



CITY OF DETROIT  
HUMAN RESOURCES DEPARTMENT  
LABOR RELATIONS DIVISION

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July 17, 2025

**HONORABLE CITY COUNCIL:**

**Re: Implementation of the 2024 - 2028 Labor Agreement between the City of Detroit and Employees Represented by Michigan Building and Construction Trades Council**

The Labor Relations Division is recommending your Honorable Body's official approval of the 2024 - 2028 Master Agreement between the City of Detroit and Michigan Building and Construction Trades Council.

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 Director, Labor Relations

Attachments



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

**WHEREAS**, the City of Detroit and Michigan Building and Construction Trades Council 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 Michigan Building and Construction Trades Council have met and negotiated this labor agreement which cover wages, hours and other basic conditions of employment through June 30, 2028.

**NOW, THEREFORE, BE IT RESOLVED**, that the Master Agreement between the City of Detroit and Michigan Building and Construction Trades Council, be and is hereby approved and confirmed in accordance with the foregoing communication.



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## **CFO FISCAL IMPACT STATEMENT NO. 2025-110-009**

**SUBJECT:** Fiscal Impact of Labor Agreement between the City of Detroit and The Michigan Building Trades Council

**PREPARED BY:** Office of the CFO – Office of Budget

**DATE ISSUED:** July 16, 2025

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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 Michigan Building Trades Council (The "BTC").

### 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 2026 and four-year financial plan for FY 2026 – FY 2029 (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 Michigan Building Trades Council 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 BTC labor agreement impacts the following departments: Construction and Demolition, Department of Public Works, General Services Department, Municipal Parking Department, and the Department of Transportation. The previous BTC labor contract expired on June 30, 2024, and they have been without a labor agreement throughout FY 2025. The agreement includes 2% annual wage increases in FY 2025-2028 and a 2.5% market rate adjustment for all members upon ratification. The agreement also includes a one-time retention signing bonus of \$250 for all current employees, an increase to the annual clothing allowance from \$170 to \$200, and a \$0.25/hour increase in afternoon and evening shift premiums. The FY 2025 2% annual wage increase is retroactive to July 1, 2024.
- 5.3. Fiscal Impact: The BTC 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 BTC 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 - Michigan Building Trades Council**

	FY 2026	FY 2027	FY 2028	FY 2029
<b>Current Budgeted Salaries</b>				
Current annual base wages	\$ 2,781,000	\$ 2,836,620	\$ 2,893,352	\$ 2,951,219
Annual General Wage increase	2.0%	2.0%	2.0%	2.0%
Budgeted Positions	51	51	51	51
Average Base Pay	\$ 54,529	\$ 55,620	\$ 56,732	\$ 57,867
<b>Proposed Salaries</b>				
Proposed Salaries	\$ 2,850,525	\$ 2,907,536	\$ 2,965,686	\$ 3,025,000
Annual General Wage increase	2.0%	2.0%	2.0%	2.0%
Market Adjustment Rate <sup>1</sup>	2.5%			
Average Base Pay	\$ 55,893	\$ 57,011	\$ 58,151	\$ 59,314
Incremental wages	\$ 69,525	\$ 70,915	\$ 72,334	\$ 73,780
Incremental overtime <sup>2</sup>	3,476	3,546	3,617	3,689
Incremental other fringes	9,909	10,107	10,310	10,464
<b>Other Incremental Impacts</b>				
One-Time Retention Signing Bonus \$250	\$ 12,750	\$ -	\$ -	\$ -
Shift Premium Increase (0.25/Hr.) <sup>3</sup>	1,080	1,080	1,080	1,080
Clothing Allowance Increase (\$170 to \$200)	1,530	1,530	1,530	1,530
FY25 2% GWI Retro Pay (One-Time)	53,481	-	-	-
<b>Total incremental cost of contract</b>	<b>\$ 152,000</b>	<b>\$ 87,000</b>	<b>\$ 89,000</b>	<b>\$ 91,000</b>
<b>Cost Offsets</b>				
FY26 Workforce Investment Fund <sup>4</sup>	\$ (152,000)	\$ (87,000)	\$ (89,000)	\$ (91,000)
<b>Net impact on Four-Year Financial Plan</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Notes:**

Labor agreement expires at the end of FY28. FIS assumes continued wage pattern in FY29.

Fund composition of incremental cost is as follows:

- General Fund: 75%
- Emergency Demo Fund: 4%
- Major Street Fund: 19%
- Transportation Fund: 2%

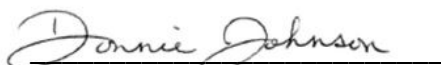
(1) All members receive a 2.5% market adjustment upon signing

(2) Assumes 5% overtime rate due to historical actuals.

(3) Based on current annual afternoon and evening shift premium hourly trends.

(4) The FY26 City budget includes Workforce Investment Fund resources to support the costs of the contract that exceed the budgeted wage pattern.

**APPROVED**



Donnie Johnson  
 Acting Deputy CFO/Budget Director