

April 26, 2011

<http://detnews.com/article/20110426/OPINION01/104260309>

Downsize Detroit

Despite recent staff cutbacks, more layoffs needed to better match resources with revenue

Council President Pro Tempore Gary Brown is right to question the size of Detroit's work force when the city faces a \$155 million budget problem and would continue under Mayor Dave Bing's spending plan to employ thousands more people than any number of cities with comparable or bigger populations.

Especially stark is the contrast with similar-population neighbors Columbus, which has 4,594 fewer employees, and Indianapolis, with 5,900 fewer employees. Bing's budget proposal includes 12,900 city workers.

Bing says he opposes scaling back further because that could result in poor service to residents, a problem that already has contributed to an exodus of middle-class families from Detroit to neighboring suburbs. Nevertheless, statistics favor Brown's argument for cutting 1,000 jobs, especially if his estimated \$75 million in savings is achieved.

It's worth noting that the taxes necessary to maintain the present-size work force also could be a factor in the city's population drop. Detroit has the nation's stiffest tax burden, among 51 cities, for folks with incomes of \$50,000 or more — precisely the type of residents who city leaders need to keep.

Bing is looking for savings from a switch of all newly hired Detroit workers to a defined-contribution retirement plan, similar to private-sector 401(k) savings plans. Detroit city workers currently enjoy a defined benefit pension plan. He'd also push union workers to boost their out-of-pocket contribution to their health insurance premiums to 20 percent. Those changes are warranted and should be implemented along with staff reductions.

True, Detroit's once-bloated employment rolls have been shrinking steadily along with the population. Ex-Mayor Dennis Archer budgeted in 2000-2001 for 20,642 employees, 700 fewer than under Coleman A. Young in the mid-1980s. By 2007-2008, the number was down to 15,276 employees.

It's also true that Detroit's population is scattered across an area of 139 square miles dotted with abandoned buildings and 100,000 vacant lots.

Detroit Finance Director Tom Lijana says eliminating as many as 1,000 jobs in one fell swoop could result in such cutbacks in service as limiting garbage collection to once a month.

The Detroit News found, however, that other cities such as San Jose, Calif., and Austin, Texas, are among those serving bigger populations with fewer workers. Indianapolis, besides having a slightly larger population, covers between two and three times the number of square miles that there are in Detroit.

Kurt Metzger, the demographer for Data Driven Detroit, says the city needs a department-by-department study to determine how many workers are needed to provide good service. Staff audits should be conducted to justify each job when resources are scarce.

If they aren't already doing it, Bing's administration also could benefit from an examination of the methods other cities use to serve their citizens with fewer employees.