



CITY OF DETROIT
HUMAN RESOURCES DEPARTMENT
LABOR RELATIONS DIVISION

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVENUE - SUITE 332
DETROIT, MICHIGAN 48226
(313) 224-3860 • TTY: 711
(313) 224-0738
WWW.DETROITMI.GOV

November 14, 2025

HONORABLE CITY COUNCIL:

Re: Implementation of the 2024 - 2028 Labor Agreement between the City of Detroit and Employees Represented by International Union of Operating Engineers, Local 324

The Labor Relations Division is recommending your Honorable Body's official approval of the 2024 - 2028 Master Agreement between the City of Detroit and International Union of Operating Engineers, Local 324.

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 International Union of Operating Engineers, Local 324 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 International Union of Operating Engineers, Local 324 have met and negotiated this labor agreement which covers 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 International Union of Operating Engineers, Local 324, be and is hereby approved and confirmed in accordance with the foregoing communication.

**2024 - 2025 Labor Agreement
between the
CITY OF DETROIT
and
INTERNATIONAL UNION OF OPERATING ENGINEERS (IUOE) LOCAL 324
SUMMARY OF CHANGES**

Purpose and Intent

- Deleted old language, adding new language for city-wide contractual uniformity.

Article 6 Dues Check Off

- Deleted old language, adding new language for city-wide contractual uniformity.

Article 8 Union's Representation

- In Section D added Union Representative the availability to take "unpaid time off" to attend Union meetings, conferences conventions and other Union business.

Article 9 Grievance and Arbitration Procedure

- Added language recognizing the Union as the "**Union Business Representative**".
- Added language specifying which Union officials are allowed to attend Step 2.
- Added language specifying "the grievant shall not attend Step 3 meeting".
- Added Section I – Termination of an Arbitrator.

Article 13 Seniority

- Deleted old language, added new language for city-wide contractual uniformity.

Article 14 Seniority of Union Representatives

- Removed reference of super-seniority language for Stewards.

Article 18 Leave of Absence

- Added new language defining leave eligibility and types of leaves.

Article 20 Strikes and Lockouts

- Deleted old language, added new language for city-wide contractual uniformity.

Article 24 Non-Discrimination

- Changed article name from EE and Affirmation Action Statement to **Non-Discrimination**.
- Deleted old language, added new language for city-wide contractual uniformity.

Article 29 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 "In extenuating circumstances, the department head has the discretion to accommodate the needs of the employee for granting funeral leave for an immediate family member or relative as described in this article."
- Added language to D. "If the funeral which the employee attends is more than 300 miles from their residence, the employee may extend the leave by two (2) days to be charged against current sick leave and then reserve sick leave upon their written request."

Article 30 Sick Leave

- Added new language defining the three (3) sick leave banks (reserved, prior and current), their expiration dates, current sick leave capped level and provisional usage.

NOT FOR PUBLICATION

Summary of Changes-IUOE LOCAL 324
11/05/2025-mke

**2024 - 2025 Labor Agreement
between the
CITY OF DETROIT
and
INTERNATIONAL UNION OF OPERATING ENGINEERS (IUOE) LOCAL 324
SUMMARY OF CHANGES**

Article 31 Work Week, Work Day, Shift Premium

- Added new language for A (1) to define workday hours and lunch period.
- Changed Shift Premium Rates:
 - Afternoon; increased to fifty cents (\$.50).
 - Night; increased to seventy-five cents (\$.75).

Article 32 Overtime

- Deleted language pertaining to super seniority practices for Union Stewards regarding overtime.

Article 33 Holidays and Excused Time Off

- Added eight hours of "Excused Time" for Juneteenth.

Article 34 Unused Sick Leave on Retirement

- Added new language defining the three (3) sick leave banks (reserved, prior and current), their expiration dates, capped levels and provisional pay off.

