

DETROIT FINANCIAL REVIEW COMMISSION

REGULAR MEETING

Monday, September 25, 2017 at 1:00 p.m.
Cadillac Place, Suite L-150
3062 West Grand Boulevard
Detroit, MI 48202

AGENDA

- I. Call to Order**
- II. Roll Call**
- III. Approval of Proposed Minutes from the August 28, 2017 City Meeting**
- IV. Executive Director's Report**
- V. Old Business**
 - None
- VI. New Business**
 - a. Presentation of the City's Monthly Financial Report.
 - b. Consideration of the City's September fiscal year 2017 budget amendment requests per MCL 141.1637 (c) (FRC Resolution 2017-20)
 - c. Consideration of Annual Certification of the City's Compliance with the Michigan Financial Review Commission Act per MCL 141.1636 (2) (FRC City Resolution 2017-21)
 - d. Consideration of the City's Amended Collective Bargaining Agreements per MCL 141.1636(9) (FRC Resolution 2017-22)
 - e. Presentation by the City's Chief Development Officer
 - f. Consideration of the City's September 2017 contract approval requests per MCL 141.1636(6) (FRC Resolution 2017-23)
- VII. Public Comment**
- VIII. Next Meeting Date**
 - a. Regular Meeting: Monday, October 30, 2017 at 1:00 p.m. at Cadillac Place, 3062 West Grand Boulevard, Suite L-150, Detroit, MI 48202.
- IX. Adjournment**

CITY OF DETROIT

Office of the Chief Financial Officer

Financial Report for the One Month ended July 31, 2017

September 25, 2017



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Executive summary

- The Office of Budget's updated revenue estimates for FY 2018 through FY 2022 were reviewed and approved at the City's Consensus Revenue Estimating Conference on September 21, 2017.
- The City upgraded to Release 12 of its Oracle Cloud ERP system on August 22, 2017, which included various technical improvements. The City has begun planning for the upcoming Release 13, which includes more substantial functional improvements.
- FY 2018 is currently projected to end with a budget surplus from current year activity of approximately \$29.5M.
 - Revenue projections remain in line with the OCFO's May revenue estimate update, which are trending above the official February 2017 consensus revenue estimates used for the adopted budget. (page 3)
 - Payroll and employee benefit expenditures are trending below budget as a result of position vacancies. (page 3)
 - The General City active employee count increased in July but remains below budget. (page 4)
- The General City property tax roll for FY 2018 is down 4.1% compared to FY 2017, primarily due to the citywide reappraisal of residential property. (page 7)
- Total Accounts Payable as of July 2017 had a net decrease of \$14.7M compared to July. Net AP not on hold had a net decrease of \$1.2M. The number of open invoices not on hold increased by 587 of which 524 of the invoices posted were current. (page 8)
- With respect to exit financing, approved projects increased by \$1.2M for OCFO financial analysis and modeling projects.
- In July, the Federal and State grant funds had a net decrease of \$1.1M due to the closure of 2 grants and the addition of 2 grants. For private grants, the largest new ones were both from the Ralph C. Wilson, Jr. Foundation: \$2M for design of the Inner Circle Greenway and \$1.5M to support improvements at the Randolph Career Technical Education Center. (page 10)



FY 2018 year-to-date general ledger actuals and annualized projection

GENERAL FUND <i>\$ in millions</i>	YTD ANALYSIS						ANNUALIZED PROJECTION ANALYSIS		
	BUDGET	ACTUAL + ACCRUAL + ENCUMBRANCE			VARIANCE (BUDGET VS. ACTUAL)		BUDGET	PROJECTION	VARIANCE (BUDGET VS. PROJECTION)
	YTD	ACTUAL (2)	ACCRUAL + ENCUMBRANCE (3)	TOTAL	YTD		ANNUAL	ANNUAL	ANNUAL
	AMENDED (1)				($\$$) F = E-B	% G = (F/B)	AMENDED	ESTIMATED (4)	ESTIMATED
	B	C	D	E = C + D			H	I	($\$$) J = I-H
REVENUE:									
Municipal Income Tax	\$ 19.8	\$ 22.2	\$ -	\$ 22.2	\$ 2.4	12.3%	\$ 283.3	\$ 293.6	\$ 10.3
Property Taxes	4.7	2.8	-	2.8	(1.9)	(39.7%)	124.0	117.0	(7.0)
Wagering Taxes	14.5	14.2	-	14.2	(0.3)	(2.0%)	177.8	177.8	0.0
Utility Users' Tax	2.9	-	2.2	2.2	(0.7)	(23.3%)	35.0	35.0	-
State Revenue Sharing	0.1	-	-	-	(0.1)	(100.0%)	196.7	198.2	1.4
Sales and Charges for Services	10.1	(4.8)	5.2	0.4	(9.7)	(96.0%)	121.1	122.9	1.9
Licenses, Permits, and Inspection Charges	2.4	0.4	-	0.4	(1.9)	(81.8%)	11.7	12.5	0.8
Contributions and Transfers (5)	2.1	10.3	(10.3)	-	(2.1)	(100.0%)	68.1	68.1	(0.0)
Grants and Other Revenues	0.6	0.0	-	0.0	(0.6)	(98.1%)	0.8	0.8	-
Fines, Forfeits and Penalties	2.1	1.1	-	1.1	(1.0)	(48.0%)	25.3	25.3	-
Revenues from Use of Assets	0.3	0.0	-	0.0	(0.2)	(82.0%)	3.3	3.3	0.0
Other Taxes, Assessments, and Interest	0.6	1.0	-	1.0	0.4	60.4%	7.3	7.3	-
Sales of Assets and Compensation for Losses	0.5	(0.0)	-	(0.0)	(0.5)	(100.0%)	5.6	5.7	0.1
Miscellaneous	1.0	0.3	-	0.3	(0.7)	(69.5%)	12.3	12.5	0.2
TOTAL (L)	\$ 61.5	\$ 47.6	\$ (2.9)	\$ 44.7	\$ (16.8)	(27.2%)	\$ 1,072.1	\$ 1,079.9	\$ 7.8
EXPENDITURES:									
Salaries and Wages	\$ (34.1)	\$ (29.9)	\$ -	\$ (29.9)	\$ 4.1	12.2%	\$ (429.2)	\$ (421.2)	\$ 8.0
Employee Benefits	(11.4)	(7.7)	-	(7.7)	3.7	32.5%	(188.7)	(181.9)	6.8
Professional and Contractual Services	(6.5)	(4.8)	(17.5)	(22.2)	(15.7)	(242.5%)	(75.9)	(74.1)	1.8
Operating Supplies	(3.4)	(5.3)	(15.3)	(20.5)	(17.1)	(508.2%)	(39.2)	(37.8)	1.3
Operating Services	(9.7)	(18.7)	(5.4)	(24.1)	(14.5)	(149.8%)	(115.5)	(111.7)	3.8
Capital Equipment	(0.0)	-	(1.2)	(1.2)	(1.2)	(3865.0%)	(0.4)	(0.4)	-
Capital Outlays	(2.5)	(1.5)	(6.2)	(7.7)	(5.2)	(211.7%)	(28.8)	(28.9)	(0.1)
Debt Service	(5.1)	-	-	-	5.1	100.0%	(61.3)	(61.3)	-
Other Expenses	(11.1)	(24.6)	(1.4)	(26.0)	(14.9)	(133.9%)	(133.2)	(133.1)	0.1
TOTAL (M)	\$ (83.7)	\$ (92.4)	\$ (47.0)	\$ (139.4)	\$ (55.7)	(66.6%)	\$ (1,072.1)	\$ (1,050.4)	\$ 21.7
VARIANCE (N = L + M)	\$ (22.2)	\$ (44.8)	\$ (49.9)	\$ (94.7)	\$ (72.5)	N/A	\$ -	\$ 29.5	\$ 29.5

Notes

- (1) Amended monthly budget assumes pro rata as well as seasonal distribution of annual amended budget.
- (2) Year-to-date actuals reflect one month ending July 31, 2017.
- (3) Reflects encumbrances and pending accruals.
- (4) Projected revenues are based on the OCFO's May 2017 Revenue Estimates Update results.
- (5) This revenue line also includes the use of fund balance totaling \$50M to support one-time spending on capital (\$20M) and blight (\$30M).



