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A better future for Detroiters

Orr's plan shifts focus from the city's debt to its people

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Last year, when I was writing about the persistent darkness near my house owing to streetlights that had been out for months, Mayor Dave Bing's office proffered a fastidious explanation.

They'd love to get the lights on East Lafayette Boulevard back on, they said, but the fixtures were old, and so was the wiring. They would attempt a temporary fix (which they eventually did, and the street is now bathed in light again), but couldn't promise a permanent mend until there was money to replace and update the infrastructure.

There just wasn't enough money - because of the city's crushing debt and the financial demands of employees and retirees - to maintain a service you'd find in Mexico City where, despite the third-world economy, the night sky isn't nearly as dark as it is in half of Detroit.

The equation's all wrong. Creditors and employees come first. Residents and services get what's left over.

And that's exactly what emergency manager Kevyn Orr proposes to change, in a big way, in his 134-page restructuring proposal.

Services and residents will come first. And at least for now, he'll stop making debt payments. And he'll ask workers and retirees - who, to be fair, have already sacrificed a fair amount - to give even more in the name of re-prioritizing the city's denizens.

That's a fundamental change in the way government in Detroit has been managed for many decades, and it's the strongest reason Detroiters should be lining up in support of Orr's plan. It's not pretty. And it will be painful - and there may yet be some further sacrifices that city residents need to make in order for it to work.

But for the first time in a generation, someone has put forth a real plan to focus on what should matter most in city government: the people who live here, and the services they need.

Orr says he'll immediately begin reinvesting $125 million annually in city services, money that will help modernize our police force and get lights on in neighborhoods. But if Orr's plan is successful - either through a negotiated settlement with creditors and employees or a bankruptcy proceeding - it would free hundreds of millions more each year for vital services.

Right now, the city spends about 46 cents of every dollar on public safety, and another 38 cents on its debt and long-term obligations. The rest of city government - everything from trash pickup to buses and finance and lighting - squeaks by on the 16 cents remaining.

Every penny that Orr can siphon out of that 38 cents (and frankly, everything he can maximize in the 46 cents already going to public safety) means more money for everything else.

Imagine that. The vast majority of the taxes Detroit collects could actually pay for services.

The metaphor that leaps to my mind is geometric. A right triangle has three sides, all of which depend on the others to form the structure. But its defining elements are the angle formed by the intersection of the two inferior sides, and the superior third side that's created as a result.

Orr is assigning the interests of creditors and employees to those inferior sides. Residents and services are the dominant side, whose interests should be nurtured by the intersection of the other two. You borrow money to build

infrastructure for residents. You hire employees to provide services - for residents.

A few months ago, I wrote that Gov. Rick Snyder's decision to appoint an emergency manager, somewhat ironically, was about repairing the covenant between the governed and the government in Detroit. This is exactly what I was talking about.

Orr's plan, if successful, would return Detroit government to the basics: Keep the lights on, keep the streets safe, get the garbage picked up. And it would de-emphasize the other conceits (unmanageable, irresponsible debt; acquiescence to the special-interest-class behavior of some employee unions) that helped create the city's fiscal crisis, and left residents living in a service wasteland.

It's stunning that some creditors will be offered just pennies on the dollar for the city's debts. And it's tragic that some retirees who made plans around the city's promises of pensions and health benefits will become victims of mismanagement.

But city residents have seen their taxes return pennies on the dollar in services for decades. They've been the victims of broken promises since before I was born. Orr's plan begins to make them whole again, and at minimum asserts their right to expect decent services, and efficient government.

There's a lot to be done before we can say this was a success. Deals must be made and honored. And the city's political class will have to embrace the new structure Orr leaves behind, and execute the new paradigm.

But this is a step forward Detroiters ought to leap to embrace - and one that could pay off far beyond its financial implications.