



CITY OF DETROIT
HUMAN RESOURCES DEPARTMENT
LABOR RELATIONS DIVISION

COLEMAN A. YOUNG MUNICIPAL CENTER
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April 9, 2024

HONORABLE CITY COUNCIL:

Re: Implementation of the 2023 – 2027 Labor Agreement between the City of Detroit and the employees represented by the Association of Municipal Engineers

The Labor Relations Division is recommending your Honorable Body's official approval of the 2023 - 2027 Master Agreement between the City of Detroit and the Association of Municipal Engineers.

The Master Agreement covers wages, hours, and other basic conditions of employment from July 1, 2023, through June 30, 2027. It has been signed by all parties concerned and meets with the approval of the Labor Relations Division.

We therefore respectfully request that your Honorable Body adopt the following resolution with a Waiver of Reconsideration.

Respectfully submitted,

Keith Worthy
Labor Relations Director



By Council Member _____:

WHEREAS, the City of Detroit and the Association of Municipal Engineers have met the standards for recognition as exclusive agents for their members in the employ of the City of Detroit under Public Act 336 of 1947, as amended, and

WHEREAS, the Labor Relations Division, under the direction of the Mayor, is authorized and directed by the City Charter to act for the City of Detroit in negotiation and administration of collective bargaining agreements, and

WHEREAS, the Labor Relations Division and the Association of Municipal Engineers have met and negotiated this labor agreement which covers wages, hours and other economic conditions of employment through June 30, 2027.

NOW, THEREFORE, BE IT RESOLVED, that the Master Agreement between the City of Detroit and the Association of Municipal Engineers, be and is hereby approved and confirmed in accordance with the foregoing communication.



**OFFICE OF THE
CHIEF FINANCIAL OFFICER
OFFICE OF BUDGET**

Coleman A. Young Municipal Center
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Detroit, Michigan 48226

Phone 313•224•6260
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March 14, 2024

Honorable Detroit City Council
Coleman A. Young Municipal Center
2 Woodward Avenue
Detroit, MI 48226

Re: Fiscal Impact of Labor Agreement between the City of Detroit and the Association of Municipal Engineers

Dear Honorable Council Members:

Please see attached Fiscal Impact Statement prepared by the Office of Budget for the above referenced item, pursuant to CFO Directive 2018-101-029: Fiscal Impact Statements. Upon review, please do not hesitate to contact me to discuss further.

Best regards,

Steven Watson
Deputy CFO / Budget Director

Att: CFO Fiscal Impact Statement No. 2024-110-005

cc: Jay B. Rising, CFO
John Naglick, Jr., Chief Deputy CFO/Finance Director
Tanya Stoudemire, Chief Deputy CFO/Policy & Administration Director
Keith Worthy, Labor Relations Director
Malik Washington, City Council Liaison
David Whitaker, Director-Legislative Policy Division



Office of the
Chief Financial Officer

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CFO FISCAL IMPACT STATEMENT NO. 2024-110-005

SUBJECT: Fiscal Impact of Labor Agreement between the City of Detroit and the Association of Municipal Engineers
PREPARED BY: Office of the CFO – Office of Budget
DATE ISSUED: March 14, 2024

1. AUTHORITY

- 1.1. State of Michigan Public Act 279 of 1909, Section 4s(2)(d), as amended by Public Act 182 of 2014, states the chief financial officer shall submit in writing to the Mayor and the governing body of the City his or her opinion on the effect that policy or budgetary decisions made by the Mayor or the governing body of the City will have on the City's annual budget and its four-year financial plan.
- 1.2. CFO Directive No. 2018-101-029 Fiscal Impact Statements states that the CFO shall issue Fiscal Impact Statements ("FIS") for pending or enacted decision items with a significant fiscal impact on the City, as determined by the CFO, to provide financial information to the Mayor and the City Council as they consider action on proposed local policy or budgetary decision items.

2. PURPOSE

- 2.1. To provide financial information to the Mayor and the Detroit City Council as they consider the effect of the proposed labor agreement between the City of Detroit (the "City") and the Association of Municipal Engineers (the "AME").