Monthly active employee count compared to budget

	MONTH-OVER-MONTH ACTUAL ⁽¹⁾			BUDGET VS. ACTUAL		
	Actual	Actual	Change	Amended	Variance	
	June 2017	July 2017	July 2017 vs. June 2017	Budget FY 2018 ⁽²⁾	Under/(Over) Budget vs. July 2017	
Public Safety						
Police	2,967	2,967	0	3,111	144	5%
Fire	1,138	1,212	74	1,274	62	5%
Total Public Safety	4,105	4,179	74	4,385	206	5%
Non-Public Safety						
Office of the Chief Financial Officer	421	425	4	482	57	
Public Works	391	383	(8)	445 ⁽³⁾	62	
Health and Wellness Promotion	36	32	(4)	76	44	
Human Resources	96	97	1	108	11	
Housing and Revitalization	71	72	1	81	9	
Innovation and Technology	97	93	(4)	134	41	
Law	106	111	5	118	7	
Mayor's Office (includes Homeland Security)	70	69	(1)	70	1	
Planning and Development	23	27	4	41	14	
Recreation	270	364	94	590 ⁽³⁾	226	
General Services	519	518	(1)	673 ⁽³⁾	155	
Legislative ⁽⁴⁾	210	206	(4)	257 ⁽⁵⁾	51	
36th District Court	315	310	(5)	331	21	
Other ⁽⁵⁾	100	102	2	110	8	
Total Non-Public Safety	2,725	2,809	84	3,516	707	20%
Total General City	6,830	6,988	158	7,901	913	12%
Enterprise						
Airport	4	4	0	4	0	
BSEED	193	193	0	231	38	
Transportation	926	940	14	927	(13)	
Municipal Parking	87	82	(5)	95	13	
Water and Sewerage	470	488	18	579	91	
Library	294	296	2	332	36	
Total Enterprise	1,974	2,003	29	2,168	165	8%
Total City	8,804	8,991	187	10,069	1,078	11%

Notes:

- (1) Actuals are based on active employees only (both permanent and temporary) and include full-time, part-time, seasonal employees and PSCs if funded by vacant budgeted positions.
- (2) Amended Budget reflects amendments and other adjustments impacting approved position counts compared to the original budget. It excludes personal services contractors (PSCs).
- (3) The Budget counts for these departments are modified in the report to include budgeted positions for employees that are not full-time.
- (4) Includes: Auditor General, Inspector General, Zoning, City Council, Ombudsperson, City Clerk, and Elections.
- (5) Includes: Civil Rights Inclusion & Opportunity, Administrative Hearings, Public Lighting Department, and Non-departmental.



FY 2018 year-to-date net cash flows

For 1 Month Ending July 31, 2017

\$ in millions

Cash Flows - General Pool Cash

	FY18 Actual		FY17 Actual			
	1 Month		1 Month	Change		
Property Taxes	\$	2.8 (1)	\$	29.9	\$	(27.1) (2)
Municipal Income Taxes		20.4		18.4		2.0
Utility Users Taxes		2.2		1.4		0.9
Wagering Taxes		14.7		12.8		1.9
State Revenue Sharing		-		32.0		(32.0) (2)
Other / Misc.		5.9		14.9		(9.0)
Total Receipts		46.0		109.4		(63.4)
Salaries and Wages		(35.4)		(35.9)		0.4
Employee Benefits		(10.2)		(1.0)		(9.2)
Materials, Contracts & Other		(47.0)		(31.3)		(15.7)
Total Disbursements		(92.6)		(68.2)		(24.4)
Operating Surplus (before Reinvestment)		(46.6)		41.2		(87.8)
Debt Service		(0.8)		(5.6)		4.8 (2)
Non-Financing Adjustments		0.0		-		-
Total Adjustments to arrive at Net Cash Flow		(0.8)		(5.6)		4.8
Net Cash Flow	\$	(47.4)	\$	35.6	\$	(83.0)
Beginning cash balance (net of distribution) (3)	\$	364.0	\$	372.1	\$	(8.1)
Net Cash Flow		(47.4)		35.6		(83.0)
Lockbox reserves		-		-		-
Ending cash balance (net of distribution owed) (3)	\$	316.6	\$	407.7	\$	(91.1)

Notes:

- (1) Property Tax Detail located on page 7.
- (2) In July 2016, \$15.9m of Property Tax receipts, \$32.0m of State Revenue Sharing receipts and \$4.8m of Debt Service payments were made that pertain to FY2016.
- (3) The main operating pool contains cash balances of the Risk Management Fund, Street Fund, Solid Waste Fund, General Grants and Motor Vehicle Fund.



FY 2018 year-to-date cash flow to general ledger reconciliation

For 1 Month Ending July 31, 2017

\$ in millions

Cash Flows	Cash Activity				General Fund General Ledger			Difference
	General Pool	Adjustments	General Fund		Posted	To Be Posted	(1) Total	
Property Taxes	\$ 2.8	\$ -	\$ 2.8		\$ 2.8	\$ -	\$ 2.8	\$ -
Municipal Income taxes	20.4	1.8	22.2	(2)	22.2	-	22.2	-
Utility Users taxes	2.2	-	2.2		-	2.2	2.2	-
Wagering Taxes	14.7	(0.5)	14.2	(2)	14.2	-	14.2	-
State Revenue Sharing	-	-	-		-	-	-	-
Other / Misc.	5.9	(2.6)	3.3	(3)	8.4	(5.1)	3.3	-
Total Receipts	\$ 46.0	\$ (1.2)	\$ 44.7		\$ 47.6	\$ (2.9)	\$ 44.7	\$ -
Salaries and Wages	\$ (35.4)	\$ 5.5	\$ (29.9)	(4)	\$ (29.9)	\$ -	\$ (29.9)	\$ -
Employee Benefits	(10.2)	2.5	(7.7)	(5)	(7.7)	-	(7.7)	-
Materials, contracts & other	(47.0)	(9.1)	(56.1)	(6)(7)	(54.8)	(1.3)	(56.1)	-
Total Disbursements	\$ (92.6)	\$ (1.1)	\$ (93.7)		\$ (92.4)	\$ (1.3)	\$ (93.7)	\$ -
Operating Surplus (before Reinvestment)	\$ (46.7)	\$ (2.4)	\$ (49.0)		\$ (44.8)	\$ (4.2)	\$ (49.0)	\$ -
Debt Service	\$ (0.8)	\$ 0.8	\$ (0.0)	(8)	\$ -	\$ -	\$ -	\$ -
Non-Financing Adjustments	-	-	-		-	-	-	-
Total Adjustments to arrive at Net Cash Flow	\$ (0.8)	\$ 0.8	\$ (0.0)		\$ -	\$ -	\$ -	\$ -
Net Inflows /(Outflows)	\$ (47.5)	\$ (1.6)	\$ (49.0)		\$ (44.8)	\$ (4.2)	\$ (49.0)	\$ -

Notes:

- (1) To be posted amounts represent collections and disbursements and error corrections that were not recorded as of July 31, 2017.
- (2) \$1.8m of Municipal Income Tax and \$1.2m of Wagering Taxes, offset by \$0.7m collected in August 2017 related to prior period.
- (3) \$3.5m of collections are cash specific and \$0.2m are non-General Fund 1000 receipts.
- (4) Approximately \$5.5m of the difference relates to FY2017 activity.
- (5) Approximately \$0.5m of Benefits relates to FY2017 payments and \$2.0m FY2018 Pension obligation.
- (6) Approximately \$13m of disbursements are non-General Fund offset by \$2.5m are cash specific transactions.
- (7) The General Fund paid the Risk Management fund \$24 million for its and DDOT's annual contribution for insurance premiums and related liabilities. Activity of both funds are in the same bank account.
- (8) \$0.8m represents Pledged Income Tax Trustee Capture Interest debt set aside.



FY 2018 year-to-date property tax collections

For 1 month ended July 31, 2017

\$ in millions

	FY 2018			FY 2017		
	Adjusted Tax roll	Collections YTD (1)	Collection Rate YTD	Adjusted Tax roll	Collections YTD (1)	Collection Rate YTD
General Ad Valorem		\$ 2.8			\$ 5.6	
General Special Acts		0.1			0.1	
General Total	\$ 115.7	\$ 2.9	2.51%	\$ 120.7	\$ 5.7	4.72%
Debt Service Total	\$ 51.1	\$ 1.2	2.35%	\$ 62.0	\$ 2.8	4.52%
Solid Waste Total	\$ 52.8	\$ 1.8	3.41%	\$ 54.8	\$ 3.0	5.47%

		FY 2018	FY 2017
General City Ad Valorem Collections YTD	(2)	\$ 2.8	\$ 5.6
Delinquent Tax Revolving Fund (DTRF) Collections YTD	(3)	-	2.3
Total Property Tax Collections (Ad Val + DTRF)		\$ 2.8	\$ 7.9
Admin Fee, Interest, Penalty YTD	(4)	\$ 0.1	\$ 0.2

Notes:

- (1) Amounts do not include collections from Wayne County settlement checks as a result of foreclosure and auction activity.
- (2) Amounts are net of property taxes collected by the City on behalf of DPS, State Education Trust, Wayne County and other non-City taxing authorities.
- (3) Wayne County monthly DTRF settlement checks.
- (4) Special Act, Admin Fee, Interest and Penalty are recorded in Budget's *Other Taxes, Assessments, and Interest* category.