Article 35 Vacations

- Deleted old language, added new language for city-wide contractual uniformity.
- Changed Vacation Schedule Chart
- Added language each year's unused vacation hours will be forfeited if not used by September 30th.

Article 37 Jury Duty

- Deleted A and B.
- Change C. to A. with updated language "In order to be excused to serve on jury duty, an employee must give reasonably prompt prior notice to their supervisor that they have been summoned for jury duty, and must furnish proof of service to their immediate supervisor for the days which they served."
- Change D. to B. with updated language "Jury duty will be considered as time worked. An employee on jury duty will be continued on the payroll and be paid at their straight time hourly rate for their normal scheduled hours of work, with a guaranteed eight (8) hours pay and eight (8) hour which shall be counted towards the overtime computation."
- Deleted E.
- Added C. new language "In the event that the employee reports to jury duty but does not actually serve on a jury, they will be excused for the remaining portion of the day".

Article 38 Hospitalization, Medical Insurance, Dental Insurance and Optical Care Insurance

- Deleted old language and added new language for city-wide contractual uniformity.
- Added Blue Care Network HMO provision for New Hires.

Article 39 Workers' Compensation

- Deleted old language for city-wide contractual uniformity.

NOT FOR PUBLICATION

Summary of Changes-IUOE LOCAL 324
11/05/2025-mke

**2024 - 2025 Labor Agreement
between the
CITY OF DETROIT
and
INTERNATIONAL UNION OF OPERATING ENGINEERS (IUOE) LOCAL 324
SUMMARY OF CHANGES**

Article 41 Wages

- Effective upon ratification of this Agreement, all classifications in the bargaining unit will transition to Step Code "D".
- Wage Increases:
 - 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 new language incorporating the **Performance/Merit Planning Process** for all bargaining unit employees.

Article 42 Uniform Allowance

- Changed article name from Clothing and or Uniform Allowances to **Uniform Allowance**.
- Employees receive a \$200 annual allowance to maintain serviceable upkeep of uniforms.

Article 45 Long Term Disability Benefits (Income Protection Plan)

- Deleted old language and added new language for city-wide contractual uniformity.

Article 46 OPEN ARTICLE

- ARTICLE DELETED.

Article 46 Mediation Procedure

- **NEW ARTICLE.**

Article 47 Memoranda of Understanding

- Deleted Employee Loan Program from MOU.

Article 48 Modification and Duration

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

Appendix A Wage Schedule

- Deleted/removed three (3) titles from schedule:
 - Boiler Operator-High Pressure
 - Boiler Operator-Low Pressure
 - Building Control Station Operator
- Added three (3) new titles to schedule:
 - Assistant Power Plant Operator
 - Building Operating Apprentice (Job Code "C")
 - Senior Power Plant Operator
- Transitioned 18 titles to Job Code "D"
- Updated Wage Schedule of all titles in the bargaining unit.

Appendix B Promotion Series

- Updated Licensure requirements to all titles in each series

NOT FOR PUBLICATION

Summary of Changes-IUOE LOCAL 324
11/05/2025-mke

**2024 - 2025 Labor Agreement
between the
CITY OF DETROIT
and
INTERNATIONAL UNION OF OPERATING ENGINEERS (IUOE) LOCAL 324
SUMMARY OF CHANGES**

Appendix C Corrective Disciplinary Action Guidelines and Attendance Policy

- REMOVED

Appendix D Step Increase

- DELETED

Appendix E MOU-Employee Loan Program

- DELETED

MOU Glenn Jackson, Building Operator II

- DELETED

Appendix F MOU-Recreation Facility Operator

- Discontinued requirement for employee to purchase uniforms.
- Discontinued City's requirement to pay uniform allowance to Recreation Facilities Operators.

