

New Business

2-19-19.

INTERNAL
OPERATIONS
STANDING
COMMITTEE



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

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February 6, 2019

HONORABLE CITY COUNCIL:

Re: Implementation of the 2019 – 2023 Labor Agreement between the City of Detroit and Employees Represented by the Assistant Supervisors of Street Maintenance and Construction

The Labor Relations Division is recommending your Honorable Body's official approval of the 2019 - 2023 Master Agreement between the City of Detroit and the Assistant Supervisors of Street Maintenance and Construction.

The Master Agreement covers wages, hours and other basic conditions of employment from January 1, 2019 through June 30, 2023. 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,

Hakim W. Berry
Labor Relations Director

Attachments



By Council Member _____:

WHEREAS, the City of Detroit and the Assistant Supervisors of Street Maintenance and Construction 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 Assistant Supervisors of Street Maintenance and Construction have met and negotiated this labor agreement which cover wages, hours and other basic conditions of employment through June 30, 2023.

NOW, THEREFORE, BE IT RESOLVED, that the Master Agreement between the City of Detroit and the Assistant Supervisors of Street Maintenance and Construction, be and is hereby approved and confirmed in accordance with the foregoing communication.

2019 - 2023 LABOR AGREEMENT
BETWEEN THE
CITY OF DETROIT
AND
ASSISTANT SUPERVISORS OF STREET
MAINTENANCE AND CONSTRUCTION
SUMMARY OF CHANGES

Article 7 Service Fee Check-Off

- ◆ Deleted Article 7 in its entirety based on change in law.

Article 11 Discipline Procedure

- ◆ Removed statement indicating Corrective Disciplinary Action Guidelines and Attendance Policy as being contained in an Appendix B.

Article 14 Seniority

- ◆ Removed reference to duty disability retirement.
- ◆ Reduced the time considered as a not a break in service from a layoffs from four (4) years to three (3) years.
- ◆ Removed reference to non-duty disability retirement.

Article 19 Leaves of Absence

- ◆ Removed statement indicating a full statement of employee's FMLA rights as being contained in an Appendix C.

Article 30 Sick Leave

- ◆ Increased the cap for current sick leave bank from 300 hours to 480 hours, for uniformity, to match all other General City employees.

Article 32 Overtime

- ◆ Clarified that vacations and holidays shall be counted as time worked for the purposes of computing overtime.

Article 33 Holidays and Excused Time Off

- ◆ Removed the reference to November 1 as the notification date, to the unions, of a holiday season shutdown for City employees.

Article 34 Unused Sick Leave on Retirement

- ◆ Removed the reference to the City Employment Terms

Article 35 Vacations

- ◆ Removed language referencing a two tier vacation schedule and added language specifying vacation accrual schedule is the same for all current City employees.

2019 - 2023 LABOR AGREEMENT
BETWEEN THE
CITY OF DETROIT
AND
ASSISTANT SUPERVISORS OF STREET
MAINTENANCE AND CONSTRUCTION
SUMMARY OF CHANGES

Article 37 Jury Duty

- ◆ Added language specifying jury duty is considered as time worked

Article 38 Hospitalization

- ◆ Removed language specifying number of days an employee must work to be eligible for health care.
- ◆ Added language specifying the City has the right to change or add insurance carriers.

Article 41 Wages

- ◆ Bargaining unit employees will transition to Step code "R" upon approval of the agreement by City Council.
- ◆ Bargaining unit employees shall receive step progressions annually on July 1st.
- ◆ Bargaining unit employees at the maximum of the range shall receive a 2% annually on July 1st.
- ◆ The Assistant Supervisor of Street Maintenance and Construction (61-21-45) shall receive a salary range adjustment of \$45,466 -\$54,080
- ◆ All bargaining unit employees shall receive a market adjustment to \$50,379, effective upon approval of the agreement by City Council.

Article 44 Most Favored Nations

- ◆ If negotiations with other employees participating in the GRS produce provisions more favorable than those provided to employees under this agreement, upon notice by the union, the City will meet with the union to discuss the issue.

Article 48 Modification and Duration

- ◆ Contract expires 11:59 P.M., June 30, 2023

.Letter of Understanding

- ◆ Added letter detailing the terms of the retiree medical benefits; referred to as the VEBA



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVE., SUITE 1100
DETROIT, MICHIGAN 48226
PHONE: 313-628-2535
FAX: 313-224-2135
WWW.DETROITMI.GOV

CFO MEMORANDUM
No. 2019-101-004

TO: Michael E. Duggan, Mayor; Honorable Detroit City Council
FROM: David P. Massaron, Acting Chief Financial Officer
SUBJECT: Fiscal Impact of Proposed Contract between the City of Detroit and ASSMC
ISSUANCE DATE: February 12, 2019

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 for all items requiring fiscal impact statements, as defined in that Directive, 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 action on the proposed contract between the City of Detroit (the "City") and the Assistant Supervisors of Street Maintenance and Construction (the "ASSMC").