Accounts payable summary

- Total Accounts Payable as of July 2017 had a net decrease of \$14.7M compared to June. Net AP not on hold had a net decrease of \$1.2M. The number of open invoices not on hold increased by 587 of which 524 of the invoices posted were current.

All Funds

\$ in millions

Accounts Payable (AP) as of 31-JUL-2017	
Total AP (June 2017)	\$ 64.3
Plus: July invoices processed	\$ 68.1
Less: July Payments made	\$ (82.8)
Total AP month end (July, 2017)	\$ 49.6
Less: Invoices on hold (1)	\$ (22.6)
Less: Installments/Retainage Invoices(2)	(0.3)
Net AP not on hold	\$ 26.7

AP Aging (excluding invoices on hold)

	Net AP	Current	Days Past Due		
			1-30	31-60	61+
Jul-17. Total	\$ 26.7	\$ 19.6	\$ 4.6	\$ 1.0	\$ 1.5
<i>% of total</i>	100%	73%	17%	4%	6%
<i>Change vs. June</i>	\$ 1.2	\$ (2.8)	\$ 2.0	\$ 0.8	\$ 1.3
Total Count of Invoices	1,955	1,344	387	98	126
<i>% of total</i>	100%	69%	20%	5%	6%
<i>Change vs. June</i>	587	524	59	15	(11)

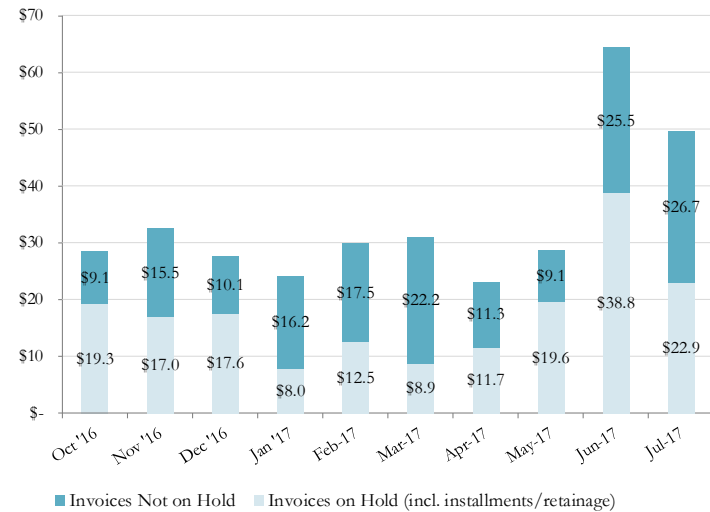
Jun-17. Total

	\$ 25.5	\$ 22.4	\$ 2.6	\$ 0.2	\$ 0.2
<i>% of total</i>	100%	88%	10%	1%	1%
Total Count of Invoices	1,368	820	328	83	137
<i>% of total</i>	100%	60%	24%	6%	10%

Notes:

- Invoices with system holds are pending validation. Some reasons include: pending receipt, does not match purchase order quantity/price and legal holds.
- Invoices on retainage are on hold until the supplier satisfies all contract obligations
- Invoices are processed and aged based on the invoice date. If the invoices were aged based on the date received the aging would show improved current category values

Total AP



Exit financing utilized to jump start technology, neighborhoods, and public safety improvements

- In July, approved projects increased by \$1.2M for OCFO financial analysis and modeling projects.

<i>\$ in millions</i>	Number of Projects	Amount of Approved and Authorized Projects	Total Amount Expensed
Available Exit Financing Proceeds		\$233.2	
Project Allocation:			
Department of Innovation and Technology	6	(43.3)	(36.6)
Blight	7	(25.2)	(25.2)
Police	6	(25.1)	(21.4)
Fire	11	(35.7)	(18.6)
General Services	14	(28.3)	(22.9)
Office of the Chief Financial Officer	12	(19.5)	(14.9)
Building, Safety Engineering & Environmental Department	1	(4.4)	(2.4)
Law	1	(1.1)	(1.1)
Detroit Department of Transportation	1	(1.8)	(1.8)
Recreation	1	(1.2)	(1.2)
Human Resources	2	(0.7)	(0.7)
Other	4	(0.3)	(0.2)
Subject to Reconciliation	–	–	(3.8)
Subtotal Projects	66	(\$186.9)	(\$150.9)
Post-Petition Financing Interest and Other Fees	–	(2.8)	(2.8)
Totals	66	(\$189.6)	(\$153.7)
AMOUNT RESERVED FOR PROJECTS UNDER REVIEW		\$43.6	

Notes:

Amount expensed subject to reconciliation.



The City is leveraging funding from external sources

- In July, the Federal and State grant funds had a net decrease of \$1.1M due to the closure of 2 grants and the addition of 2 grants. For private grants, the largest new ones were both from the Ralph C. Wilson, Jr. Foundation: \$2M for design of the Inner Circle Greenway and \$1.5M to support improvements at the Randolph Career Technical Education Center.

<i>\$ in millions</i>	Amount Awarded (1)		Number of Grants
	Appropriation Approved (2)	Appropriation Pending (2)	
Department			
Transportation	\$ 368.5	\$ -	20
Housing & Revitalization	207.9	-	17
Public Works	30.6	-	20
Fire Department	27.6	-	8
Police	16.7	-	25
Health & Wellness Promotion	22.3	-	3
Recreation	3.3	-	9
Homeland Security and Emergency Management (HSEM)	2.7	-	8
General Services	0.8	-	1
Coleman A. Young Airport (Airport)	0.3	-	2
Other (3)	0.6	-	4
Active Federal/State grants (4)	\$ 681.3	\$ -	117
Active private grants and donations (5)	62.6	-	65
Total active grants and donations	\$ 743.9	\$ -	182

Notes:

- Reflects original amounts awarded and amendments for active grants as of July 31, 2017. Remaining amount available to be spent will be lower for most departments.
- The amounts awarded as of July 31 are separated between grant appropriations already approved and any that may be pending approval as of the date this report is presented.
- Other includes BSEED and Historic Designation Advisory Board.
- Excludes Federal/State grants received directly by third-party agencies for the benefit of the City.
- Includes private funds received directly by third-party agencies for the benefit of the City.



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STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

CITY RESOLUTION 2017-20

**APPROVING THE CITY'S SEPTEMBER 2017 BUDGET AMENDMENT
REQUESTS**

WHEREAS, Public Act 181 of 2014, the Michigan Financial Review Commission Act (the "Act"), allows for the creation of the Detroit Financial Review Commission (the "Commission") within the Michigan Department of Treasury; and

WHEREAS, Section 6(1) of the Act empowers the Commission to provide oversight for the City of Detroit (the "City") beginning on the Effective Date of the Plan of Adjustment; and

WHEREAS, Section 7(c) of the Act provides that during the period of oversight, the Commission review, modify, and approve the City's proposed and amended operational budgets and that a proposed budget or budget amendment does not take effect unless approved by the Commission; and

WHEREAS, Section 6(3) of the Act further requires the Commission to ensure that the City complies with the requirements of the Uniform Budgeting and Accounting Act; and

WHEREAS, the Uniform Budgeting and Accounting Act prevents the City from deviating from its original general appropriations act without amending it and requires the City to amend its general appropriations act as soon as it becomes apparent that a deviation from the original general appropriations act is necessary and the amount of the deviation can be determined; and

WHEREAS, at the Commission meeting on September 25, 2017, the City presented budget amendment requests, attached as **Exhibit A** to this Resolution, for the Commission's review and approval.

NOW THEREFORE, be it resolved by the Detroit Financial Review Commission as follows:

1. That the City's September 2017 budget amendment requests, attached as **Exhibit A** to this Resolution but excluding any budget amendments a majority of Commission members present has agreed to exclude as noted in the minutes, are hereby approved.
2. That the minutes of the Detroit Financial Review Commission meeting at which this Resolution is adopted take notice of the adoption of this Resolution.
3. This Resolution shall have immediate effect.

