

Formal Session Agenda

2-4-20

Referrals

**INTERNAL
OPERATIONS
STANDING
COMMITTEE**

**OFFICE OF CONTRACTING
AND PROCUREMENT**

January 29, 2020

HONORABLE CITY COUNCIL:

The Purchasing Division of the Finance Department recommends a Contract with the following firm(s) or person(s):

3040145 100% 2018 UTGO Funding – To Provide Sierra Wireless Routers, NetMotion Software and Support for Mobile Mission Critical Applications in Public Safety Vehicles. (MiDeal Contract #071B6600110) – Contractor: CDW Government, LLC – Location: 230 N Milwaukee Avenue, Vernon Hills, IL 60061 – Contract Period: Upon City Council Approval through May 1, 2020 – Total Contract Amount: \$180,279.23.
DoIT

Respectfully submitted,

Boysie Jackson, Chief Procurement Officer
Office of Contracting and Procurement

BY COUNCIL MEMBER MCCALISTER

RESOLVED, that Contract No. 3040145 referred to in the foregoing communication dated January 29, 2020, be hereby and is approved.



**OFFICE OF CONTRACTING
AND PROCUREMENT**

January 29, 2020

HONORABLE CITY COUNCIL:

The Purchasing Division of the Finance Department recommends a Contract with the following firm(s) or person(s):

6002634 100% City Funding – To Provide Staffing for Elections Day Polls.
Contractor: Premier Staff Services, Inc. – Location: 29481 5 Mile Road,
Livonia, MI 48154 – Contract Period: Upon City Council Approval
through January 28, 2024 – Total Contract Amount: \$894,000.00.
ELECTIONS

Respectfully submitted,

Boysie Jackson, Chief Procurement Officer
Office of Contracting and Procurement

BY COUNCIL MEMBER **MCCALISTER**

RESOLVED, that Contract No. 6002634 referred to in the foregoing communication dated January 29, 2020, be hereby and is approved.



**OFFICE OF CONTRACTING
AND PROCUREMENT**

January 29, 2020

HONORABLE CITY COUNCIL:

The Purchasing Division of the Finance Department recommends a Contract with the following firm(s) or person(s):

6002548 100% City Funding – To Provide Employee Shuttle Transportation Servicing Two (2) Routes and Six Locations. – Contractor: Trinity Transportation – Location: 4624 13th Street, Wyandotte MI 48192 – Contract Period: Upon City Council Approval through January 30, 2023 – Total Contract Amount: \$2,120,585.18. **HUMAN RESOURCES**

Respectfully submitted,

Boysie Jackson, Chief Procurement Officer
Office of Contracting and Procurement

BY COUNCIL MEMBER MCCALISTER

RESOLVED, that Contract No. 6002548 referred to in the foregoing communication dated January 29, 2020, be hereby and is approved.



CITY OF DETROIT
LAW DEPARTMENT

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVENUE, SUITE 500
DETROIT, MICHIGAN 48226-3535
(313) 224-4550 • TTY:711
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Date: January 22, 2020

To: Honorable City Council

From: Law Department

Re: Law Department Report on MVA Settlements as authorized by resolution of the Detroit City Council.

The Law Department has submitted a privileged and confidential memorandum regarding the above-referenced matter. Please submit this item for referral so that Council may consider any action that is necessary.

CITY CLERK 2020 JAN 27 AM 9:39



CITY OF DETROIT
HUMAN RESOURCES DEPARTMENT
LABOR RELATIONS DIVISION

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVENUE - SUITE 332
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January 28, 2020

HONORABLE CITY COUNCIL:

Re: Implementation of the 2019 – 2023 Labor Agreement between the City of Detroit and the employees represented by the International Union of Operating Engineers, Local 324 – Detroit Principal Clerks

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 International Union of Operating Engineers, Local 324 – Detroit Principal Clerks.

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
Chief Operating Officer

CITY CLERK 2020 JAN 29 PM 3:58



By Council Member _____:

WHEREAS, the City of Detroit and the International Union of Operating Engineers, Local 324 – Detroit Principal Clerks 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 International Union of Operating Engineers, Local 324 – Detroit Principal Clerks have met and negotiated this labor agreement which cover wages, hours and other economic conditions of employment through June 30, 2023.

NOW, THEREFORE, BE IT RESOLVED, that the Master Agreement between the City of Detroit and the International Union of Operating Engineers, Local 324 – Detroit Principal Clerks, be and is hereby approved and confirmed in accordance with the foregoing communication.

2019 - 2023 LABOR AGREEMENT
BETWEEN THE
CITY OF DETROIT
AND
IUOE LOCAL 324, DETROIT PRINCIPAL CLERKS
SUMMARY OF CHANGES

Article 9 Grievance and Arbitration Procedures

- ◆ Added language to introduce an expedited arbitration process.

Article 13 Seniority

- ◆ Reduced the time considered as a not a break in service from a layoffs from four (4) years to three (3) years.

Article 18 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 31 Work Week, Work Day, and Shift Premium

- ◆ Added language to state that when a department finds it necessary to modify the schedule of an employee, the affected employee will receive all least seven (7) day notice, if possible. .

Article 32 Overtime

- ◆ Removed daily overtime provision from contract; as it is no longer applicable.

Article 33 Holidays and Excused Time Off

- ◆ Added language that provides that employees must receive eight (8) hours of pay the workday before and after the holiday to be eligible for holiday pay.