3. OBJECTIVE

- 3.1. This Memorandum serves as the report on the fiscal impact of the proposed contract in relation to the City's FY 2019 budget and Four-Year Financial Plan for FY 2019 – FY 2022, and forecasted FY 2023.

4. SCOPE

- 4.1. This Memorandum is not intended to convey any statements nor opinions on the advisability of entering into the provisions in the proposed contract, including but not limited to Work Rules, except for those components of the proposed contract that have or may have a fiscal impact on the City's FY 2019 budget and Four-Year Financial Plan for FY 2019 – FY 2022, and forecasted FY 2023.
- 4.2. This fiscal impact analysis is based on the proposed contract ratified by the ASSMC on December 12, 2018. Should the proposal change prior to final approval, an updated CFO Memorandum on its fiscal impact would need to be issued.

5. STATEMENT

- 5.1. Conclusion: The proposed contract would not require the identification of any additional resources because sufficient offsetting cost savings have been identified. There is no net negative impact on the City's FY 2019 budget and Four-Year Financial Plan for FY 2019 – FY 2022, and forecasted FY 2023.

5.2. Background: The proposed contract's financial provisions would impact Public Works and includes an annual wage increase of 2% for all members between FY 2020 – FY 2023. It also assumes an immediate market rate adjustment occurs to increase base salaries 6.7%.

5.3. Fiscal Impact: As shown in the table below, the proposed contract would add approximately \$130,000 in costs over the FY 2019 – FY 2023 period. Those costs will be incurred in the Major Street Fund. To offset the incremental cost, the City can utilize cost savings from operational efficiencies identified by Public Works, such as a reduction in maintenance expenditures. Thus, the proposed contract would not require the identification of any additional resources, and there is no net negative impact on the City's FY 2019 budget and Four-Year Financial Plan for FY 2019 – FY 2022, and forecasted FY 2023.

City of Detroit
Assistant Supervisors of Street Maintenance and Construction

<i>\$ in thousands</i>	Fiscal Year				
	2019	2020	2021	2022	2023
Budgeted wages					
Budgeted annual wages	\$ 188	\$ 188	\$ 188	\$ 188	\$ 188
Budgeted annual wage increase	2.5%	0.0%	0.0%	0.0%	0.0%
Proposed wages					
Proposed annual wages ¹	\$ 202	\$ 206	\$ 210	\$ 214	\$ 219
Proposed annual wage increase	2.5%	2.0%	2.0%	2.0%	2.0%
Incremental wages	\$ 7	\$ 18	\$ 22	\$ 26	\$ 31
Incremental overtime ²	-	1	2	2	2
Incremental other fringes ³	1	3	4	5	6
Total incremental cost of wage increase⁴	\$ 8	\$ 22	\$ 28	\$ 33	\$ 39
<i>Major Street Fund</i>	8	22	28	33	39
Total savings offsets					
Cost savings from operational efficiencies	\$ 8	\$ 22	\$ 28	\$ 33	\$ 39
Total savings utilized	\$ 8	\$ 22	\$ 28	\$ 33	\$ 39
Net impact on Four-Year Financial Plan	\$ -	\$ -	\$ -	\$ -	\$ -

Notes:

1. Includes immediate salary range adjustments, resulting in new base salaries for all members
2. Overtime calculated utilizing historical actual data
3. Comprised of 5% for hybrid pension and 13% for other fringes
4. Assumes January 2019 effective date for market rate adjustments



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Office of the Auditor General

Mark W. Lockridge, Auditor General

Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 216
Detroit, Michigan 48226
Phone: (313) 224-3101
Fax: (313) 224-4091
www.detroitmi.gov

January 22, 2019

Denise Starr, Human Resources Director
2 Woodward Ave, Suite 316
Coleman A. Young Municipal Center
Detroit, MI 48226

Dear Ms. Starr:

Effective February 4, 2019, in accordance with Sec. 7.5 -102 of the Detroit City Charter, I hereby appoint Ms. Laura Goodspeed to the position of Deputy Auditor General in the Office of the Auditor General (OAG).

Ms. Goodspeed has been an employee of the OAG since May, 2008. She is a Certified Public Accountant as required by the Charter to hold the position of Deputy Auditor General. Ms. Goodspeed is also a Certified Internal Auditor; Certified Government Auditing Professional, and Certified Project Manager.

Please note that **for payroll purposes**, and until the White book reflects the restructured salary in accordance with the OAG salary restructuring business case, **Ms. Goodspeed's new payroll position shall be Auditor Manager IV** and her starting salary shall be One Hundred and Thirty One Thousand dollars (\$131,000).

Respectfully,

Mark W. Lockridge
Auditor General

Cc: Brenda Jones, Council President
Mary Sheffield, President Pro Tem
Janee Ayers, Council Member, Chairperson BFA