CITY OF DETROIT BUDGET AMENDMENTS

THE FOLLOWING BUDGET AMENDMENTS ARE BEING SENT TO THE FRC FOR REVIEW AND APPROVAL PURSUANT TO
THE MICHIGAN FINANCIAL REVIEW COMMISSION ACT
For September 25, MEETING

FY 2016 - 2017 Grant Budget Amendments

No.	Department	Grantor	Grant / Program	Brief Description	Amount		Appr. #
					Revenue	Expense	
1	Health	Michigan Department of Health and Human Services (MDHHS)	Cities Readiness Initiative (CRI) Program	This grant will be used to develop, test and maintain plans to quickly receive medical countermeasures from CDC's Strategic National Stockpile and distribute them to local communities.	101,620.00	101,620.00	20212
2	Health	Michigan Department of Health and Human Services (MDHHS)	Public Health Emergency Preparedness (PHEP) Program	This grant will help the department build and strengthen the ability to effectively respond to a range of public health threats, including infectious, natural disasters, and biological, chemical, nuclear, and radiological events.	73,212.00	73,212.00	20211
Health Total					174,832.00	174,832.00	
3	Police	Michigan State Police (MSP)	Underage Drinking Enforcement Grant	This grant will be used to cover overtime time costs for sworn members participating in the underage drinking enforcement efforts. The goal is to reduce the consumption of alcohol by minors.	10,000.00	10,000.00	20232
Police Total					10,000.00	10,000.00	
GRAND TOTAL					184,832.00	184,832.00	

CITY OF DETROIT BUDGET AMENDMENTS

THE FOLLOWING BUDGET AMENDMENTS ARE BEING SENT TO THE FRC FOR REVIEW AND APPROVAL PURSUANT TO
THE MICHIGAN FINANCIAL REVIEW COMMISSION ACT
For September 25, MEETING

FY 2017 - 2018 Grant Budget Amendments

No.	Department	Grantor	Grant / Program	Brief Description	Amount		
					Revenue	Expense	Appr. #
1	DDOT	Southeast Michigan Council of Governments (SEMCOG)	Unified Work Program	This grant will be used to support transportation planning and studies.	314,304.00	314,304.00	20423
DDOT Total					314,304.00	314,304.00	
2	General Services	Community Foundation for Southeast Michigan	Community Foundation Grant	This grant will support capital improvements and maintenance at Bradby, Gorham, Wells and Marruso parks. Improvements include installation of walkways and community garden space at Gorham Park; Installation of two horseshoe courts at Wells parks; Sidewalk repairs and installation of a game pad and picnic area at Marruso Park and the addition of a comfort station at Bradby Park.	125,000.00	125,000.00	20421
General Services Total					125,000.00	125,000.00	
GRAND TOTAL					439,304.00	439,304.00	

THE FOLLOWING BUDGET AMENDMENTS ARE BEING SENT TO THE FRC FOR REVIEW AND APPROVAL PURSUANT TO
THE MICHIGAN FINANCIAL REVIEW COMMISSION ACT
For September 25, MEETING

FY 2017 - 2018 Non-Grant Budget Amendments

No.	Department	Brief Description	Budget Amendment Amount		
			Revenue	Expense	Appr. #
The purpose of the amendment is to re-align the department's civilian staff to better meet the mission and goals of the department.					
1	Police	Increase Human Resources Bureau Appropriation	0.00	5,425.00	00115
		Increase Administrative Operations Appropriation	0.00	17,768.00	11040
		Increase Office of Field Operations Appropriation	0.00	177,759.00	11376
		Increase Media Relations Appropriation	0.00	135,783.00	13714
		Decrease Police Executive Appropriation	0.00	(75,012.00)	00112
		Decrease Criminal Investigations Appropriation	0.00	(96,281.00)	00118
		Decrease Support Services Appropriation	0.00	(20,442.00)	00119
		Decrease Patrol Operations Appropriation	0.00	(64,654.00)	10082
		Decrease Communications Appropriation	0.00	(65,110.00)	13712
		Decrease Fiscal Operations Appropriation	0.00	(15,236.00)	13713
Net Change			0.00	0.00	
The purpose of the amendment is to accept and appropriate a donation that will be used to enhance the landscape at Balduck Park with the installation of boulders.					
2	Recreation	Increase Boulder Installation Appropriation	20,000.00	20,000.00	20418
Net Change			20,000.00	20,000.00	



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

CITY RESOLUTION 2017-21

**CERTIFYING THE CITY OF DETROIT'S COMPLIANCE WITH THE
MICHIGAN FINANCIAL REVIEW COMMISSION ACT**

WHEREAS, Public Act 181 of 2014, the Michigan Financial Review Commission Act (the "Act"), allows for the creation of the Detroit Financial Review Commission (the "Commission") within the Michigan Department of Treasury; and

WHEREAS, Section 6(1) of the Act empowers the Commission to provide oversight for the City of Detroit (the "City") beginning on the Effective Date of the Plan of Adjustment; and

WHEREAS, Section 6(2) of the Act requires the Commission to ensure that the City is complying with the terms and conditions of the Act and of the plan for adjustment, if applicable; and

WHEREAS, Section 6(2) of the Act further requires the Commission, except as otherwise provided in Section 8 of the Act, to certify by October 1 each year that the City is in substantial compliance with the provisions of the Act; and

WHEREAS, at the Commission meeting on September 25, 2017, documentation of the City's compliance with the Act from September 1, 2016 through August 31, 2017, attached as **Exhibit A** to this Resolution, was presented for consideration.

NOW THEREFORE, be it resolved by the Detroit Financial Review Commission as follows:

1. That the Commission hereby certifies that the City is in substantial compliance with the provisions of the Act for the period from September 1, 2016 through August 31, 2017.
2. That the minutes of the Detroit Financial Review Commission meeting at which this Resolution is adopted take notice of the adoption of this Resolution.
3. This Resolution shall have immediate effect.

DETROIT FINANCIAL REVIEW COMMISSION

Annual Certification of City of Detroit (“City”)
Compliance with the Michigan Financial Review Commission Act (Act 181 of 2014)
Per MCL 141.1636(2)

For the Period September 1, 2016 through August 31, 2017

Required Annually by October 1
Presented on September 25, 2017

Requirement	FRC Act Sec. No.	Compliance
Compliance with plan of adjustment	6(2)	The City is implementing programs consistent with the plan of adjustment.
Statutory compliance: City cannot exempt itself from publicly funded health insurance contributions act requirements, 2011 PA 152, MCL 15.568	6(3)(a)	See City’s attached verification of compliance.
Statutory compliance: Retirement benefits, CFO appointment, and four-year financial plan home rule city act requirements, 1909 PA 279, MCL 117.4i, 117.4p, 117.4s, and 117.4t	6(3)(b)	See City’s attached verification of compliance.
Statutory compliance: revised municipal finance act requirements, 2001 PA 34, MCL 141.2101 to 141.2821	6(3)(c)	See City’s attached verification of compliance.
Statutory compliance: uniform budget and accounting act requirements, 1968 PA 2, MCL 141.421 to 141.440a	6(3)(d)	See City’s attached verification of compliance.
FRC review and approval of four-year financial plan	6(4) and 7(b)	City submitted the FY 2018 – FY 2021 plan to the FRC on 3/27/2017. FRC approved it on 4/17/2017.
FRC review and approval of all applicable contracts	6(6)	City has submitted 205 applicable contracts since 9/1/2016. FRC has approved all of them.
City and its CFO provide needed information and documents to FRC and attend FRC meetings when needed	6(7), 7(d), and 7(o)	City and CFO have been responsive to requests for information and documents and have attended meetings when requested.
FRC review and approval of collective bargaining agreements (CBAs)	6(9)	City has submitted 1 CBA amendment since 9/1/2016. FRC has approved it.
Quarterly debt service certifications	6(11)	City has provided all quarterly certifications.
FRC review of City revenue estimates	7(a)	City has held its required consensus revenue estimating conferences and provided its revenue estimates to the FRC for review.
FRC review and approval of budget amendments	7(c)	City has submitted 93 FY 2017 and 27 FY 2018 budget amendments since 9/1/2016. FRC has approved all of them.
FRC review and approval of requests to issue debt	7(e)	City has not requested to issue debt since 9/1/2016.
FRC reviews compliance with a deficit elimination plan	7(f)	City has not been required to submit a deficit elimination plan.
FRC approval of Chief Financial Officer appointment	7(g)	The incumbent CFO’s appointment was approved by the FRC on January 26, 2015.



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER

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CFO MEMORANDUM
No. 2017-101-008

TO: Financial Review Commission
FROM: John W. Hill, Chief Financial Officer *John W. Hill*
SUBJECT: Certification of the City's Compliance with Public Act 181 of 2014, Section 6(3)
ISSUANCE DATE: September 21, 2017

1. AUTHORITY

1.1. State of Michigan Public Act 181 of 2014 ("PA 181"), Section 6(3) states the Financial Review Commission ("FRC") shall ensure, where applicable, a qualified city of qualified school district complies with the provisions of all of the following, as applicable, and may request verification of compliance: (a) Section 8 of the publicly funded health insurance contribution act; (b) Sections 4i, 4p, 4s, and 4t of the home rule city act; (c) The revised municipal finance act; and (d) The uniform budgeting and accounting act.

2. PURPOSE

2.1. The FRC has requested the Chief Financial Officer of the City of Detroit to verify compliance with the provisions in PA 181, Section 6(3).

