "tough" because of its impact on people's lives.

Decisions 'life-changing'

"I do care, that's why the decision I'm confronted with in layoffs and the negative impact it's going to have on individuals and families is not an easy decision," Bing said. "I don't want to make life-changing decisions based on emotions."

The city's restructuring plan for cuts and concessions must be realistic to head off an emergency manager, said municipal bankruptcy expert Charles Moore.

"I do anticipate the state is going to look to have a financial review conducted so that from the state's standpoint whatever plan is reached, it can be delivered upon," said Moore, a senior managing director at Conway MacKenzie Inc.

Eric Scorsone, a professor of state and local government issues at Michigan State University, said a consent agreement "only goes part of the way of what Detroit needs in terms of structural realignment."

"The bottom line is they cannot do it," Scorsone said. "That's why a consent agreement has some real issues as to why it's the right strategy given its limitations. It's important for the public to understand. ... People need to be aware of it."