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Gov sets stage for tough calls

Lansing
With Gov. Rick Snyder, it's all business. In a brief series of sidesure to sweat politicians and bureaucrats all

across the Big Mitten, Michigan's new CEO used a conference here Monday to deliver a devastating

portrait of the state's financial health — and it's a lot worse than you thought.

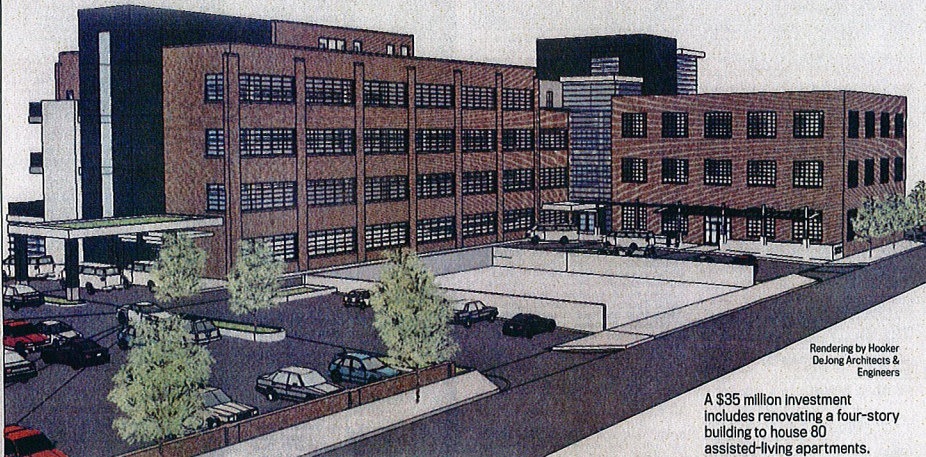
Debt, adjusted for inflation, has ballooned to \$70 billion, or \$2,430 per resident today from \$724 per resident in 1979. The state is borrowing \$1.2 billion each year just to pay its bills. Pay and benefits for public employees increased by double-digit rates between 2000 and 2009, even as private-sector workers saw their compensation decline 13 percent in the same period.

Want more? To maintain current spending levels, governments in Michigan have exhausted their cash reserves, borrowed more aggressively and increased unfunded pension and retiree health-care liabilities that now total more than \$50 billion. Only the pension obligations, underfunded by some \$18 billion, are guaranteed by the state constitution.

"What we're talking about today should have happened decades ago, generations ago," Snyder said of his 20-page "Dollars and Sense:

How State and Local Governments in Michigan Spend Your Money." He added about his 2011 Citizen's Guide to Michigan's Financial Health: "It's absolutely critical that we have transparency and accountability in financial information. This is about getting the facts."

And the facts amount to a searing indictment of Snyder's predecessor, of Republican and Democratic legislators who clung to tactical fixes to yawning budget gaps, of public-sector union contracts that fattened benefits for their members while Michigan lost 850,000 jobs



Rendering by Hooker DeJong Architects & Engineers

A \$35 million investment includes renovating a four-story building to house 80 assisted-living apartments.

Affordable assisted living to move into neighborhood

Health system, 2 nonprofits to put services in E. Jefferson area

BY MELISSA BURDEN
The Detroit News

Detroit — The Henry Ford Health System is teaming up with two nonprofit organizations to help redevelop a Detroit neighborhood by creating affordable assisted-living options and expanding federal health care services for seniors.

The Detroit-based health system is joining Presbyterian Villages of Michigan and United Methodist Retirement Communities in a \$35 million investment that includes renovating a four-story building south of East Jefferson Avenue to house 80 assisted-living apartments and a second location for Henry Ford's Center for Senior Independence. The center provides medical and social services to low-income seniors who have serious health problems; Henry Ford operates another center in northwest Detroit.

