

# PRIVATIZATION IN DETROIT

## 1994-1997: THE RECORD

(In alphabetical order by City Dept.)



### 1993: THE PROMISE



Michigan AFSCME Council 25 President Flora Walker and Dennis Archer.

*"We are not privatizing; we're not giving up anything in this city. That's a commitment . . . to prove to a lot of people that a city can be well run without resorting to privatization, and we can do it in a cost effective manner."*

- Dennis Archer  
Mayoral Candidate

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### ARTS

While ostensibly celebrating Black History Month at the Detroit Institute of Arts, the elite, **PRIVATE** Founders Society was poised to take over more than 120 City jobs at the DIA. Although the City Council rejected the Mayor Archer/DIA proposal to publish the bid March 27, the administration has not given up yet. The plan would require only 50% Detroit Residency for Arts workers.

### CITY-COUNTY BLDG.

Mayor Archer, in league with General Motors, has proposed handing over the superbly located City offices in the City-County Building to the **PRIVATE** companies GM is evicting from the Renaissance Center. The CCB was constructed with bonds financed by public taxes. It is currently owned by a **PUBLIC** authority: the City of Detroit/Wayne County Joint Building Authority.

### DETROIT BUILDING AUTHORITY

The employees of this authority, who maintain the City-County Building, are City of Detroit, Civil Service, 100% Resident workers. The plan to relocate City headquarters to the abandoned GM Building involves a **PRIVATE DEVELOPER** owning the building and leasing to the City. The DBA jobs would be eliminated.

### DOWNTOWN DEVELOPMENT AUTHORITY

This **pseudo-PUBLIC** Authority handles a loan portfolio worth hundreds of millions of dollars, and governs the distribution of income from Real and

Personal Property Taxes paid to the City of Detroit by businesses located in the downtown district. It contracts to the **PRIVATE Detroit Economic Growth Corporation** for its staff (all non-resident). DEGC is emerging as the dominant policy-making body as well, under the direction of C. Beth DunCombe, Mayor Archer's sister-in-law.

### EASTERN MARKET

Mayor Archer is proceeding with plans to separate Eastern Market administration and employment into a pseudo-public Authority governed by appointed commissioners, ostensibly to renovate it to attract tourists!

### EMPLOYEE COUNSELING CENTER

Since it was first established around 1980, the Employee Counseling Center, a division of the Personnel (Human Resources) Department has employed a small professional staff composed of City of Detroit, Civil Service workers. The City under Mayor Archer has contracted with a **PRIVATE** employee assistance group to take over.

### EMPLOYMENT AND TRAINING

Jobs held by 160 City workers in this Department were scheduled to be eliminated March 31, 1997. The federal funds which support these jobs have been contracted out to **PRIVATE** employment and temporary agencies, with no Residency requirements for staff hiring. Archer never mounted a challenge, legal or otherwise, to the order given by Governor John Engler to privatize these services. On the contrary, the Archer administration collaborated with Engler in the notorious Work First program by accepting the Work First grant in exchange for supporting Engler's \$72 million cut in Adult Education, and agreeing to utilize "unpaid workers" from the ADC rolls in City departments.

### HEALTH DEPARTMENT

On April 22, 1994, Mayor Archer reiterated the pledge against privatization printed above at the funeral of Al Phillips, President of AFSCME Local 457 at the Detroit Health Department. President Phillips died of a heart attack the same week he was negotiating with the City administration to eliminate the Southeast Michigan Health Association (SEMHA) the City's largest **PRIVATE** contractor. Not only has the City continued to hire and expand under SEMHA, the Health Department was negotiating with the city's **PRIVATE** hospitals to take over the Detroit Health Department's neighborhood clinics as Mayor Archer spoke at the funeral. They are now doing so. **(OVER)**



