



CITY OF DETROIT  
HUMAN RESOURCES DEPARTMENT  
LABOR RELATIONS DIVISION

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September 25, 2024

## HONORABLE CITY COUNCIL:

**Re: Implementation of the 2023 – 2027 Labor Agreement between the City of Detroit and the employees represented by SEIU Local 517M – Professional & Technical Unit (BU 7800)**

The Labor Relations Division is recommending your Honorable Body's official approval of the 2023 - 2027 Master Agreement between the City of Detroit and SEIU Local 517M – Professional & Technical Unit.

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,

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

Valerie A. Colbert-Osamuede  
Labor Relations Deputy Director



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By Council Member \_\_\_\_\_ :

**WHEREAS**, the City of Detroit and SEIU Local 517M – Professional & Technical Unit 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 SEIU Local 517M – Professional & Technical Unit 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 SEIU Local 517M – Professional & Technical Unit, be and is hereby approved and confirmed in accordance with the foregoing communication.

**2023 - 2027 Labor Agreement**  
**between**  
**The CITY OF DETROIT**  
**and**  
**The SEIU Local 517-M Professional and Technical Unit**  
***SUMMARY OF CHANGES***

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**Preamble**

- ◆ Deleted reference to City Employment Terms.

**Article 2. Union Recognition**

- ◆ Subsection E. Replaced Privatization with Contractual Work.

**Article 4. City and Union Rights and Obligations**

- ◆ Subsection E. Added seventy two (72) hours timeline for written requests for information, data and/or records that are relevant to union's obligation as exclusive bargaining representative.

**Article 7. Union Representation**

- ◆ Deleted subsection D, language on reimbursement by union for full time and part time officials.

**Article 8 Grievance and Arbitration Process**

- ◆ Updated Union representatives attending Step 2 grievance meetings from two (2) to three (3)
- ◆ Added language clarifying that the grievant may attend the Step 3 meeting unless there is an act of threat or violence in which case grievant may attend virtually or by phone.
- ◆ Added language regarding the process selecting and 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)
- ◆ Removed classification seniority reference to prior agreements.

**Article 14. Reductions in Force, Lay off, Demotion, and Recall**

- ◆ Updated language to clarify displacement of least senior employee.

**Article 15. Transfers and Promotions**

- ◆ Added new language as subsection B for notification of assignments.

**Article 16. Contractual Work**

- ◆ Subsection B. Updated reference to City code.

**Article 22. Severability**

- ◆ Updated language to clarify article.

**Article 24. Career Development and Training**

- ◆ Removed reference to Detroit Resource Management System (DRMS).

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**Article 27. Confidential Employees**

- ◆ Deleted Article.

**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 31. Sick Leave**

- ◆ Removed obsolete reference to Personnel Payroll System (PPS).
- ◆ Subsection D. Added language clarifying Departmental leave pay will be deducted from sick leave bank with reference to City code.

**Article 32. Work Week, Workday, Shift Premium**

- ◆ Subsection 2. Removed language designating off days.
- ◆ Added new language for 28 day cycle.
- ◆ Increased shift premium from 25 cents to 50 cents for afternoon shift and from 50 cents to 75 cents for night shift.

**Article 33. Overtime**

- ◆ Removed language on super seniority for union stewards for purposes of overtime.
- ◆ Updated language providing clarity to overtime equalization.

**Article 34 Holidays and Excused Time Off**

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

**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 and paid hours 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 must be used by September 30<sup>th</sup> of each year or forfeited.

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**Article 37 Temporary and Out of Class Assignments**

- ◆ Updated Title of Article to include Out of Class Assignments

**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.

**Article 39 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 41 Death Benefits and Life Insurance**

- ◆ Updated City code.

**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 of 6%.
  - 2% retroactive wage increase effective July 1, 2023
  - 2% retroactive wage increase effective July 1, 2024
  - 2% wage increase effective July 1, 2025
  - 2% wage increase effective July 1, 2026
  - Up to 2% merit pay based on at least a satisfactory performance rating with no attendance and discipline on record in 2023-2024 fiscal year

**Article 43. Clothing and Uniform Allowances**

- ◆ Updated clothing allowance to \$200 annually
- ◆ Removed Uniform allowance of \$350 not applicable to this unit.
- ◆ Added \$175 boot allowance for Forensic Technicians

**New Article. MOU on Uniforms**

- ◆ Added a full complement of uniforms for employees in Forensic Technician, Crime Analyst and Virtual Patrol Operators classifications.

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*SUMMARY OF CHANGES***

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**New Article. Recall and standby time**

- ◆ Added language clarifying standby time.
- ◆ Added standby pay of One (1) hour for every Eight (8) hours on standby for Crime Analysts assigned to designated standby units and those who are selected to standby by management.
- ◆ Added language reducing Recall pay from four (4) hours to two (2) hours.