3. OBJECTIVE

3.1. To certify that, to the best of my knowledge, the statements in Section 5 of this Memorandum are true and accurate.

4. SCOPE

4.1. This Memorandum is intended solely to satisfy the FRC's request for verification of compliance with the provisions in PA 181, Section 6(3).

5. STATEMENT

5.1. The City of Detroit is in compliance with Section 8 of the publicly funded health insurance contribution act, 2011 PA 152, MCL 15.568.

5.2. The City of Detroit is in compliance with Sections 4i, 4p, and 4s of the home rule city act, 1909 PA 279, MCL 117.4i, 117.4p, and 117.4s.

5.3. The City of Detroit is in compliance with Section 4t of the home rule city act, 1909 PA 279, MCL 117.4t, notwithstanding Section 4t(1)(g). The City has implemented a new website (link copied below) and procedure to post its contracts online, but it does not yet capture all contract categories. The City is in the process of implementing the technical changes necessary to capture the additional categories.

<https://data.detroitmi.gov/Government/City-of-Detroit-Contracts/itv9-b6jk/>



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER

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- 5.4. The City of Detroit is in compliance with the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.
- 5.5. The City of Detroit is in compliance with the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, notwithstanding Section 18(3). In fiscal year 2016, the City technically incurred expenditures in excess of individual appropriations. This occurred because the City did not make various correcting adjustments. The City is implementing corrective actions to achieve compliance for FY 2017 and future years.

CERTIFIED

September 21, 2017

Date

John W. Hill
John W. Hill, CFO



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

CITY RESOLUTION 2017-22

**APPROVING THE CITY'S AMENDED COLLECTIVE BARGAINING
AGREEMENTS**

WHEREAS, Public Act 181 of 2014, the Michigan Financial Review Commission Act (the "Act"), allows for the creation of the Detroit Financial Review Commission (the "Commission") within the Michigan Department of Treasury; and

WHEREAS, Section 6(1) of the Act empowers the Commission to provide oversight for the City of Detroit (the "City") beginning on the Effective Date of the Plan of Adjustment; and

WHEREAS, Section 6(9) of the Act requires that during the period of oversight, the City shall submit new and amended collective bargaining agreements, to which it is a party, to the Commission for review and approval after approval by the City's governing body and mayor; and

WHEREAS, Section 6(9) of the Act further requires the Commission to approve or reject collective bargaining agreements submitted to it within 45 days of submission; and

WHEREAS, the Mayor and City Council of Detroit approved amended collective bargaining agreements on September 19, 2017 between the City of Detroit and

- 1) Teamsters, Local 214 for its represented employees at the Department of Transportation, for a term expiring December 31, 2018; and
- 2) U.A.W. Local 2211 – Public Attorneys Association, for a term expiring December 31, 2020.

WHEREAS, at the Commission meeting on September 25, 2017, the City presented the aforementioned amended collective bargaining agreements to the Commission.

NOW THEREFORE, be it resolved by the Detroit Financial Review Commission as follows:

1. That the City's amended collective bargaining agreements between the City of Detroit and the aforementioned bargaining units, as presented to the Commission on September 25, 2017, is hereby approved.
2. That the minutes of the Detroit Financial Review Commission meeting at which this Resolution is adopted take notice of the adoption of this Resolution.
3. This Resolution shall have immediate effect.



CFO MEMORANDUM
No. 2017-101-006

TO: Michael E. Duggan, Mayor; Honorable Detroit City Council
FROM: John W. Hill, Chief Financial Officer *John W. Hill*
SUBJECT: Fiscal Impact of the Proposed Contract between the City of Detroit and the U.A.W. Local 2211 - Public Attorneys Association (PAA)
ISSUANCE DATE: September 12, 2017

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 4-year financial plan.

2. PURPOSE

2.1. To provide financial information to Michael E. Duggan, Mayor, and the Honorable Detroit City Council as they consider action on the proposed contract between the City of Detroit and the PAA.

3. OBJECTIVE

3.1. This Memorandum serves as the report on the fiscal impact of the proposed contract between the City of Detroit and the PAA in relation to the City's FY 2018 budget and 4-Year Financial Plan for FY 2018 – FY 2021.

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 2018 budget and 4-Year Financial Plan for FY 2018 – FY 2021.

4.2. This fiscal impact analysis is based on the proposal outlined in Schedule A of the resolution submitted by the Labor Relations Division to the Detroit City Council on September 6, 2017. It assumes further that the reference made to "fiscal year 2017" in Schedule A will be revised to read "fiscal year 2018" or removed entirely. Should the proposal change in any other way prior to approval, an updated CFO Memorandum on its fiscal impact would need to be issued.

5. STATEMENT

5.1. Conclusion: The proposed contract changes would not require the identification of other resources. There is no net negative impact on the City's FY 2018 budget and 4-Year Financial Plan for FY 2018 – FY 2021.



- 5.2. Background: The proposed contract's financial provisions would provide for an immediate 5% wage increase for PAA personnel hired before July 21, 2013 and an immediate 2.5% wage increase for those hired after July 21, 2013 whose salaries are less than \$70,000. All PAA personnel would receive increases of 2.5% in FY 2019, 2% in FY 2020, and 2% in FY 2021. It also includes a one-time 2.5% special lump sum payment following approval and a conditional 1% annual wage increase based on a performance evaluation incentive.
- 5.3. Fiscal Impact: As shown in the table on the following page, the wage increases and performance evaluation incentive would cost approximately \$464,000 in total over FY 2018 – FY 2021. The Law Department can utilize an equal amount in cost savings over the same time period from position vacancies and attrition. Thus, the proposed contract changes would not require the identification of other resources, and there is no net negative impact on the City's FY 2018 budget and 4-Year Financial Plan for FY 2018 – FY 2021.



City of Detroit
Public Attorneys Association (PAA) Proposal

	Fiscal Year			
	2018	2019	2020	2021
<u>PAA members hired before July 21, 2013</u>				
Budgeted salary of PAA members	\$ 2,336,285	\$ 2,394,692	\$ 2,442,586	\$ 2,491,438
<i>Annual wage increase</i>	2.5%	2.5%	2.0%	2.0%
Proposed salary of PAA members	\$ 2,393,268	\$ 2,453,100	\$ 2,502,162	\$ 2,552,205
<i>Proposed annual wage increase</i>	5.0%	2.5%	2.0%	2.0%
Incremental cost of proposed wage increase	\$ 56,983	\$ 58,407	\$ 59,575	\$ 60,767
<i>Number of PAA members</i>	25	25	25	25
<u>PAA members hired after July 21, 2013</u>				
Budgeted salary of PAA members, salary under \$70K	\$ 1,049,268	\$ 1,075,500	\$ 1,097,010	\$ 1,118,950
<i>Annual wage increase</i>	2.5%	2.5%	2.0%	2.0%
Proposed salary of PAA members, salary under \$70K	\$ 1,049,268	\$ 1,075,500	\$ 1,097,010	\$ 1,118,950
<i>Proposed annual wage increase</i>	2.5%	2.5%	2.0%	2.0%
Incremental cost of proposed wage increase, salary under \$70K	\$ -	\$ -	\$ -	\$ -
<i>Number of PAA members</i>	17	17	17	17
Budgeted salary of PAA members, salary over \$70K	\$ 1,432,129	\$ 1,467,932	\$ 1,497,291	\$ 1,527,236
<i>Annual wage increase</i>	2.5%	2.5%	2.0%	2.0%
Proposed salary of PAA members, salary over \$70K	\$ 1,397,199	\$ 1,432,129	\$ 1,460,771	\$ 1,489,987
<i>Proposed annual wage increase</i>	0.0%	2.5%	2.0%	2.0%
Incremental cost/(savings) of proposed wage increase, salary over \$70K	\$ (34,930)	\$ (35,803)	\$ (36,519)	\$ (37,250)
<i>Number of PAA members</i>	16	16	16	16
<u>Proposed performance evaluation incentive</u>				
Proposed salary of PAA members	\$ 4,839,735	\$ 4,960,728	\$ 5,059,943	\$ 5,161,141
<i>Proposed annual wage increase</i>	1.0%	1.0%	1.0%	1.0%
Incremental cost of proposed performance incentive wage increase ¹	\$ 36,298	\$ 49,607	\$ 50,599	\$ 51,611
<i>Number of PAA members</i>	58	58	58	58
<u>Total proposal</u>				
Incremental cost of proposed wage increases	\$ 58,351	\$ 72,211	\$ 73,655	\$ 75,129
Special lump sum payment (2.5% of wages)	120,993	-	-	-
Incremental overtime ²	584	722	737	751
Incremental other fringes ³	19,993	13,287	13,553	13,824
Total incremental cost of proposed increases	\$ 199,920	\$ 86,220	\$ 87,945	\$ 89,703
Savings from position vacancies and attrition	199,920	86,220	87,945	89,703
Total savings utilized	\$ 199,920	\$ 86,220	\$ 87,945	\$ 89,703
Change needed to 4-Year Financial Plan due to proposed increases	\$ -	\$ -	\$ -	\$ -

Notes:

1. Analysis assumes all PAA members qualify for performance evaluation incentive wage increase. Increase becomes effective October 1
2. Overtime assumed to be 1% of wages based on historical run rate for the Law Department
3. Fringes includes hybrid pension (5%), future retiree healthcare (2%), FICA (7.65%), and other fringe benefits (3.75%)



CFO MEMORANDUM
No. 2017-101-007

TO: Michael E. Duggan, Mayor; Honorable Detroit City Council
FROM: John W. Hill, Chief Financial Officer *John W. Hill*
SUBJECT: Fiscal Impact of the Proposed Contract between the City of Detroit and the Teamsters, Local 214 at the Detroit Department of Transportation
ISSUANCE DATE: September 13, 2017

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 4-year financial plan.

