



CITY OF DETROIT  
HUMAN RESOURCES DEPARTMENT  
LABOR RELATIONS DIVISION

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November 5, 2025

**HONORABLE CITY COUNCIL:**

**Re: Implementation of the 2025 - 2029 Labor Agreement between the City of Detroit and Employees Represented by Amalgamated Transit Union, AFL-CIO, Local 26**

The Labor Relations Division is recommending your Honorable Body's official approval of the 2025 - 2029 Master Agreement between the City of Detroit and Amalgamated Transit Union, AFL-CIO, Local 26.

The Master Agreement covers wages, hours and other basic conditions of employment from July 1, 2025 through June 30, 2029. 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 Amalgamated Transit Union, AFL-CIO, Local 26 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 Amalgamated Transit Union, AFL-CIO, Local 26 have met and negotiated this labor agreement which covers wages, hours and other basic conditions of employment through June 30, 2029.

**NOW, THEREFORE, BE IT RESOLVED**, that the Master Agreement between the City of Detroit and Amalgamated Transit Union, AFL-CIO, Local 26, be and is hereby approved and confirmed in accordance with the foregoing communication.

**2025 - 2029 Labor Agreement**  
**between**  
**The CITY OF DETROIT**  
**and**  
**The Amalgamated Transit Union (ATU), AFL-CIO - Local 26**  
***SUMMARY OF CHANGES***

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**Article 1. Agreement and Recognition**

- ◆ Updated language to clarify that the City recognizes ATU Local 26 as sole and exclusive representative for all employees in classification of Transportation Equipment Operator within the City of Detroit, Department of Transportation.

**Article 2. Union and Shared Bulletin Board**

- ◆ Updated language to clarify Union bulletin boards and shared information boards and that these boards shall not contain materials that are libelous, defamatory, or discriminatory in nature.

**Article 3. Union Dues and Fees Check-off**

- ◆ Merged articles on Union Dues and Cope check-off which refers to Committee on Political Education off into one article.

**Article 5. Management Rights & Responsibilities**

- ◆ Updated City Code Section on Privatization.

**Article 6. Union Representation**

- ◆ Added language that the City will continue to recognize that Vice President of the Local 26 Union will be relieved for 3 days. This is currently required as per a MERC settlement. Maintained LOU on Financial Secretary-Treasurer of the union to continue to be full time with union reimbursing the department for 40 hours of pay each week

**Article 7. Discipline Procedures**

- ◆ Updated language that an employee may serve a 3-day working suspension. This will help management to decide if a 3-day suspension should be working or not.

**Article 8. Grievance and Arbitration Procedure**

- ◆ Updated language clarifying that the union will submit Grievance to the immediate supervisor or appropriate management representative. Grievances must be submitted clearly identifying the employee(s) involved and specific provisions of the contract alleged to have been violated.
- ◆ Increased the time limit for filing 3<sup>rd</sup> step from 10 to 15 days and for LR written response for 3<sup>rd</sup> step from 10 to 21 calendar days.
- ◆ Added language on use of court reporter at arbitration.

**Article 9. Seniority**

- ◆ Updated language that clearly defines Department seniority.
- ◆ Updated language that clearly defines the requirement and when probation starts.

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**Article 10. Wages**

- ◆ Effective upon ratification of the agreement, and approval by City Council,
  - Market adjustment as reflected in wage chart below retroactive to July 1, 2025.
  - 2.5% wage increase effective July 1, 2026.
  - 2.5% wage increase effective July 1, 2027.
  - 2.5% wage increase effective July 1, 2028.
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Step	Mkt Adjustment 7/1/2025	7/1/2026 2.50% increase	7/1/2027 2.50% increase	7/1/2028 2.50% increase
Probation	<u>\$25.38</u>	<u>\$26.01</u>	<u>\$26.66</u>	<u>\$27.33</u>
Prob – 1	<u>\$26.74</u>	<u>\$27.41</u>	<u>\$28.09</u>	<u>\$28.80</u>
13 to 24	<u>\$28.10</u>	<u>\$28.80</u>	<u>\$29.52</u>	<u>\$30.26</u>
25 to 36	<u>\$30.82</u>	<u>\$31.59</u>	<u>\$32.38</u>	<u>\$33.19</u>
37 to 48	<u>\$32.18</u>	<u>\$32.98</u>	<u>\$33.81</u>	<u>\$34.65</u>

