



Coleman A. Young Municipal Center
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February 12, 2025

HONORABLE CITY COUNCIL:

Re: Implementation of the 2024 – 2028 Labor Agreement between the City of Detroit and the Police Officers Association of Michigan – Detroit Traffic Control Officers (BU 3200)

The Labor Relations Division is recommending your Honorable Body's official approval of the 2024 - 2028 Master Agreement between the City of Detroit and the Police Officers Association of Michigan – Detroit Traffic Control Officers.

The Master Agreement covers wages, hours and other basic conditions of employment from July 1, 2024 through June 30, 2028. 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,

A handwritten signature in blue ink that reads "Valerie A. Colbert-Osamuede".

Valerie A. Colbert-Osamuede
Interim Labor Relations Director

By Council Member _____:

WHEREAS, the City of Detroit and the Police Officers Association of Michigan – Detroit Traffic Control Officers 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 Police Officers Association of Michigan – Detroit Traffic Control Officers unit have met and negotiated this labor agreement which cover wages, hours and other economic conditions of employment through June 30, 2028.

NOW, THEREFORE, BE IT RESOLVED, that the Master Agreement between the City of Detroit and the Police Officers Association of Michigan – Detroit Traffic Control Officers, be and is hereby approved and confirmed in accordance with the foregoing communication.



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CFO FISCAL IMPACT STATEMENT NO. 2025-110-001

SUBJECT: Fiscal Impact of Labor Agreement between the City of Detroit and the Police Officers Association of Michigan - Traffic Control Officers
PREPARED BY: Office of the CFO – Office of Budget
DATE ISSUED: January 15, 2025

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 labor agreement between the City of Detroit (The "City") and the Police Officers Association of Michigan - Traffic Control Officers (The "POAM-TCO").

3. OBJECTIVE

- 3.1. This FIS serves as the report on the fiscal impact of the proposed on the City's annual budget for FY 2025 and four-year financial plan for FY 2025 – FY 2028 (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 labor agreement would have **no net impact** on the City budget, as resources have been budgeted and identified to cover the incremental cost of the contract.
- 5.2. Background: The POAM-TCO labor agreement impacts the General Fund within the Detroit Police Department (DPD). The agreement includes a 2% annual wage increase in

FY 2025- 2028. The agreement also includes a proposed one-time percentage market adjustment increase to active employees ranging from 0.5% to 4% based on years of service.

The labor agreement also includes a \$100 annual clothing allowance increase from \$250 to \$350, and a new \$170 boot allowance per employee. The labor agreement revises the current afternoon and night shift hourly premium amounts from 25 cents to 50 cents, and 50 cents to 75 cents, respectively. The labor agreement also modifies the vacation schedule to allow employees to accrue additional vacation days quicker beginning in years 2 through 11.

Prior to the proposed labor agreement, the minimum and maximum salary range for TCOs was increased by 23% via a March 2024 classification and compensation update. Those previously below the new minimum salary range were automatically brought to the new salary minimum. However, due to timing overlaps, the City budget did not account for this class/comp change.

- 5.3. Fiscal Impact: The POAM-TCO labor agreement has **no net impact** on the City budget, as resources are available to cover the incremental cost as summarized in the following table. The City budget includes resources set aside in Non-Departmental for various workforce investments and pending labor contracts. Sufficient resources are budgeted in the workforce investments account to cover the incremental cost of the POAM-TCO labor agreement. Although the labor agreement does not have a fiscal impact on the current City budget, it may have a long-term financial impact if the workforce investment drawdown amount noted in the table below is restored in future City budgets.

