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Editorial: OK of Detroit bankruptcy deal shows Michigan lawmakers get it

June 4, 2014

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Lansing, take a bow.

The [state Senate Tuesday approved a package of bills crucial to resolving Detroit's historic bankruptcy](#), protecting the collection at the Detroit Institute of Arts and shoring up the pensions of city retirees. Approved by the state House nearly two weeks ago, the bills are now en route to Gov. Rick Snyder, who is expected to sign them into law.

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It's an exceptional effort from a Legislature that's too often fractious. It's also a vote of confidence, not only from lawmakers,

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Gov. Rick Snyder speaks Tuesday at the Capitol after the Michigan Senate approved nearly \$195 million for Detroit as part of the grand bargain. / Kathleen Gray/Detroit Free Press

By The Detroit Free Press
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but Michiganders across the state, who consistently told pollsters that they support grand bargain — the \$816-million deal (comprising funds pledged by the state, philanthropic foundations and the DIA itself).

For a city that's too often the butt of jokes and derision, it's a heartening show of solidarity.

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“The only thing separating Detroit from Michigan is a comma,” state Senate Majority Leader Randy Richardville, R-Monroe, said Tuesday on the Senate floor.

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We'll go one step further: Detroit is the state's principal city. Period. Even after decades of population decline, Detroit is home to more Michiganders than any other city in the state.

These things matter: the lives of retirees, many of whom would face steep, impoverishing pension cuts, in the absence of the grand bargain funds. The DIA, the most important cultural asset in the state. The health of Detroit, without which the State of Michigan can't claim success.

Lawmakers — most of them, at any rate — got it.

In the state House, most of the 10 bills in the grand bargain package passed with overwhelming bipartisan support. In four instances, at least 100 of the House's 110 members voted to approve them.



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Bills to create oversight for Detroit passed the Senate by wide majorities; the crucial bill — detailing a one-time state payment to Detroit of \$194.8 million — passed 21-17, a much

narrower margin. Lawmakers also voted down a House bill that would have prevented local voters in Wayne, Oakland and Macomb counties from renewing a 10-year operating millage for the DIA, approved by voters in all three counties in 2012.

We'll take it.

Richardville made it clear that such a requirement was unacceptable: "It was strange that the Legislature would be telling the city that we're not going to let local governments make their own decisions, or have a vote of their own people."

Snyder, too, deserves credit. The governor first pitched this aid package in January, with the support of Richardville and state House Speaker Jase Bolger, and was unequivocal in his insistence that this deal got done.

There's more to come. Retirees are now voting on pension adjustments proposed by Detroit emergency manager Kevyn Orr: A 4% cut to monthly benefits and the elimination of scheduled cost-of-living adjustments for civilian retirees, and a drop in COLA from 2.4% to 1.5% for police and fire retirees, who will see no monthly benefit cuts. About 15% of retirees have returned ballots, Orr said last week, with a ratio of roughly 2-1 voting in favor of the deal.

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Some of Detroit's creditors are still agitating against this deal, saying that the DIA's city-owned art collection should be plundered, that priceless art should be sold for a pittance to mitigate their losses. It's an obscene proposal. Those creditors had attempted to

strengthen their case by saying the grand bargain was “grandiose.” Well, the deal’s just about done.

And it’s all still subject to the approval of U.S. Bankruptcy Judge Steven Rhodes. Because the grand bargain is the work of his mediator, Chief U.S. District Judge Gerald Rosen, we’re hopeful it will receive Rhodes’ blessing. That will be settled at Detroit’s bankruptcy plan of adjustment confirmation hearing, set to start July 24. But for now, we’re just satisfied that one very important piece of this complicated puzzle has fallen into place.

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