3. OBJECTIVE

- 3.1. This FIS serves as the report on the fiscal impact of the proposed labor agreement on the City's annual budget for FY 2024 and four-year financial plan for FY 2024 – FY 2027 (the "City budget").

4. SCOPE

- 4.1. This FIS is not intended to convey any statements nor opinions on the advisability of the proposal, except for those components that have or may have a fiscal impact on the City budget.
- 4.2. This fiscal impact analysis is based on the proposal as described below in Section 5 of this FIS. Should the proposal change prior to final approval, an updated FIS may be issued.

5. STATEMENT

- 5.1. Conclusion: The proposed labor agreement would have **no net impact** on the City budget, as the incremental cost of the contract within the Major Street Fund and Construction Code Fund can be absorb via a combination of operational efficiencies and non-personnel resource shifts.

5.2. Background: The following labor agreement impacts the Construction Code Fund within the Building, Safety Engineering, and Environmental Department (BSEED), and the Major Street Fund within Department of Public Works (DPW). The agreement includes a 0% annual wage increase in FY 2024, and 2% annual wage increases in FY 2025-2027. The 0% annual wage increase in FY 2024 is because the union did not offer wage increase concessions in FY 2021 as part of the City's financial response to the pandemic. The agreement also includes a targeted pay scale adjustment to the current minimum and maximum ranges in FY 2024. The targeted pay scale adjustments will provide AME for more competitive wages with competing industries and help improve recruitment and retention efforts within BSEED and DPW.

5.3. Fiscal Impact: The proposed labor agreement has **no net impact** on the City budget, as resources are sufficient within the Major Street and Construction Code Fund to cover the incremental cost of the contract. This incremental cost can be supported via a combination of operational efficiencies and repurposing non-personnel funding to cover the contract costs.

City of Detroit

FIS - Association of Municipal Engineers Labor Agreement

	FY 2024	FY 2025	FY 2026	FY 2027
Current Budgeted Salaries				
Current annual base wages	\$ 2,114,925	\$ 2,157,224	\$ 2,200,368	\$ 2,244,375
Annual wage increase	0.0%	2.0%	2.0%	2.0%
Budgeted Positions	28	28	28	28
Street Fund - DPW	25	25	25	25
Construction Code Fund - BSEED	3	3	3	3
Average Base Pay	\$ 75,533	\$ 77,044	\$ 78,585	\$ 80,156
Proposed Salaries				
Proposed Targeted Payscale Adjustment	\$ 2,288,266	\$ 2,334,031	\$ 2,380,712	\$ 2,428,326
Annual wage increase	0.0%	2.0%	2.0%	2.0%
Average Base Pay	\$ 81,724	\$ 83,358	\$ 85,025	\$ 86,726
Incremental wages	\$ 173,341	\$ 176,808	\$ 180,344	\$ 183,951
Incremental overtime	8,667	8,840	9,017	9,198
Incremental other fringes	24,584	25,075	25,577	26,089
Total incremental cost of contract	\$ 206,592	\$ 210,723	\$ 214,938	\$ 219,238
Street Fund - DPW	181,801	185,437	189,146	192,929
Construction Code Fund - BSEED	24,791	25,286	25,792	26,308
Cost Offsets				
Partial Year Implementation Savings (April 1 Effective)	\$ (154,944)	\$ -	\$ -	\$ -
Operational Savings/Non-Personnel Reallocation	(51,648)	(210,723)	(214,938)	(219,238)
Net impact on Four-Year Financial Plan	\$ -	\$ -	\$ -	\$ -

Notes:

Incremental Fringe assumes FICA/pension for Salary, and FICA only for incremental OT

SIGNATURE PAGE

APPROVED

A handwritten signature in black ink, appearing to read "Steven Watson", is written over a horizontal line.

Steven Watson, Deputy CFO / Budget Director

**2023 - 2027 Labor Agreement
between the
CITY OF DETROIT
and the
ASSOCIATION OF MUNICIPAL ENGINEERS
*SUMMARY OF CHANGES***

Article 8 Grievance and Arbitration Process

- ◆ Added language clarifying that the grievant may not attend the Step 3 meeting.
- ◆ Added language regarding the process for termination of an Arbitrator.