2. PURPOSE

2.1. To provide financial information to Michael E. Duggan, Mayor, and the Honorable Detroit City Council as they consider action on the proposed contract between the City of Detroit and the Teamsters, Local 214 at the Detroit Department of Transportation (DDOT).

3. OBJECTIVE

3.1. This Memorandum serves as the report on the fiscal impact of the proposed contract between the City of Detroit and the Teamsters, Local 214 at the DDOT in relation to the City's FY 2018 budget and 4-Year Financial Plan for FY 2018 – FY 2021.

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 2018 budget and 4-Year Financial Plan for FY 2018 – FY 2021.

4.2. This fiscal impact analysis is based on the proposal outlined in Schedule A of the resolution submitted by the Labor Relations Division to the Detroit City Council on September 6, 2017. Should the proposal change in any other way prior to approval, an updated CFO Memorandum on its fiscal impact would need to be issued.

5. STATEMENT

5.1. Conclusion: The proposed contract changes would not require the identification of other resources. There is no net negative impact on the City's FY 2018 budget and 4-Year Financial Plan for FY 2018 – FY 2021.



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER

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- 5.2. Background: The proposed contract's financial provisions would provide DDOT vehicle operators represented by the Teamsters, Local 214 with an immediate 2.5% wage increase and a 2.5% increase in FY 2019. There are no retroactive increases for the prior years covered by the contract (FY 2015 through FY 2017).
- 5.3. Fiscal Impact: The proposed wage increases were already budgeted, so there is no incremental cost. Thus, the proposed contract changes would not require the identification of other resources, and there is no net negative impact on the City's FY 2018 budget and 4-Year Financial Plan for FY 2018 – FY 2021.



CITY OF DETROIT
HUMAN RESOURCES DEPARTMENT
LABOR RELATIONS DIVISION

29

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September 6, 2017

HONORABLE CITY COUNCIL:

Re: Implementation of Increased Wages and Changes in Conditions of Employment for the U.A.W. Local 2211- Public Attorneys Association

The U.A.W. Local 2211 – Public Attorneys Association (PAA) and the City of Detroit (City) has recently reached agreement on a 2017 – 2020 labor agreement. Due to the extensive time required to compile, type, proofread and process the entire contract before submission for formal approval by your Honorable Body, a long delay would occur before normal implementation steps could proceed.

In accordance with the City's longstanding practice, we are, therefore, recommending that your Honorable Body authorize action to implement a change in Wages and Performance Evaluations as outlined in the attached Schedule A. The complete labor agreement will be submitted to your Honorable Body as soon as it is ready.

We further respectfully request that your Honorable Body adopt the following resolution with a Waiver of Reconsideration.

Respectfully submitted,

Michael A. Hall, Director
Labor Relations Division



BY COUNCIL MEMBER _____ :

RESOLVED, that the 2017-2018 Official Compensation Schedules and employee wages be amended according to the foregoing letter and be it further

RESOLVED, that the U.A.W. Local 2211 – Public Attorneys Association, bargaining unit 1800, receive increased wages and changes in conditions of employment as recommended in accordance with the attached Schedule A, and be it further

RESOLVED, that the Finance Director is hereby authorized to honor payrolls and vouchers in accordance with this resolution and letter.

SCHEDULE A

A. WAGE INCREASES

1. Bargaining unit members who were hired before July 21, 2013 shall receive the following base salary wage increases:

- 5% wage increase effective after contract ratification and approval by the Financial Review Committee.
- 2.5% wage increase effective July 1, 2018
- 2% wage increase effective July 1, 2019
- 2% wage increase effective July 1, 2020

Note: The 2% wage increase is contingent upon extending the duration of the Contract

2. Bargaining unit members who were hired after July 21, 2013 shall receive the following base salary wage increases:

- 2.5% wage increase effective for bargaining unit members whose salaries are less than \$70,000.00, effective after contract ratification and approval by the Financial Review Committee. **This wage increase is for fiscal year 2017 only.**
- 2.5% wage increase effective July 1, 2018
- 2% wage increase effective July 1, 2019
- 2% wage increase effective July 1, 2020

Note: The 2% wage increase is contingent upon extending the duration of the Contract

3. Notwithstanding the above wage increases, the Department has discretion to provide additional wage adjustments/increases it deems appropriate for any bargaining unit member.
4. **Special Lump Sum Payment:** Bargaining unit members shall receive a lump sum payment of 2.5% of annual wages earnings payable forty-five (45) days after contract ratification and approval by the Financial Review Committee.

B. PERFORMANCE EVALUATIONS

The Employer will assess attorneys' performance using an annual Performance Evaluation which provides for ratings of "Pass" or "Fail". Attorneys who receive a rating of "Pass" shall receive a 1% wage increase. This wage increase shall become effective annually on October 1.

City Initials: _____
Union Initials: AGCB
Date T.A.'D _____

MASTER AGREEMENT

BETWEEN THE

CITY OF DETROIT

AND THE

U.A.W. Local 2211

United Automobile, Aerospace and Agricultural
Implement Workers of America

Public Attorneys Association

2017- 2020

City Initials: MAP
Union Initials:
Date T.A.'D 8/3/17

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City Initials:
Union Initials:
Date T.A.'D 8/3/17

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City Initials: MA
Union Initials:
Date T.A.'D 8/8/17

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City Initials: WLD

Union Initials: PCB

Date T.A'D: 7/18/17

14. REDUCTIONS IN FORCE, LAY OFF, DEMOTION, AND RECALL

A. NOTICE TO THE UNION: Where practical, the City will provide notice to the Union at least fourteen (14) days prior to the issuance of any layoffs.

B. If as a result of a reduction in force in the Law Department, it is necessary to reduce the number of employees in a classification represented by the Union, such reduction in force shall be in accordance with the reduction in force provisions provided in Human Resources Department Rules as adopted by the Civil Service Commission in effect January 1, 2014.

Provisions for re-employment of laid-off persons shall continue for four (4) years after layoff and separation from City employment.

Employees who were laid off and are recalled to City employment retain seniority rights in accordance with the reduction in force and seniority provisions of the Master Agreement and are not considered new hires or reinstated employees, as those terms are used in this agreement.

C. EMPLOYEE RECALL, REEMPLOYMENT AND RESTORATION RIGHTS: Employees will be recalled for available positions in inverse order of layoff. The City's right to fill vacancies through transfer, promotion, or new hire will be done in accordance with the Management Rights or the Transfer and Promotion provisions of this Agreement.

D. NOTICE REQUIREMENTS: Following notice, a representative of the Department will meet with the Union to discuss the circumstances of the Department's reduction in force.

1. Employees to be laid off will receive notice of layoff no less than two (2) calendar weeks prior to the effective date of the separation. A Union representative will be permitted to attend the notification meeting. A copy of such notice will be sent to the Union.

2. Employees displaced as a result of a reduction in force, will receive notice of displacement and/or layoff no less than two (2) calendar weeks prior to the demotion or separation. A Union representative will be permitted to attend the notification meeting. A copy of such notice will be sent to the Union.

45. WAGES**A. WAGE INCREASES:**

1. Bargaining Unit members who were hired before July 21, 2013 shall receive the following base salary wage increases:

- 5% wage increase effective after contract ratification and approval by the Financial Review Committee.
- 2.5% wage increase effective July 1, 2018
- 2% wage increase effective July 1, 2019
- 2% Wage increase effective July 1, 2020

Note: The 2% wage increase is contingent upon extending the duration of the Contract

2. Bargaining Unit Members hired after July 21, 2013 shall receive the following base salary wage increases:

- 2.5% wage increase for Bargaining Unit Members whose salaries are less than \$70,000.00 effective after contract ratification and approval by the Financial Review Committee. This wage increase is for fiscal year 2017 only.
- 2.5% wage increase effective July 1, 2018
- 2% wage increase effective July 1, 2019
- 2% wage increase effective July 1, 2020

Note: The 2% wage increase is contingent upon extending the duration of the Contract

3. Notwithstanding the above wage increases, the Department has discretion to provide additional wage adjustment/increases it deems appropriate for any bargaining unit member.