## HOUSING DEPARTMENT (now the Housing Commission)

In line with plans to phase out public housing and transfer it to **PRIVATE** ownership nationally, Mayor Archer separated this Department from City government last year. The City hopes to implement further plans to separate Department workers from their Civil Service, City of Detroit status at the expiration of their contracts next year. Dozens of high-paid **non-resident** "consultants" have been flooding in to handle the Commission's state-of-the-art computer systems. The new Brewster Homes townhouses are run by a private firm. Demolition of the high-rises at the Jeffries Projects is taking place, to make way for similar townhouses, financed by over **\$40 million** in **PUBLIC** federal funds. HUD's Section 8 funding for individual homes in Detroit has been eliminated, while it is being expanded in suburban communities. Current public housing residents will be at the mercy of the private market.

## HOMELESS DEPARTMENT

The Senior Citizens and Homeless Department received a **\$25 million PUBLIC** federal homeless grant last year, which was parceled out to sundry "non-profit" agencies with no residency requirements for hiring or ownership (and no obligation to pay taxes). They will provide permanent housing for **ONLY 20 families** and **14 individuals!**

## LAW DEPARTMENT

The Law Department gave the **PRIVATE Pitney Bowes** a **\$500,000** contract for **personnel** to handle its document reproduction. It continues to contract with **PRIVATE** well-heeled law firms. It has agreed to let Chrysler monitor its own Executive Order No. 22 hiring of "minorities" residents, and females at its city-funded Mack Engine Plant construction project, although such monitoring has always been handled by city employees at Human Rights.

## MUNICIPAL PARKING DEPARTMENT

This Department is proceeding with plans to sell the city-owned Trolley Plaza parking garage. The sale of the Ford Auditorium underground garage is in the works as well, no doubt to facilitate GM's plans for the riverfront they think they now own. The price of parking downtown will become even more prohibitive!

## PLANNING AND DEVELOPMENT

This Department contracted with a **PRIVATE**, non-Detroit based firm to handle the December, 1996 auction of hundreds of **city-owned homes**, many of them already occupied by citizens paying rent, now subject to eviction. Individual buyers have told horror stories of non-existent homes, severe fire damage, and other deteriorated conditions of the properties they bought sight unseen.

## PROPERTY TAXES

Under the new City Charter provisions campaigned for by Mayor Archer's former law firm, this department division will now be able to sell liens on homeowners' property to **PRIVATE** companies for the cost of outstanding taxes or other assessments (such as sidewalk repairs). The companies can then take possession and evict the homeowners!

## PUBLIC LIGHTING

The city is modernizing its street lighting system under a plan that would connect it to Detroit Edison's residential lines, although the City's Mistersky Power Plant has the capacity to supply all residential and street power! Over half of Public Lighting Department jobs have gone vacant since the 1980's. Is this in preparation for a takeover by Detroit Edison, a company convicted of racist, sexist employment practices, which contracts to only **1.9%** "minority" vendors?

## RECREATION

This already decimated Department has expanded its "Adopt-a-Park" program to include large city parks as well as small lots, and is busy recruiting volunteers to handle grass-cutting and other routine maintenance, to avoid having to call back all its seasonal workers. Prisoners from Wayne County Jail have been pressed into slave labor cleaning up on Belle Isle. If they had decent-paying, unionized City jobs doing the same work, they might not be in prison!

## TRANSPORTATION

The **PRIVATE** Metropolitan Affairs Corporation (MAC) is planning the merger of SEMTA and D-DOT under the control of the Regional Transit Coordinating Council of Detroit, and Wayne, Oakland, and Macomb Counties. Previously only a conduit for funding, this council now will have managing authority as well, giving the dominant vote to the suburbs. AFSCME mechanics jobs are slated for the merger first. City bus drivers currently are facing privatization of drivers jobs on senior/disabled connector routes recently taken over from SEMTA.

ISSUED BY: MEMBERS OF THE COALITION TO STOP PRIVATIZATION AND SAVE OUR CITY (313)259-4823