The first phase of the East Jefferson Neighborhood Project is expected to create 183 health care jobs and 350 temporary construction jobs, officials

About the project

- Create 80 assisted-living apartments for seniors on Detroit's east side, ranging from \$299 to \$560 per month for a one-bedroom and \$357 to \$844 a month for a two-bedroom.
- Open a second Henry Ford Health System Center for Senior Independence, which provides medical and social services to qualifying low-income elderly people with health problems.
- Build 50 to 60 Independent senior apartments, a nursing home and neighborhood cafe.

Sources: Henry Ford Health System, Presbyterian Villages of Michigan and United Methodist Retirement Communities

said Monday. A future phase calls for renovating a second building to house 50-60 senior apartments, a nursing home and a community cafe.

"It happens to be one of the areas of the city that's in the greatest need of services for seniors," said John Thorhauer, president and CEO of United Methodist Retirement Communities. "Part of the issue in the city of Detroit, in general there's not adequate assisted living at all at any price."

The project will help Henry Ford expand its senior independence program from about

222 participants today to up to 1,000 during the next three years, said John Polanski, Henry Ford's president and CEO for community care services. The center is part of the federal government's Program of All-Inclusive Care for the Elderly, which serves more than 20,000 people in 29 states.

"The entire program is focused around improving their quality of life and their health care well-being by keeping them out of nursing homes and keeping them inside their homes," Polanski said, adding the service includes providing

Facilities sold: St. John sells two Detroit buildings. **11A**

seniors with transportation to the center to receive health care, meals and social activities.

Roger Myers, president and CEO of Presbyterian Villages of Michigan, which runs two dozen senior apartment and retirement communities in the state, said the group sees a future in bringing services and care to the elderly wherever they live.

"There's such a huge demand," he said, noting southeast Michigan's senior population is expected to grow significantly in the next few decades. "The concentration of seniors in this particular part of Detroit is really one of the highest concentrations in the country. There's a great need."

Myers said research shows there are more than 80 eligible individuals per square mile within a 20- to 30-minute drive from the East Jefferson project who are eligible for the PACE

Please see *Seniors*, Page 11A

mirror that offers key safety and security features, such as automatic crash response, hands-free calling and turn-by-turn navigation, for non-General Motors and older GM vehicles.

Best Buy will offer on-site installation for \$75 to \$100. A range of service plans will be available, starting at \$18.95 a month or \$199 a year. The retail mirror goes on sale this spring.



Andrew Herrer / Bloomberg

OnStar will soon sell its system at Best Buy and other retailers.

Meijer launches online grocery, drugstore

Grand Rapids-based Meijer Inc. on Monday launched an online service to deliver grocery and drugstore items to customers worldwide.

MeijerDoorstepGrocery.com is the retailer's first effort to sell non-butcher groceries online. It's also Meijer's first foray into international online sales. Shipping costs start at \$7.95.

Meijer is offering 10 percent off orders exceeding \$100 for a limited time.



David Coates / The Detroit News

The 2011 Chevy Volt will soon be in showrooms for test drive.

Chevy dealers to get Volt demo vehicles

Chevrolet dealerships in California, Connecticut, Maryland, Michigan, New Jersey, New York, Texas, Virginia and Washington D.C., will receive Volt demonstration vehicles over the next few weeks for customers to test drive.

About 850 extended-range electric Volts will be in the first test fleet, which will grow to more than 2,500 by year's end.

DMP to open service center, create 34 jobs

Detroit — The Detroit

"... IN THE CITY OF DETROIT, IN GENERAL, THERE'S NOT ADEQUATE ASSISTED LIVING AT ALL AT ANY PRICE."

John Thorhauer, president and CEO of United Methodist Retirement Communities

Seniors

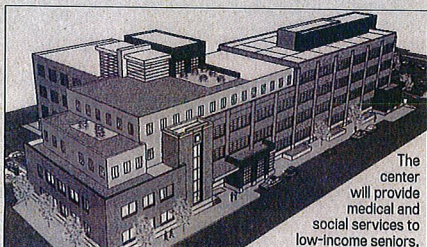
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program, about double that of other urban areas.