Article 12 Seniority

- ◆ Removed obsolete language regarding Federal Economic Opportunity Act (FEOA)
- ◆ Removed obsolete language regarding seniority lists provided on compact disks (CD's)

Article 24 Career Development and Training

- ◆ Removed obsolete reference to Detroit Resources Management Systems (DRMS)

Article 30 Funeral Leave

- ◆ Added language "Funeral leave shall be limited to a fourteen (14) calendar day period beginning the day of the funeral. The funeral leave is not required to be consecutive days and is subject to Employer approval."
- ◆ Added language that the 300 mile calculation starts from the employee's residence.
- ◆ Added language to allow the Department head discretion to accommodate the needs of the employee for granting funeral leave.

Article 34 Holidays and Excused Time Off

- ◆ Added eight (8) hours of "Excused Time" for Juneteenth.
- ◆ Removed obsolete language reference to swing holidays.

Article 35 Unused Sick Leave Upon Retirement

- ◆ Added language to clarify that only "Reserve and Prior Sick Leave" is paid out for hours accrued prior to July 18, 2012

Article 36 Vacations.

- ◆ Added the years of service time required to earn vacation days.
- ◆ Changed the vacation schedule to allow employees to accrue vacation days quicker beginning in year 2 through year 11.
- ◆ At 11 years of service or more, employees earn the maximum of 20 vacation days per year.
- ◆ Added language to clarify that vacation accruals over 160 hours are used or forfeited September 30th, each year.

Article 38 Jury Duty

- ◆ Eliminated the requirement for the City to pay the difference between pay for jury duty and employee's regular pay.
- ◆ Added language allowing the employee to be excused for the remaining portion of the day when called upon for jury duty.

NOT FOR PUBLICATION

**2023 - 2027 Labor Agreement
between the
CITY OF DETROIT
and the
ASSOCIATION OF MUNICIPAL ENGINEERS
*SUMMARY OF CHANGES***

Article 41 Hospitalization, Medical, Dental and Optical Care Insurance

- ◆ Added language Blue Care Network HMO coverage for New Hires language.
- ◆ New hires are automatically enrolled in Blue Car Network HMO plan unless they waive coverage.
- ◆ Blue Care Network HMO health insurance is effective thirty (30) days after the new employee's hire date.
- ◆ An employee can select a new plan during the next open enrollment for the subsequent year.

Article 42 Wages

- ◆ Effective upon ratification of the agreement, and approval by City Council, all classifications in the bargaining unit shall transition to Step Code "D".
- ◆ Effective upon ratification of the agreement, and approval by City Council, all classifications in the bargaining unit shall receive a 7% market adjustment based upon the new salary range; although the adjustment could be more to insure employees reach the new minimum.
 - 0% wage increase effective July 1, 2023
 - 2% wage increase effective July 1, 2024
 - 2% wage increase effective July 1, 2025
 - 2% wage increase effective July 1, 2026
- ◆ Added language for annual Merit Increase Eligibility and process.
- ◆ All bargaining unit members ***may be*** eligible for an annual merit increase based on a performance evaluation to be completed by their supervisor and/or manager.
- ◆ The annual performance review period will be from July 1st through June 30th of the preceding fiscal year.
- ◆ The merit increase may be distributed as a percentage increase to an employee's base wage or as a lump sum bonus or potentially a combination of both at management's discretion.
- ◆ Employees who achieve a satisfactory performance rating, have at least one year of service and have no written attendance and/or disciplinary actions are eligible for merit increases.
- ◆ A merit increase cannot result in an increase that is more than the maximum of the pay range.
- ◆ Employees that are at the maximum of the pay range may receive a lump sum payment in lieu of a percentage increase.
- ◆ Employees who received an economic adjustment, due to a promotion or transfer during the performance evaluation period, are not eligible for a merit increase.

Article 47 Modification and Duration

- ◆ Contract expires 11:59 P.M., June 30, 2027.

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between the
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