NOT FOR PUBLICATION

Summary of Changes-IUOE LOCAL 324
11/05/2025-mke



Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 1100
Detroit, Michigan 48226

Phone: 313 -628-2535
Fax: 313 -224-2135
www.detroitmi.gov

CFO FISCAL IMPACT STATEMENT NO. 2025-110-019

SUBJECT: Fiscal Impact of Labor Agreement between the City of Detroit and the International Union of Operating Engineers (IUOE) Local 324
PREPARED BY: Office of the CFO – Office of Budget
DATE ISSUED: November 13, 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 International Union of Operating Engineers Local 324 (The "IUOE Local 324").

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 IUOE Local 324 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 Construction and Demolition Department (CDD) and Municipal Parking Department within the General Fund. The previous IUOE

Local 324 labor contract expired on June 30, 2024. The agreement includes 2% annual wage increases in FY 2025-2028 and FY 2026 targeted market rate adjustments for Building Operator 1, Building Operator 2, Recreation Facilities Operator, and Refrigeration Equipment Operator First Class job titles. The market adjustments are equivalent to an 8.1% overall increase compared to the salary composition as reflected in the City budget. The labor agreement also includes a \$0.25/hour increase in afternoon and evening shift premiums. The FY 2025-2026 annual wage increases are retroactive to July 1, 2024, and July 1, 2025, respectively. The market rate adjustments are effective upon ratification.

- 5.3. Fiscal Impact: The IUOE Local 324 labor agreement has no net fiscal 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 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
IUOE Local 324 Labor Agreement**

	FY 2026	FY 2027	FY 2028	FY 2029
Current Budgeted Salaries				
Current annual base wages	\$ 575,240	\$ 586,745	\$ 598,480	\$ 610,449
Annual General Wage increase	2.0%	2.0%	2.0%	2.0%
Budgeted Positions	11	11	11	11
Average Base Pay	\$ 52,295	\$ 53,340	\$ 54,407	\$ 55,495
Proposed Salaries				
Proposed Salaries	\$ 621,766	\$ 634,201	\$ 646,885	\$ 659,823
Annual General Wage increase ¹	2.0%	2.0%	2.0%	2.0%
Market Adjustment Rate ²	8.1%			
Average Base Pay	\$ 56,524	\$ 57,655	\$ 58,808	\$ 59,984
Incremental wages	\$ 46,526	\$ 47,456	\$ 48,406	\$ 49,374
Incremental overtime ³	2,326	2,373	2,420	\$ 2,469
Incremental other fringes	6,631	6,764	6,899	7,037
Other Incremental Impacts				
Shift Premium Increased (0.25/Hr.) ⁴	\$ 400	\$ 400	\$ 400	\$ 400
FY25 GWI Retro Pay (One-Time) ⁵	11,505			
Total incremental cost of contract	\$ 67,388	\$ 56,993	\$ 58,125	\$ 59,000
Cost offsets				
FY26 Workforce Investment Fund ⁶	\$ 47,845	\$ 56,993	\$ 58,125	\$ 59,000
Partial Year Implementation Savings (Oct. 15) ⁷	19,542	-	-	-
Net impact on Four-Year Financial Plan	\$ -	\$ -	\$ -	\$ -

Notes:

- (1) Contract runs through FY28 with 2% GWI annually. FIS assumes continued wage pattern in FY29.
- (2) Targeted market rate adjustments are applied to Building Operator 1, Building Operator 2, Recreation Facilities Operator, and Refrigeration Equipment Operator First Class. Collectively, these adjustments represent a total 8.1% union-wide increase compared to the salary composition in the City budget.
- (3) Assumes 5% overtime rate based on historic trends
- (4) Based on current annual afternoon and evening shift premium trends.
- (5) Assumes FY25 2% GWI is a retroactive lump sum payment to July 1, 2024.
- (6) The FY26 City budget includes Workforce Investment Fund resource to support the costs of the contract that exceed the budgeted wage pattern.
- (7) Assumes an Oct 15, 2025 effective ratification date for the market adjustments.

APPROVED



Donnie Johnson
Acting Deputy CFO/Budget Director