



City of Detroit
CITY COUNCIL

KENNETH COCKREL JR.
COUNCIL PRESIDENT

MEDIA ADVISORY

**STATEMENT ON SOLID WASTE ORDINANCE VOTE COUNCIL PRESIDENT
KENNETH V. COCKREL, JR.**

JUNE 30, 2006

Today I joined with the majority of the Detroit City Council in voting to pass the ordinance which authorizes the creation of an annual garbage fee.

This was without a doubt the most difficult vote I have ever participated in during my eight and a half years on the Detroit City Council. The hard truth is that the garbage fee though it is unpleasant is now a necessity if Detroiters want to continue to have weekly garbage pickup.

Contrary to popular belief, garbage pickup in Detroit has never been free. Property owners have been paying for it through a 3-mill levy on their property tax bills. The problem is that, due to Detroit's shrinking population this levy no longer generates sufficient dollars to finance weekly garbage pickup.

For this reason, the Mayor proposed the creation of the \$300 flat fee in April during his 2006-2007 fiscal year budget address to City Council.

The Mayor's proposal generated controversy instantly and many critics countered that the needed funds should be raised through an increase in the property tax millage rather than a flat fee.

Increasing the millage would have been problematic from a couple of standpoints. Again, the millage currently doesn't generate enough money to fund weekly garbage pickup, hence the Mayor's proposal for a fee. In order to generate at least the \$43 million needed to finance weekly garbage pickup through a millage, the 3 mills would have to be increased to at least 9 mills. For many homeowners this would have resulted in a bigger increase than a \$300 flat fee.

Had the voters rejected it for just that reason, we would have been left with no immediate way to fund garbage pickup. Even if the voters did approve this increase, you'd still have many property owners complaining about its impact on their personal bottom lines.

One other alternative that was considered was cutting the budgets of other departments to transfer that money to DPW for garbage pickup. Because over 80% of our costs are in personnel cuts to other departments means layoffs. City Council's Fiscal Analyst determined that the city would have had to

layoff about 581 city employees at the minimum to produce the funds needed to finance weekly garbage pickup. Most of these employees would have been police and firefighters.

While some may see this is a more palatable solution, it is important to consider that many city departments have already been decimated by layoffs during this fiscal year. Additional massive layoffs could mean the closing of some departments that provide needed services like the Recreation Department. Laying off police and firefighters jeopardizes public safety. Furthermore, unless all these positions were to be left vacant permanently, this course of action would only fund 12 months of weekly garbage pickup.

On July 1, 2007, the start of the 2007-2008 fiscal year, we'd be right back at square one in trying to figure out a way to fund garbage pickup.

A third alternative that was mentioned was pursuing money owed to the City by the State of Michigan in the form of promised revenue sharing dollars and money owed for the city's demolition of state-owned abandoned and dangerous properties. Though I wholeheartedly support pursuing these dollars, this is not a viable way to fund garbage pickup for the following reasons: First, though it remains unclear exactly how much the State does owe the city, it's a safe bet that that money wouldn't cover the cost of weekly garbage pickup on an annual basis. Secondly, given the state's own budget problems, the likelihood of any dollars coming from Lansing is slim. Thirdly, even if Governor Granholm were to pursue a payment to the city, this would require the approval of the State House and Senate, both of which are controlled by Republicans who've proven hostile to Detroit on more than one occasion. Bottom line: the odds of securing state dollars to fund weekly garbage pickup is somewhere between slim and nonexistent.

While no one likes the idea of a fee when you consider Detroit's fiscal realities, it's the only course of action that makes sense at this time.

Detroiters should, however, take comfort in the following: the City Council will continue to explore other options that might allow us to reduce or eliminate this fee. Also, the Council and the Mayor have also agreed to a plan for a 50% discount on this fee for senior citizens who make less than \$40,000 annually. Other hardship provisions will also be put in place for those in need.

It is also important to note that because of bond debt that will be retired in 2009, the fee will be reduced and possibly even eliminated assuming that hasn't already happened prior to that date. Lastly, as part of deal negotiated between the City Council and the Mayor during our budget sessions, bulk trash will be returning on a quarterly basis this fiscal year along with an enhanced system for the collection of yard waste.