Article 34 Unused Sick Leave Upon Retirement

- ◆ Added language to clarify that all sick leave accumulated after July 12, 2012, and remaining unused shall not be paid out.

Article 36 Vacations

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

Article 37 Jury Duty

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

2019 - 2023 LABOR AGREEMENT
BETWEEN THE
CITY OF DETROIT
AND
IUOE LOCAL 324, DETROIT PRINCIPAL CLERKS
SUMMARY OF CHANGES

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

- ◆ Effective June 30, 2019, the classifications of Principal Clerk (01-20-41); Principal Clerk - Parking Violations (01-20-17) and Office Management Assistant (01-92-10) shall transition to step code "D" and receive a salary range adjustment of \$37,867 - \$48,012.
- ◆ Effective June 30, 2019, all members of the above classifications with five (5) years or more of service will be placed on Step 2 of the range (\$38,994). All members of the above classifications with less than five (5) years will be placed on Step 1 of the range (\$37,867).
- ◆ All bargaining unit members shall receive a 2% increase effective 7/1/2019; 7/1/2020; 7/1/2021; 7/1/2022
- ◆ Bargaining unit employees shall receive annual step/merit increases, based on a performance evaluation to be completed by their supervisor.

Article 42 Clothing and Uniform Allowances

- ◆ Updated language to provide that employees who are required to wear specific clothing or furnish a specific uniform will receive an allowance each year; a change from previously receiving it every two (2) years.

Article 46 Most Favored Nations

- ◆ Deleted this article in its entirety.

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

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CFO MEMORANDUM
NO. 2019-101-023

TO: Michael E. Duggan, Mayor; Honorable Detroit City Council
FROM: David P. Massaron, Chief Financial Officer
SUBJECT: Fiscal Impact of Proposed Contract between the City of Detroit and the International Union of Operating Engineers, Principal Clerks Association – Local 324
DATE: December 4, 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 International Union of Operating Engineers, Principal Clerks Association – Local 324 (the "IUOE").

3. OBJECTIVE

- 3.1. This Memorandum serves as the report on the fiscal impact of the proposed contract in relation to the City's annual budget for FY 2020 and four-year financial plan for FY 2020 – FY 2023 (the "City budget").

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 IUOE 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 budget.
- 4.2. This fiscal impact analysis is based on the proposed contract as described below in Section 5 of this Memorandum. 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 has no net impact on the City budget.

- 5.2. Background: The proposed contract's financial provisions would impact the budget for BSEED, OCFO, Municipal Parking, Non-Departmental, Police, General Services, and the Department of Elections, providing annual wage increases of 2% for all bargaining unit members from FY 2020 through FY 2023. In FY 2020, applicable bargaining unit members will also have their base salaries increased in order to bring their salaries up to market. The targeted FY 2020 base salary adjustment is the equivalent of a 2% market rate adjustment for impacted members, and a 1.6% overall market rate adjustment across the entire bargaining unit.
- 5.3. Fiscal Impact: The proposed 2% annual wage increase is factored in the City budget; however, the market rate adjustment is not budgeted. The total incremental costs of the contract can be offset with a combination of historical underspending and operational efficiencies spread across the respective departments. Thus, there is no net impact on the City budget.

City of Detroit**International Union of Operating Engineers, Principal Clerks Association – Local 324***\$ in thousands*

	2020	2021	2022	2023
Budgeted wages				
Budgeted annual wages	\$ 4,219	\$ 4,303	\$ 4,389	\$ 4,477
<i>Budgeted annual wage increase</i>	2.0%	2.0%	2.0%	2.0%
<i>Budgeted FTE</i>	107	107	107	107
<i>Office Management Assistant</i>	76	76	76	76
<i>Clerk IV</i>	14	14	14	14
<i>Principal Clerk</i>	10	10	10	10
<i>Clerk IV - Retirement Systems</i>	5	5	5	5
<i>Principal Clerk - Parking Violations</i>	2	2	2	2
Proposed wages				
Proposed annual wages	\$ 4,285	\$ 4,371	\$ 4,458	\$ 4,547
<i>Proposed annual wage increase</i>	2.0%	2.0%	2.0%	2.0%
<i>Market rate adjustment¹</i>	1.6%	0.0%	0.0%	0.0%
Incremental wages	\$ 66	\$ 67	\$ 69	\$ 70
Incremental overtime ²	3	3	3	4
Incremental other fringes ³	12	13	13	13
Total incremental cost of wage increase⁴	\$ 81	\$ 83	\$ 85	\$ 87
Cost savings from operational efficiencies	\$ 81	\$ 83	\$ 85	\$ 87
Total savings utilized	\$ 81	\$ 83	\$ 85	\$ 87
Net impact on Four-Year Financial Plan	\$ -	\$ -	\$ -	\$ -

Notes:

1. Includes a targeted FY 2020 salary range adjustment, resulting in new base salaries for applicable bargaining unit members. The targeted wage adjustment will bring all bargaining unit salaries up to market, and is the equivalent of an overall market rate increase of 1.6%.

2. Overtime calculated utilizing historical actual data

3. Comprised of 5% for hybrid pension and 13% for other fringes

4. Assumes July 1, 2019 effective date for market rate adjustment and wage increase. FY 2020 costs are fully annualized, but may be lower based on timing of effective contract date.