City of Detroit**FIS - Police Officers Association of Michigan - Traffic Control Officers**

	FY 2025	FY 2026	FY 2027	FY 2028
Current Budgeted Salaries				
Current annual base wages	\$ 1,525,083	\$ 1,586,086	\$ 1,649,530	\$ 1,715,511
Annual General Wage increase	2.0%	2.0%	2.0%	2.0%
Step/Merit Pattern	2.0%	2.0%	2.0%	2.0%
Budgeted Positions	41	41	41	41
Average Base Pay	\$ 37,197	\$ 38,685	\$ 40,232	\$ 41,842
Proposed Salaries				
Proposed Salaries	\$ 1,704,003	\$ 1,772,163	\$ 1,843,049	\$ 1,916,771
Annual General Wage increase	2.0%	2.0%	2.0%	2.0%
Step/Merit Pattern	2.0%	2.0%	2.0%	2.0%
Market Adjustment Rate ¹	11.7%			
Average Base Pay	\$ 41,561	\$ 43,223	\$ 44,952	\$ 46,751
Incremental wages	\$ 178,920	\$ 186,077	\$ 193,520	\$ 201,260
Incremental overtime	8,946	9,304	9,676	10,063
Incremental other fringes	25,500	26,521	27,581	28,544
Shift Premium Increase	\$ 15,028	\$ 15,028	\$ 15,028	\$ 15,028
Boot Allowance \$170	6,970	6,970	6,970	6,970
Uniform Allowance Increase (\$250 to \$350)	4,100	4,100	4,100	4,100
Add'l Vacation Days (OT Backfill)	19,662	20,448	21,266	22,117
Total incremental cost of contract	\$ 259,125	\$ 268,448	\$ 278,141	\$ 288,082
Cost Offsets				
Workforce Investments Resource	\$ (259,125)	\$ (268,448)	\$ (278,141)	\$ (288,082)
Net impact on Four-Year Financial Plan	\$ -	\$ -	\$ -	\$ -

Notes:

Assumes 5% overtime rate due to historical actuals.

(1) Market adjustments represent a 23% increase to the minimum and maximum salary range, and a one-time market adjustment based on years of service. The City already increased the minimum and maximum range with a Class/Comp adjustment in March 2024, but it was not reflected in the City Budget. On average, total market adjustments equate to a 11.7% increase above the total base wages assumed in the City Budget.

APPROVED


Tanya Stoudemire

Deputy CFO / Interim Budget Director

**2024 - 2028 Labor Agreement
between the
CITY OF DETROIT
and the
POAM – TRAFFIC CONTROL OFFICERS
*SUMMARY OF CHANGES***

Article 6 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 10 Seniority

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

Article 13 Contractual Work

- ◆ Updated the language to reflect the correct Section of the Detroit City Code

Article 23 Work Week, Workday, Shift Premium

- ◆ The afternoon shift premium increased from \$0.25 to \$0.50 per hour
- ◆ The night shift premium increased from \$0.50 to \$0.75 per hour

Article 25 Holidays and Excused Time Off

- ◆ Added eight (8) hours of "Excused Time" for Juneteenth.

Article 26 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 27 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

Article 28 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 to allow the Department head discretion to accommodate the needs of the employee for granting funeral leave.

Article 41 Hospitalization, Medical, Dental and Optical Care Insurance

**2024 - 2028 Labor Agreement
between the
CITY OF DETROIT
and the
POAM – TRAFFIC CONTROL OFFICERS
*SUMMARY OF CHANGES***

- ◆ 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 one-time market adjustment based upon the seniority in the classification.
 - 2% wage increase effective July 1, 2024
 - 2% wage increase effective July 1, 2025
 - 2% wage increase effective July 1, 2026
 - 2% wage increase effective July 1, 2027
- ◆ 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 38 Uniforms

- ◆ Added Two (2) pair of Summer Knit Shirts and Two (2) pair of Knee Length Shorts to the members uniform allotment.
- ◆ Increased the annual uniform allowance from \$250 to \$350
- ◆ Added an annual shoe/boot allowance of \$170

Article 40 Modification and Duration

- ◆ Contract expires 11:59 P.M., June 30, 2028.