- ◆ Attendance Incentive Program: TEO’s who qualify for Attendance Incentive Program will be eligible for a bonus of \$1500 per quarter not to exceed \$6000 per year as outlined in the Attendance Incentive MOU.
- ◆ Safety Bonus: Eligible TEO’s who do not have any preventable accidents in a quarter will receive \$500 per quarter Safety bonus not to exceed \$2000 per year as outlined in the Safety Bonus MOU.
- ◆ .

**Article 11. Work Week including Off-days**

- ◆ Updated language clearly defining work week to include off-days transitioning cafeteria style schedule to rostering style schedule which will increase
- ◆ Update language that Non-Platform Operators shall select available work.

**Article 12. Work Schedule**

- ◆ Updated language to clarify that operators with restrictions shall not select work schedules and their placement will be in compliance with ADA.

**Article 13. Pick Process (Selection of Terminal and Runs)**

- ◆ Updated order of sections in the article to align it as a step by step process.
- ◆ Updated language to clarify intent of the article.

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**Article 14. Assignment of Open Runs off duty provisions**

- ◆ Updated language to clarify the article.

**Article 15. Transfers – Extra Positions**

- ◆ Updated language to clarify that operators may select placement on the Extra Board or may be placed on Extra Board, regardless, all Extra Positions will be assigned by seniority.

**Article 16. runs - Definitions**

- ◆ Updated language to clarify parts of the article.

**Article 17. Part-Time Transportation Operators**

- ◆ Updated language to clarify the article.

**Article 19. Non-Platform Assignments**

- ◆ Updated language to clarify the article.

**Article 20. Overtime**

- ◆ Updated language that all known extra work will be posted for all 7 days of a work week. This is change from posting daily.

**Article 21. Extra Work – Regular Operators**

- ◆ Updated language with clarity.

**Article 23. Report, Pre trip and Post Trip time**

- ◆ Updated language that Report time, pre trip and post trip will be paid as additional 25 minutes. The expired contract had turn-in time as additional 5 minutes which was being added at the end of runs including overtime and caused additional overtime payouts.

**Article 25. Delay in Service**

- ◆ Updated language clearly defining delay in service and requirements for TEO's to get paid for any delay in service.

**Article 27. Trippers**

- ◆ Updated language for clarity.

**Article 28. Route Instructor**

- ◆ Combined MOU on Qualification & Selection of a route Instructor with the article.

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Updated language to clarify the article.

**Article 29. Operators Returned to Training**

- ◆ Updated language to clarify the article. Added language on compensation for re-training (language was in unrelated article).
- ◆ Added language requiring Operators to complete accident / incident report or written statement on the day of the occurrence.

**Article 30. Compensation for Legal and Other proceedings / matters**

- ◆ Updated language to provide clarity and Operators required to report for legal and other proceedings will be compensation at the run value held.

**Article 31. Change off of equipment**

- ◆ Added language clarifying operators assigned to change off vehicle will receive an additional 10 minutes.

**Article 33. Rest Periods**

- ◆ Updated language to provide clarity.

**Article 34. Canceled work substitution**

- ◆ Updated language to provide clarity.

**Article 35. Extra Operators**

- ◆ Updated language to provide clarity.
- ◆ Added language that travel time to and from their terminal will be paid as work time.
- ◆ Added language that Extra Operators on leave requiring drug screen prior to returning to work will continue to receive leave benefits until drug screen results are received and they are cleared to return to work, until such time their benefits under the leave are exhausted.

**Article 37. Funeral Leave (with pay)**

- ◆ Updated language that Funeral leave must be taken with 14 days from date of death, documentation required, definition of immediate family to include a legally recognized member of employees household that has the same permanent address as the employee prior to the household members death.
- ◆ Added language that in extenuating circumstances the department head has the discretion to accommodate the needs of the employee.

