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## Finley: Hamtramck demonstrates need for labor reform

*NOLAN FINLEY*

For a City of Promise, Hamtramck has a bleak-looking future. The Detroit enclave is pleading with the state for permission to declare bankruptcy, and will likely run out of money by spring.

Hamtramck was designated a City of Promise in 2006 by Gov. Jennifer Granholm. It was one of the many Granholm programs that sought to build excitement through flashy marketing and big blocks of money. In Hamtramck's case, the community got millions to invest in redevelopment projects.

"We appreciated the money," says City Manager William Cooper. "But where we really needed help was with the basic cost of government."

Hamtramck stands as the perfect example of Granholm's failure. The former governor was enthralled with the vision thing, but crashed because she tried to build her New Michigan on a rotten foundation.

That's a lesson for Gov. Rick Snyder. Before he swings for the fences, he has to get the fundamentals right.

For a view of what that entails, he needs only look to Hamtramck.

The community is in a mess largely because its past political leaders decided the purpose of state government was to enrich its public employees, rather than to deliver cost-effective services.

Now, the rich labor contracts they negotiated — or had forced on them by state arbitrators — have made the cost of government unsustainable, particularly with tax revenues plunging.

The biggest drain is the police and fire departments, where senior officers earn \$78,000 a year, plus benefits, and pay absolutely nothing for their ultra-rich health insurance coverage.

Hamtramck is pleading with its cops and firefighters for concessions, but they've given nothing. In Michigan, they don't have to. Public Act 312, which submits public safety labor contracts to binding arbitration, gives the unions an advantage that is pushing communities over the cliff.

Up to 68 units of governments in Michigan face the risk of bankruptcy. Nearly all of them can point to labor agreements as a root cause.

If they start running out of money, as Hamtramck will in March, Snyder won't be able to hold back the tidal wave.

The new governor and Republican Legislature must move swiftly to help these communities. That starts with repealing Public Act 312 — that should have been done during the Engler years — and erasing a laundry list of other state laws that place the interests of organized labor ahead of taxpayers.

It may be too late to help Hamtramck and some of the other higher-risk communities. The state may have to

allow them to declare bankruptcy, despite the negative impact on bond ratings statewide, so that they can rid themselves of their crushing labor contracts.

These communities form the foundation of Michigan. Unless something is done to keep them from crumbling, they'll bring the entire state down with them.

*Nolan Finley is editorial page editor of The Detroit News. His column runs on Sunday and Thursday. Reach him at [nfinley@detroitnews.com](mailto:nfinley@detroitnews.com) or (313) 222-2064.*

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