4. Special Lump Sum Payment:

Bargaining Unit Members shall receive a lump sum payment of 2.5% of annual wage earnings payable forty-five days after contract ratification and approval by the Financial Review Committee.

B. CORRECTION OF PAYROLL ERRORS:

Where by payroll error an employee is underpaid or overpaid the City is expressly authorized to correct underpayment or overpayment by payroll adjustment pursuant to applicable law. The City will provide written notice of any payroll error to the affected employee, prior to making any adjustments.

The City reserves the right to seek immediate recovery through appropriate legal proceedings.

City Initials USA
Union Initials OB
Date T.A.'D 8/1/17

47. PERFORMANCE EVALUATIONS

- A. The employer will assess attorneys' performance using an annual Performance Evaluation which provides for ratings of "Pass" or "Fail. The evaluation performance shall be an integral part of the responsibility of each supervisor under the Corporation Counsel. It shall be the responsibility of the Corporation Counsel to assure that employee performance evaluations are made and used in an appropriate manner.
- B. Performance evaluations will occur on an annual basis for members of the bargaining unit having permanent status. The period of evaluation is from July 1st to June 30th. The Department shall have the discretion to devise the evaluation document, the methods and processes for evaluation employees. Employees will be evaluated based on the following criteria: quality of work, effort, communication, timeliness of completion of work, professional demeanor, teamwork, professional development, accomplishment of job-specific objectives, accountable hours and client hours. The supervisor shall provide written comments on at least three of the evaluation criteria to the employee. An employee may provide a one page written response to the evaluation which will become a part of the employee's file.
- Meetings to discuss each employee's performance evaluation will be arranged between the employee and his/her supervisor on a mutually agreeable date and time, but in no event more than sixty (60) days after the end of the evaluation period.
- C. Attorneys who receive a rating of "pass" shall receive 1% wage increase. This increase shall become effective annually on October 1. of each year of this agreement
- D. When an attorney receives an annual performance evaluation of "fail", he/she will be placed on a performance improvement plan as outlined in Article 46.
- E. The results of performance evaluations shall be considered in determining salary increases for meritorious service or denial of salary increases related to performance. Performance ratings may be used as a basis for termination or retention and as a factor in disciplinary actions including discharges.

City Initials: MA
Union Initials: BCB
Date T.A.'D 8/3/17

PREAMBLE

The Public Attorneys Association, Local 2211, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW (the "Union" or the "Association"), and the City of Detroit (the "City" or the "Employer") hereby enter into this collective bargaining agreement ("Agreement") covering the classifications (subject to change pursuant to the terms of this Agreement) included in Article 2 (Union Recognition). Any provisions in the City Employment Terms between the City of Detroit and any of the Unions, collective bargaining agreements, memoranda of understanding, practices, and/or supplemental agreements that are not expressly referenced in this Agreement or any addenda thereto and that are inconsistent with this Agreement or any addenda thereto are null and void as of the effective date of this Agreement.

NOTE: The headings used in this Agreement and Exhibits neither add to nor subtract from the meanings but are for reference only.

I. PURPOSE AND INTENT

- A. The purpose of this Agreement is to set forth wages, hours, terms and conditions of employment for the duration of this Agreement and to promote orderly and peaceful employment relations in the interest of serving the citizens of the City of Detroit.
- B. To effectuate this purpose, this Agreement serves to establish employment relations and workplace processes and functions that serve the interest of the community, achieve the goals of customer service, excellence for citizens, businesses and visitors of Detroit, achieve financial stability for the government of the City of Detroit, provide effective community policing, safe and stimulating programs for young people, improve the environment in neighborhoods to instill civic pride and encourage new development, and to promote job security of City employees. To these ends, the City and the Union encourage to the fullest degree, friendly and cooperative relations between the respective representatives at all levels and among all employees.
- C. The City is legally and morally obligated to provide equality of opportunity, consideration and treatment to all employees in an objective manner. Accordingly, it will establish reasonable policies, practices and rules, and exercise its discretion within this Agreement in that vein. The City will act without regard to race, color, creed, national origin, age, political orientation, sex, sexual orientation, marital status, or disability or any other protected category in accordance with applicable State and Federal laws. The City will continue to comply with all laws, rules and regulations which apply to it and its agents.
- D. Nothing in this Agreement will be interpreted to limit an individual employee's right to file a claim with a Federal or State agency or court. However, in the event that an employee files such a claim, the employee will not be entitled to seek duplicative monetary remedies through the grievance arbitration procedure of this Agreement. The grievance and arbitration procedure will be exclusive, final and binding with respect to any type of claim alleging a violation of this Agreement.

2. UNION RECOGNITION

- A. Consistent with applicable law, the City recognizes the Union as the exclusive bargaining representative, for all employees within the following classifications, which are subject to change pursuant to the terms of this Agreement:

City Initials: MD
Union Initials: CB
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~~Assistant Corporation Counsel Senior~~
Assistant Corporation Counsel

EXCLUDING: Non-classified employees, Legislative Assistant Corporation Counsel, Chief Assistant Corporation Counsel, Supervising Assistant Corporation Counsel, Confidential Employees, i.e., Attorneys handling labor relations matters, supervisors, executives, part-time and all other employees.

- B. The classifications covered by this Agreement are subject to changes in title, duties, responsibilities and qualifications, consistent with the Law and terms of this Agreement. Such changes to a classification will not result in a change in current bargaining unit status or representation, except when two or more classifications are combined or consolidated, in which case the parties and any other applicable union will negotiate with respect to bargaining unit status or representation. If agreement is not reached, this dispute will be submitted to the Michigan Employment Relations Commission for resolution. The positions may also be added to or eliminated, consistent with the law and terms of this Agreement, with new positions performing similar work being placed within the same bargaining unit. The City may not re-classify or re-title positions for the purpose of discriminating against the Union, or for the purpose of removing bargaining unit work from being covered by this Agreement.
- C. Non-bargaining unit members (e.g., provisional employees, temporary employees and private individuals or entities) will not be used to perform bargaining unit work for the purpose of discriminating against the Union, or for the purpose of removing bargaining unit work from coverage under this Agreement. Provisional employees and temporary employees will not replace or supplement bargaining unit employees in classifications in the recognized bargaining units, unless it is impossible to hire Civil Service status employees either from within or from outside the City service, or in an emergency.
- D. When an operational function performed by a bargaining unit member remains unchanged, but changes location, representation rights will not be affected by the location change. Employees will have the right to remain members in the Union.
- E. No provision in this Article 2 is intended to, and should not be interpreted to, limit the rights of a party to this Agreement under Article 16 (Privatization).

3. MANAGEMENT RIGHTS AND RESPONSIBILITIES

- A. The City has the right and obligation to operate and manage its affairs in all respects in accordance with its responsibilities and powers of authority in accordance with applicable law.
- B. Every incidental duty connected with operations enumerated in job descriptions is not always specifically described.
- C. The City will have the right and obligation to determine and establish the policies, goals and scope of its operations. Consistent with its operational needs, the City may reasonably determine and implement: work schedules/shifts, vacation schedules, flex time, the goals and methods and processes by which such work is performed, the qualifications of employees assigned to do the work, and the below-listed rights and obligations provided

City Initials: MP

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Date T.A.'D 8/5/17

they do not conflict with the terms of this Agreement. Except as specifically limited by the terms of this Agreement or applicable law, these rights and obligations include, but are not limited to:

1. Implement changes in the structure of Department operations, including establishment or consolidation of service areas and work locations within the Department;
2. Cease or outsource functions or operations, consistent with this Agreement;
3. Initiate new functions or operations;
4. Provide appropriate training, education, performance evaluation and job assignments for employees;
5. Establish reasonable qualifications and methods for hire, transfer, assignment and promotion in employment;
6. Revise, create, combine, and or eliminate classifications, duties and or positions, subject to the terms of this Agreement. The City will notify the Union President and participate in a meeting to discuss implementation of any revised, new or eliminated classification, duty or position, at least ten (10) working days prior to implementation. The Union President may provide input during the meeting with respect to any proposed changes;
7. Initiate promotions and disciplinary actions;
8. Determine personnel hiring and reductions;
9. Discipline and discharge employees for just cause;
10. Recruit, assign, transfer employees to positions within the employee's Department;
11. Establish reasonable rules and policies, consistent with the operational needs of the City; adopt and enforce work rules and policies applicable to this unit;
12. Determine the requirements related to an employee's job functions including, but not limited to, equipment, tools, clothing and uniforms;
13. Enforce state and local licensing and other requirements; the City will pay for a bargaining unit employees' attainment or renewal of required licenses, bonding, training, registration or certification to the extent such payments are incorporated in the Department's budget as of the effective date of this Agreement; nothing in this Agreement obligates the City to include such payments in a Department's budget;
14. Lay off employees for lack of work or lack of funds.
15. Determine methods, means and employees necessary for departmental operations; and
16. Control the departmental budget.