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**Article 38. 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.

**Article 39. Holidays**

- ◆ Added Juneteenth as minor holiday with 1.5x pay for hours worked.

**Article 40. 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. 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 43. Uniforms**

- ◆ Increased Uniform allowance to \$900 (paid \$450 bi-annually).

**Article 44. Reduction in Force**

- ◆ Updated language to provide clarity.

**Article 45. Casual Leave, Sickness and Accident and Extended Disability Insurance**

- ◆ Increased Casual leave days to 9 to comply with ESTA and added language that casual leave days will accrue at the rate of 8 hours per month effective July 1,

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2026.

- ◆ First 72 hours of Casual leave time used will not count for absenteeism in compliance with ESTA.
- ◆ Added 2 more days to Casual Leave for fiscal year 2025-2026 to comply with ESTA.
- ◆ Added language that employees who does not meet the 18 days minimum worked threshold will accrue casual leave time at the rate of 1 hour for every 30 hours worked in compliance with ESTA.

**Article 47. Lumpsum death and permanent disability benefits**

- ◆ Updated language to provide clarity.

**Article 52. Non-Discrimination**

- ◆ Updated language to provide clarity.

**Article 53. Compliance with minimum wage laws**

- ◆ Updated language to provide clarity.

**Article . Special Conference**

- ◆ Converted to as an article from MOU.

**Article 57. Duration of the Contract**

- ◆ Contract will be effective upon the approval of City Council and expires 11:59 P.M., June 30, 2029.

**MOU – Medical Insurance Coverage for New Hire employees**

- ◆ Deleted MOU as this language has been added to Hospitalization article.

**MOU – Joint Programs**

- ◆ Updated EAP language to include HR wellness coordinator will schedule meetings.

**MOU – Fare Box Revenue Sharing Incentive**

- ◆ Deleted MOU.

**MOU – Loaders**

- ◆ Deleted MOU.

**MOU – Attendance Incentive Bonus**

- ◆ Operators who work a minimum of 480 hours during the qualifying quarter with less than 2 unscheduled work will receive \$1500 bonus per quarter.

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**MOU – Safety Incentive Bonus**

- ◆ Operators who work a minimum of 480 hours during the qualifying quarter with no preventable accident will receive \$500 bonus per quarter.

**MOU – Attendance guideline Policy**

- ◆ Updated language to comply with ESTA on counting absences.
- ◆ Updated progressive discipline for absenteeism with 5 occurrences leading to termination.

**Appendix B – Long Term Disability**

- ◆ Updated termination of coverage under the plan to, (a) once the employee is eligible for and begins to receive a full pension; (b) For employees who is not yet eligible for a pension, the date on which they attain full retirement age and begins to receive full retirement (or) (c) in no event more than one year or benefit for two years of service.

**LOU – Financial Secretary-Treasurer**

- ◆ Deleted, as the language has been added to Union representation article.

**MOU – Route Instructor Selection Process**

- ◆ Deleted, as the language has been added to Article on Route Instructor.

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## CFO FISCAL IMPACT STATEMENT NO. 2025-110-018

**SUBJECT:** Fiscal Impact of Labor Agreement between the City of Detroit and the Amalgamated Transit Union Local 26  
**PREPARED BY:** Office of the CFO – Office of Budget  
**DATE ISSUED:** November 5, 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 Amalgamated Transit Union Local 26 (The "ATU").

### 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 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 ATU labor agreement would have **no net impact** on the City budget, as resources are identified to cover the incremental cost of the contract.
- 5.2. Background: The labor agreement impacts the Detroit Department of Transportation (DDOT). The previous ATU labor contract expired on 6/30/2025. The agreement includes 2.5% annual wage increases in FY 2027-2029 and an FY26 market rate adjustments for

all Transportation Equipment Operators (TEOs) based on months of service. The market adjustment is equivalent to a 26.3% overall increase compared to the salary composition as reflected in the City budget. The wage increases are retroactive to July 1, 2025.

