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## Warren mayor calls for pay cuts in State of City address

*CANDICE WILLIAMS**The Detroit News*

*Warren* -- Mayor Jim Fouts announced a series of steps Thursday aimed at heading off financial trouble, including a plea for wage concessions from the city's unionized employees.

If workers agree, the mayor said during his third annual State of the City address, he and his staff will take the same pay cuts themselves.

"I will cut my salary and cut the salary of all my appointees," he told more than 400 city officials, business leaders and residents at Andiamo Italia on 14 Mile. "If the employee unions agree to this, there will be no layoffs."

In a wide-ranging speech, the mayor highlighted initiatives to streamline services and reduce costs. They include:

- Asking Center Line to let Warren take over the smaller town's emergency dispatch and police patrol services, which Fouts said could save both communities \$2 million.
- Combining Warren's risk management, labor relations, personnel and payroll departments into a new human relations department.
- Pursuing a possible class-action lawsuit against DTE Energy to contest \$2 million in annual charges to maintain the city's 11,000 streetlights.
- Hiring two key finance officials: Louis H. Schimmel, who helped lead Hamtramck and Ecorse out of insolvency, as executive administrator, and Marcia Smith, a former Macomb Township assessor, as Level 4 assessor.

Fouts said the city has maintained a \$25 million fund balance despite dwindling revenue, but will have to act aggressively or the money could disappear by 2012, given projected deficits over the next few years.

"It's about the city employees, it's about the union and City Council working together," the mayor said.

Warren already has acted to head off red ink. Earlier this month, the city responded to a funding shortage by suspending overtime in the Fire Department and taking fire trucks and stations out of service on days when staff levels are smaller.

Fouts said he wrote to Center Line officials last month to propose merging public safety services.

But Center Line Mayor David Hanselman said he and city staff have seen no such proposal and that he learned

of the idea Thursday morning.

Hanselman said he's pleased with the service his 30 police, fire and ambulance workers provide but is willing to listen to Fouts.

"We have less crime than our surrounding communities," he said. "Within a minute or two, we have response time. We pride ourselves on the services we provide our residents. We've been doing that for a lot longer than the city of Warren."

Reacting to Warren's threat of legal action, DTE Energy spokesman Len Singer said the utility stands behind its maintenance fees and has a meeting scheduled with Fouts next week.

Last year, the Michigan Public Service Commission approved a rate increase, something Warren and other municipalities were aware of, he said.

"Our responsibility includes upgrades, burned-out lights, vandalism," Singer said. "You name it, we're responsible for maintaining it. We will sit down with the mayor and anyone else in the city to discuss what's involved in the fees that they're paying."

The mayor also addressed economic development in his speech, announcing that Wisconsin-based Oshkosh Corp., manufacturer of heavy duty vehicles and aircraft, will move into the city. The move is expected to bring about 200 jobs and \$6.75 million in investment to Warren.

Resident Henry Krzystowczyk, who attended the mayor's speech, said Fouts has stabilized the city since taking office three years ago. "He's very dedicated and I believe he has the correct vision," he said.

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