Memphis sanitation workers are volatile city budget target

By Zack McMillin

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They will arrive Tuesday for budget hearings at City Hall, some of them in the bright neon T-shirts that serve as uniforms for Memphis sanitation workers in hot weather, some of them carrying signs with the famous declaration, "I AM A MAN."

They will bring with them pride and fearlessness that dates back to even the few years before 1968, when conceiving of a union composed mostly of poor black workers was unfathomable. A few of them can actually remember working alongside the earliest, most resolute activists like T.O. Jones, whose relentless organizing brought about Memphis Local 1733 of the American Federation of State, County and Municipal Employees.

They will be there because, as the City Council grapples with a structural budget deficit of $60 million, one area most involved agree could yield significant savings involves garbage collection -- or what is now called solid waste management.

By one estimate, savings of $25 million per year could be achieved through privatization, but even if $250 million of savings over a decade is possible (AFSCME officials dispute it), that competes with something many feel has an even greater value -- everything that those famous seven letters, "I AM A MAN," have come to mean to the city and the country.

Even all these years later, when sanitation workers make wages that put them in the middle class, with vastly improved working conditions, raising the issue of savings on the backs of the sanitation department risks fierce opposition.

City Councilman Kemp Conrad, whose raft of savings proposals include three options for cost savings in solid waste, calls sanitation the "third rail of Memphis politics." At one budget hearing, council member Janis Fullilove placed an "I AM A MAN" sign next to her, and former council chairman Harold Collins spoke of how much he cherishes an "I AM A MAN" sign in his office.

The history makes talk of there being no "sacred cows" during a difficult budget season seem naïve. Local 1733 is important not just to Memphis but the nation -- the White House honored the remaining 1968 strike veterans just this spring by inducting them into the Labor Hall of Fame.

On April 4, on the 43rd anniversary of Dr. Martin Luther King Jr.'s assassination in Memphis, labor groups from all over coalesced in rallies tying current labor fights to the
Memphis sanitation workers' struggle for recognition.

"People around the country would be shocked," said Michael Honey, a historian who has studied Memphis’ labor history closely. "People look at Memphis and say they achieved a new level of civil rights, labor and justice through that struggle. Then all of a sudden somebody says, 'Well, you know, they don't have a union any more. In fact they privatized the whole thing.'"

That historic role gives AFSCME extra muscle when bargaining with the city, although, as Conrad points out, the union has failed over all these years to even win a decent pension for workers.

Last year, Mayor A C Wharton asked Local 1733 to consider managed competition, whereby the city and union would target and share cost savings. AFSCME said, essentially, "not interested."

Then, early this month, came the privatization proposal that is even less palatable to the union, no matter that Conrad included in his idea $75,000 buyouts for some of the most senior workers. Those senior workers well know that long ago AFSCME opted out of the city pension plan, so that retirees receive only Social Security in retirement.

Even with that buyout provision and insistence on a private company keeping the same wages, resistance was fierce and the outrage uninhibited. Much has been made this week of labor-friendly videos casting Conrad and Reid Hedgepeth as villains, which Hedgepeth made easier when he inartfully pointed out that those like him, born in the 1970s, weren't even around during the strike.

Yet, unless taxes are raised, services (and therefore jobs) will be cut from somewhere. Memphis pays for sanitation services through sewer fees, though any savings could benefit the city's overall finances.

In a Wall Street Journal column this spring, New York City deputy mayor Stephen Goldsmith argued that when a city cannot harvest identifiable savings because of labor or bureaucratic resistance, it "leads directly to budget cuts for social programs and education, and to higher taxes that squeeze working families' budgets and kill jobs."

To that, AFSCME and other city workers point out -- in Memphis, taxes could be raised.

Although the property-tax rate for Memphis is higher than anywhere else in Tennessee, this is still one of the nation's least-taxed states and, for a big city, Memphis has a very low cost of living. According to the anti-tax group Tax Foundation, the state ranks 48th in taxes as a percentage of total income; DeSoto County, where people warn more Memphians will flee to, is in a state ranked 36th, and has an income tax.

But even if the City Council can find seven votes in an election year to raise taxes, it does not change the essential algebra of municipal budgeting. A dollar spent on X is a dollar not spent on Y.

Goldsmith, a former mayor of Indianapolis who consulted with Wharton about the managed-competition proposal, argues that workers and unions must see the bigger picture.
"Every nonessential dollar spent is a dollar less available for hospital care -- or shelter for the homeless, or police for troubled neighborhoods," he wrote. "In a word, these special-interest interventions ultimately lead to socially regressive results."

On Wednesday, Wharton was at a groundbreaking event at Tobey Park for a new skate park in the city, right near a new off-leash dog park the city recently installed. He bragged about the bike lanes the city is adding and the various trails that have proven popular.

Afterward, asked about Tuesday's hearings, Wharton insisted that the city must "look at all the circumstances" when considering where to find savings or additional revenues.

"When it comes to sanitation workers, we look at everything, and that includes part of the history," Wharton said. "But that does not mean any one factor rules the day when it comes to determining what's best -- both for the workers and from a sustainable standpoint when it comes to city finances. You have to look at everything."

Wharton said that, just as the terrorist attack on Sept.11, 2001, does not mean New York City can never again lay off first responders for budgetary reasons, the history of Memphis sanitation workers cannot overwhelm the budget reality facing the city.

But neither can it be ignored.

"You don't throw history out the window," Wharton said. But, he added: "We're not going to let one factor of any type control how we run the operation."