Seniors are eligible for the program if they receive Medicaid and Medicaid and are nursing home eligible.

Presbyterian Villages of Michigan will buy an interest in Henry Ford's program. The two will jointly run the Center for Senior Independence, Polanski said. Myers said Presbyterian Villages of Michigan will invest close to \$2 million in the venture.

Presbyterian Villages and Henry Ford also plan to open a third center in the Madison Heights and Hazel Park area and another in Dearborn or



The center will provide medical and social services to low-income seniors.

Rendering by Hooker DeJong Architects & Engineers

Dearborn Heights by 2013 or 2014, Myers said. They would each serve about 300 people.

A \$2 million grant from the Community Foundation for Southeast Michigan is helping with the purchase of two former Parke-Davis buildings and land from the UAW/GM Center for

Human Resources for about \$700,000, Myers said.

Other financing will come through tax credits, loans and grants from the state, Wayne County and city of Detroit and investments from the three entities, including \$1.5 million from Henry Ford.

court what could be done in a Chapter 11," Birmingham turnaround consultant Van Conway said.

A Chapter 11 bankruptcy is considered the most complex and expensive of bankruptcy options, but it gives a corporation

Stock Exchange after news of the delayed payments.

Borders' decision to hold off payments is typical of a distressed company, said Michael Norris, an analyst with Simba Information, a publishing consulting firm in Stamford, Conn.

game of chicken," he said the publishers wouldn't play.

The delayed payments further bad sign, Greco says looks as though this is a path to bankruptcy."

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Howes

Continued from Page 10A

finances, are sobering and ugly. They're also a likely road map to Snyder's budget priorities come his budget address on Feb. 17, as well as the foundation for a public — and heated — debate with public-sector unions and the pols they support.

More than anything, however, the Citizen's Guide is evidence of government attempting to treat the governed like the adults they are. Every sentient being in Michigan knows the economy has been in recession for a decade, that Detroit's auto implosion claimed more than 100,000 jobs, that pay cuts and higher insurance co-pays are part of life in the private sector.

What they didn't know — because pols are loathe to tell them except to exert political pressure — is how overextended, indebted and spent the public fisc actually is. Which means:

First, that tough calls are coming and they're likely to require more fundamental change than taxpayers, local

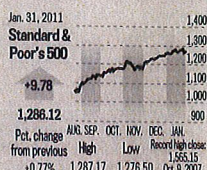
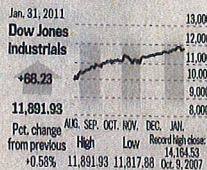
economic development efforts to encourage investment and job creation is critical to climbing out of a deep economic hole. A more robust auto industry, lower property values, lower business costs and a more business-friendly state government are preconditions to growth, an engine that could help reverse

some scary financial trends "This is not about cutting yourself to prosperity," Snyder said. "It's not the time to cry while about it. It's time to get work."

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Daniel Howes column runs Tuesdays and Fridays

MARKET WATCH



Local stocks

Stock	Tkr	Div	PE	Chg	YTD
AgreeRkr	AOL	2.04	10	-25	-11.2
AmAria	AOL	12	-22	+11.2	23.25
AmVista	ARA			+5.1	+6.5

Commodities

Stock	Tkr	Div	PE	Chg	YTD
Penske	PAG	16	-03	-30	16.90
Percept	PRCP			-8.7	5.37
Pierce	PIER	26	29	-17	+14.8

Price	Chg.
Gold (Comex), \$ per troy oz.	1333.60 -6.90
Silver (Comex), cents per troy oz.	2817.4 +24.0
WTI, Sweet Crude Oil, \$ per bbl.	92.19 -1.96

GIANT ONLINE BIDDING EVENT

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require more fundamental change than taxpayers, local