**New MOU. Training Incentive**

- ◆ Added language with parameters for selecting employees for training and added a 2.5% incentive to employees who are assigned to training while they are providing training.

**New Article. Performance Review Process and Merit Increase**

- ◆ 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.

**New Article. Definitions**

- ◆ Added language with definitions to various key terminology used in the CBA.

**Article 47 Modification and Duration**

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

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Chief Financial Officer

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## CFO FISCAL IMPACT STATEMENT NO. 2024-110-012

**SUBJECT:** Fiscal Impact of Labor Agreement between the City of Detroit and the Service Employees International Union 517M Professional and Technical Unit  
**PREPARED BY:** Office of the CFO – Office of Budget  
**DATE ISSUED:** September 16, 2024

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### 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 Service Employees International Union 517M Professional and Technical Unit (The "SEIU").

### 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 SEIU labor agreement impacts the General Fund within the Detroit Police Department (DPD) and Detroit Fire Department (DFD). The SEIU's previous labor contract expired on June 30, 2023, and they have been without a labor agreement throughout FY 2024. The agreement includes 2% annual wage increases in FY 2025-2027, and an additional 2% annual wage increase in FY 2025 to make up for the annual wage increase that was not applied in FY 2024. The 2% FY 2024 annual wage increase is also retroactive for wages earned in FY 2024 while the union was in contract negotiations. The agreement also includes a 6% market adjustment in FY 2025. The market adjustment will provide SEIU with more competitive wages and help improve retention and recruitment efforts.

The labor agreement also includes a \$30 annual clothing allowance increase from \$170 to \$200 per employee, and the elimination of a \$350 annual uniform allowance. The agreement adds a new \$175 boot allowance for Forensic Techs within the bargaining unit. 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. A 2.5% training incentive pay increase is also included in the agreement for Forensic Techs and Crime Analysts who participate in training-related activities. An additional vacation day and a paid day off in observance of Juneteenth is also included in the labor agreement.

5.3. Fiscal Impact: The SEIU 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 SEIU 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 - SEIU 517M Labor Agreement**

	FY 2025	FY 2026	FY 2027	FY 2028
<b>Current Budgeted Salaries</b>				
Current annual base wages	\$ 6,887,808	\$ 7,025,564	\$ 7,166,075	\$ 7,309,397
Annual General Wage increase	2.0%	2.0%	2.0%	2.0%
Budgeted Positions	137	137	137	137
Average Base Pay	\$ 50,276	\$ 51,281	\$ 52,307	\$ 53,353
<b>Proposed Salaries</b>				
Proposed Salaries	\$ 7,447,098	\$ 7,596,040	\$ 7,747,961	\$ 7,902,920
Annual General Wage increase	2.0%	2.0%	2.0%	2.0%
FY24 Retro General Wage increase	2.0%			
Market Adjustment Rate	6.0%			
Average Base Pay	\$ 54,358	\$ 55,446	\$ 56,554	\$ 57,686
Incremental wages	\$ 559,290	\$ 570,476	\$ 581,885	\$ 593,523
Incremental overtime	111,858	114,095	116,377	118,705
Incremental other fringes	86,131	87,853	89,610	90,987
Clothing Allowance Increase (\$170 to \$200)	\$ 4,110	\$ 4,110	\$ 4,110	\$ 4,110
Uniform Allowance \$350 Elimination	(47,950)	(47,950)	(47,950)	(47,950)
\$175 Boot Allowance (Forensic Techs only)	4,200	4,200	4,200	4,200
Shift Premium Increase	21,682	22,116	22,558	23,009
Training Incentive (2.5% increase for training)	6,478	6,608	6,740	6,875
Addl' Vacation Day and Juneteenth (OT backfill)	29,542	30,133	30,736	31,351
Retroactive Pay (2% GWI in FY24)	152,028	-	-	-
<b>Total incremental cost of contract</b>	<b>\$ 927,369</b>	<b>\$ 791,641</b>	<b>\$ 808,266</b>	<b>\$ 824,810</b>
<b>Cost Offsets</b>				
Workforce Investments Resource	\$ (830,795)	\$ (791,641)	\$ (808,266)	\$ (824,810)
Partial Year Implementation Savings (Sept 3 Effective Date)	(96,574)			
<b>Net impact on Four-Year Financial Plan</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Notes:**

Assumes 20% overtime rate due to historical actuals.  
Contract runs through FY27, but assumes a continued 2% GWI pattern for FY28.

**APPROVED**



**Tanya Stoudemire**  
Chief Deputy CFO/Interim Budget Director