



## Statement on “No” Vote Against Consent Agreement with State of Michigan

On Wednesday, April 4, 2012, I voted against the approval of the Consent Agreement as proposed by the State Treasurer.

The following are several of my concerns. I was troubled by the oxymoronic language of the consent agreement. Section 2.1 reads, “the Mayor and the City Council shall continue to exercise all such powers, privileges and authorities as are granted to each under the Charter...” However, the very next sentence reads, “the Mayor and City Council each have determined...to restrain their respective exercise of powers in certain circumstances...” I object to the restraining of any of those powers under any circumstances. The power granted to the people of the City of Detroit through its Charter and the Home Rule Cities Act should never be voluntarily ceded by its locally elected officials. Any change (or potential change) to the governance structure of a city should be voted on by its citizens.

Equally troubling to me is the unspecified duration of this consent agreement. This consent agreement could leave our Charter vulnerable to vitiation for decades.

Indeed, we must deal with the practical matter of the City’s short-term financial crisis, but how does a Project Management Director and a Financial Advisory Board, with the power to override elected officials, fix the fact that the City of Detroit will be extremely low in its cash flow by May 2012? The State Treasurer, instead, offered the carrot of further indebtedness to the tune of \$137 million to pay our bills in exchange for us allowing the State to place an overseer in the Mayor’s Office. We cannot continue to borrow our way out of debt!

If, indeed, the State seeks to be a partner with Detroit, it is difficult for me to comprehend how a consent agreement could include absolutely no pledge of monetary support for capital improvements. In my view, cash infusions could have been negotiated in exchange for the City meeting certain benchmarks and timelines. Both the City and State acknowledge that the City requires major upgrades to its payroll, budgeting, accounting and financial reporting systems. Regrettably, however, the State Treasurer was rigidly opposed to the inclusion of cash assistance under any circumstances. In fact, the Treasurer was willing to compromise on nearly every suggestion made by the City, but would not budge on any of the most substantive matters – cash assistance and PA 4 requirements.

I am further troubled and puzzled by the fact that there are no timelines for completion of any of the initiatives laid out in Annexes B & E. Lack of executive focus and follow-through is part of what got us to the place we are in today – many promises of goals and initiatives, but no clear plan or strong will to achieve those. Again, the State could have taken this opportunity to, instead, incentivize Detroit’s executive leadership to achieve the Annex B initiatives, similar to how Governor Snyder is already incentivizing cities and townships all over the state to achieve certain goals. The difference is that he is not asking their leadership to compromise their governance through a Project Management overseer to achieve those goals. Annex E is yet another list of wonderful recitations of non-commitment by the State and, again, none of the initiatives are accompanied by even vague timelines or cash incentives. And, most notably, none of these are items that require a consent agreement to achieve.

Further, I find the provision that removes the City’s duty to bargain deplorable. Since the early 20<sup>th</sup> century, City unions have bargained for fair wages, safe work environments and equitable work rules. It is unfortunate that the relationship between the City and its employee unions has become so mired in distrust and self-interest that compromise for the sake of the future of the City has been obliterated. Our employee unions ratified contracts that the Administration initially hailed as “monumental” and sufficient to meet the City’s fiscal needs. The fact that the Administration then refused to submit the contracts to City Council for approval will do nothing to improve labor relations in this city. The Governor achieved a half-billion dollar surplus in the State of Michigan’s budget by cutting costs and bargaining for union concessions. There is no plausible reason why Detroit should not continue to have the option to do the same.

It is for all these reasons and others that I did not support the consent agreement voted on today. It should be clear that I never had an objection to the City entering into a consent agreement with the State Treasurer. However, I cannot support a consent agreement where elected officials voluntarily delegate away any of their Charter-mandated duties and responsibilities. That decision belongs to the people. Any legislation that enables locally elected officials to do so is abhorrent to the ideal of government by the people.

Despite my objections, my colleagues, by a 5-4 vote have agreed with the Mayor’s decision to enter the consent agreement with the State Treasurer. Therefore, as a member of this body, I will continue to do all that I can to work with my colleagues, the Administration and the State to move Detroit towards fiscal stability with an emphasis on improving the delivery of city services.