The agreement also includes a new annual safety bonus of up to \$2,000 (\$500 quarterly) for qualified TEOs who do not have any preventable accidents. Additionally, the agreement increases the current annual uniform allowance from \$750 to \$900. The agreement also includes an additional earned sick day resulting from the Earned Sick Time Act (ESTA) State law effective February 2025.

- 5.3. Fiscal Impact: The ATU labor agreement has **no net fiscal impact** on the City budget, as resources are identified to cover the incremental cost of the contract. The recently enacted FY26 State budget includes recurring increases to the Michigan Transportation Fund (MTF), resulting in a larger annual Act 51 funding allocation to the City of Detroit. This additional recurring State resource can support the incremental costs of the contract that exceed the City budget wage pattern.

**City of Detroit  
FIS - ATU Labor Agreement**

	FY 2026	FY 2027	FY 2028	FY 2029
<b>Current Budgeted Salaries</b>				
Current annual base wages	\$ 36,000,453	\$ 36,900,464	\$ 37,822,976	\$ 38,768,550
Annual General Wage increase	2.5%	2.5%	2.5%	2.5%
Budgeted Positions	690	690	690	690
Average Base Pay	\$ 52,175	\$ 53,479	\$ 54,816	\$ 56,186
<b>Proposed Salaries</b>				
Proposed Salaries <sup>1</sup>	\$ 44,585,453	\$ 45,700,089	\$ 46,842,592	\$ 48,013,656
Annual General Wage increase <sup>2</sup>	0.0%	2.5%	2.5%	2.5%
Market Adjustment Rate <sup>3</sup>	26.3%			
Average Base Pay	\$ 64,617	\$ 66,232	\$ 67,888	\$ 69,585
Incremental wages	\$ 8,585,000	\$ 8,799,625	\$ 9,019,616	\$ 9,245,106
Incremental overtime <sup>4</sup>	1,717,000	1,759,925	1,803,923	\$ 1,849,021
Incremental other fringes	1,569,339	1,608,571	1,648,786	\$ 1,690,005
<b>Other Incremental Impacts</b>				
Safety Bonus (up to \$2k/year) <sup>5</sup>	\$ 891,000	\$ 950,400	\$ 1,009,800	\$ 1,069,200
ESTA Additional Paid Day Off <sup>6</sup>	221,436	226,972	232,646	238,462
Uniform Allowance Increase (\$750 to \$900)	103,500	103,500	103,500	103,500
<b>Total incremental cost of contract</b>	<b>\$ 13,087,275</b>	<b>\$ 13,448,993</b>	<b>\$ 13,818,271</b>	<b>\$ 14,195,295</b>
<b>Cost offsets</b>				
FY26 Michigan Transportation Fund Resource <sup>7</sup>	\$ (13,087,275)	\$ (13,448,993)	\$ (13,818,271)	\$ (14,195,295)
<b>Net impact on Four-Year Financial Plan</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Notes:**

- (1) Applies new proposed market rates against FY26 budgeted salary composition.
- (2) Contract runs through FY29 with 2.5% GWI annually in FY27-29.
- (3) An across-the-board market adjustment is applied to all Transportation Equipment Operators (TEOs) based on months of service. Collectively, this adjustment represents a total 26.3% union-wide increase compared to the salary composition in the City budget.
- (4) Assumes 20% overtime rate based on historical trends
- (5) New bonus incentive for TEOs who do not have any preventable accidents on a quarterly basis. Assumes 75% of current roster (594 filled FTE) qualify in FY26, with 5% increases annually.
- (6) The Earned Sick Time Act (ESTA) passed in February 2025 requires adding an additional leave day annually. Assumes the impacts of this State law will result in OT backfill need for the additional day.
- (7) The recently enacted FY26 State budget includes recurring increases to the Michigan Transportation Fund (MTF), resulting in a larger annual Act 51 funding allocation to the City of Detroit. This additional resource can support the incremental costs of the contract that exceed the City budget wage pattern.

**APPROVED**

  
 Donnie Johnson  
 Acting Deputy CFO/Budget Director