City Initials: MB
Union Initials: Job
Date T.A.'D 8/5/17

4. CITY AND UNION RIGHTS AND OBLIGATIONS

- A. Any member will have access to a Union Representative from his/her bargaining unit. When such a request is made to a supervisor, permission for services from or discussion with a designated bargaining unit representative will be granted without undue delay with regard to reasonable consideration of whether the request adversely impacts operations. Permission will not be unreasonably withheld. This right will not be abused. When a Union representative goes into a City operation for the purpose of conducting Union business, the City must be notified of his/her presence and the nature of their business, prior to arrival or as soon as reasonably possible. If the employee's requested representative is unavailable, the Union will promptly substitute another Union representative in the unit, if on duty and available.

The City will provide to the Union stewards phone numbers for City agents who should be contacted when the need for a visit arises. If the Union representative is unable to reach the applicable City agents at such numbers, the representative may contact the immediate supervisor within the area of concern. Both the Union and City will act reasonably in arranging for Union representatives to have access to the work site for the purpose of conducting Union business with due regard to for departmental operations.

The Union and City will have the right and obligation to assist and cooperate with each other in effectuating the provisions of this Agreement.

- B. The Union and City will have the right to grieve the interpretation and application of the terms herein and to exercise such other rights as are set forth in this Agreement.
- C. Activities involving internal management of a Union, unless otherwise addressed in a Supplemental Agreement, may be conducted during non-working hours. These activities will not interfere with normal operations of any department or work area of the City.
- D. Requests for meetings by Union officials other than Special Conferences will be Scheduled at a mutually agreeable time, and both sides will act reasonably in the scheduling of such.
- E. The City will timely provide to the Union, upon request, information, data, and/or records that are relevant to the Union's obligations as exclusive bargaining representative. The requests and responses will be reasonable and carried out in good faith. The duty to provide information pursuant to this Article 4 is limited to information, data and/or records that are in the City's possession, custody or control.

5. UNION ORIENTATION

- A. Within thirty (30) days of a new employee being hired by the City into a bargaining unit position covered by this Agreement, the City will provide the Union with the name, address, classification and hire date of the new employee. The City will also provide the Union with the name, address, classification and rehire date of any employee returning from layoff or otherwise separated from payroll or from a leave of longer than six (6) months.
- B. The City conducts periodic orientation for new hires. The City will allow a designated Union official to meet with new bargaining unit employees for up to a half hour during new hire orientation at a time and location mutually agreed to between Labor Relations and the Union. Management officials will not be present during this meeting.

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- C. The City and the Union will agree on a schedule for the Union to address all bargaining unit employees during the employees' work day for up to twenty (20) minutes once per calendar year, taking into account, including, but not limited to, departmental operations, available space and the like.

6. DUES AND FEES CHECK-OFF

A. Dues Deductions

- 1. The City agrees to deduct union dues and initiation fees from the wages of any employee who executed a written authorization for payroll deduction of such dues and initiation fees. An employee's written authorization for union dues deduction and/or initiation fees will remain in full force and effect during the term of this Agreement unless revoked by written notice, executed by the employee, received by the City Finance Department and the Union during the month of December of any year, consistent with the dues deduction authorization form which the employee had executed, irrespective of union membership. At the expiration of this Agreement, the dues and fees obligation continues yearly, irrespective of union membership, unless revoked as outlined above provided, however, an employee may revoke such authorization for union dues payroll deduction any time a collective bargaining agreement is not in effect. The City will provide the Union with a legend accompanying dues payments -- or a similar document, either in hard copy or electronic form -- that identifies the Union's dues paying members as well as the amount of dues and/or fees paid by each member for that payroll cycle.
- 2. Dues and/or initiation fees will be authorized, levied and certified in accordance with the Constitution and By-Laws of the Union. Each employee and Union hereby authorize the City to rely upon and to honor certifications by the designated Union official, regarding the amounts to be deducted and the legality of the adopting action specifying such amounts of union dues. The City agrees to comply with such dues deduction authorization form which were executed by City employees.
- 3. Where administratively feasible, (a) dues deduction authorizations of employees who are transferred or who work out-of-class, in a position represented by the Union, on a temporary basis will not be canceled as a result of such transfer or out-of-class work, and (b) if an employee returns from a leave of absence, layoff, or temporary promotion, or transfer out of the bargaining unit, the authorization will resume and will not require any further action on the part of the employee or the Union.

B. Other Deductions.

- 1. The City agrees to deduct from the wages of any employee who is a member of a Union a Political Action Committee ("PAC") deduction as provided for in a written authorization executed by the employee in accordance with the standard form used by the City or previously executed by the employee. This deduction may be revoked by the employee at any time by giving written notice to both the Finance Department and to the Union.
- 2. Where administratively feasible, (a) PAC deduction authorizations of employees who are transferred or who work out-of-class on a temporary basis will not be canceled as a result of such transfer or out-of-class work, and (b) if an employee returns from a leave of absence, layoff, or temporary promotion, the authorization will continue in effect and will not require any further action on the part of the employee or the Union.

City Initials: WCP
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C. Compliance with Law

1. This Article 6 - Dues Fees and Check off will be interpreted and applied consistent with Public Act 349 of 2012 (the "Act").
2. In the event that the Act is repealed, replaced, judicially declared invalid, or otherwise amended so that the payment of Union dues or service fees may be required for employment or continuing employment, then the parties agree to reinstate the contract language set forth in the Union Security article of the last collective bargaining agreement in effect prior to the effective date of the Act. In that event, the former Union Security article will thereafter be in full force and effect.
3. Further, in the event that the Act is amended in part, but the payment of Union dues or service fees may not be required for employment or continuing employment, then the parties will engage in good faith discussions to reach replacement language as necessary. Failure to reach replacement language, within thirty (30) days of the partial amendment, may be submitted at any time by either party to final and binding interest arbitration with such arbitrator selected in accordance with the procedures on this Agreement. Such arbitration will proceed on an expedited basis. The parties will submit any proposed language, briefs and evidence in written form within five (5) working days after the arbitrator has been selected. The arbitrator will issue his/her decision within ten (10) working days after receipt of the parties' briefs and evidence in written form, and the arbitrator will select one of the two language proposals in such decision. This same procedure will also apply in the event that any provision in this Article is declared illegal or void by administrative tribunal or court of law, wherein the parties will seek renegotiation of said provision within thirty (30) days of the declaration of illegality. In the event any provision of this Article is declared void or illegal, by an administrative tribunal or court of law, the parties will comply with all other aspects of this Article.

D. Administrative Costs

The City agrees to refrain from imposing any recurring administrative fee in connection with the collection of union dues and/or PAC. The parties acknowledge that the cost of establishing and administering payroll deduction has been considered by the parties in their negotiation of the overall terms of this Agreement.

7. UNION REPRESENTATION

- A. It is mutually recognized that the principle of proportionate representation is a sound and sensible basis for determining the number of Union representatives.
- B. The Union shall have the right to select or designate one (1) President and one Steward to represent employees in the bargaining unit. In addition, the Union may designate alternates to function as the President or Steward in their absence. The names of such persons and any changes shall be

City Initials:
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promptly reported in writing to Law Department management.

- C. The Union will reimburse the Employer for all full-time and part-time paid Union officials, including any additional compensation arrangements paid to employees holding Union positions. If the Union fails to reimburse the City within 45 days of the end of a calendar month the City will have no further obligation to pay such officials for Union time thereafter until all reimbursement obligations and arrears are satisfied. Union representatives may elect to use vacation or compensatory time for attendance at Union meetings, conferences, conventions and other time on Union activities not included in activities in paragraph D below, or take unpaid time off.
- D. Working Stewards and Chief Stewards and Union officials will request time off for Weingarten representation duties, grievance processing and investigation (up to and including arbitration), and negotiating collective bargaining agreements from their supervisor and the supervisor will reasonably grant or deny such requests in writing. This time will be part of the Union official's paid work day.

8. GRIEVANCE AND ARBITRATION PROCEDURES

- A. Should any dispute arise between the City and the Union concerning the application or interpretation of this Agreement, an earnest effort will be made to settle such dispute promptly in accordance with the below Grievance Procedure.
- B. Any grievance under this Agreement which is not filed within fifteen (15) working days (excluding Saturdays, Sundays and holidays) after the grievant knew or should have known of the grievance arising will not be considered a timely grievance.
- C. The parties agree that exchanging pertinent information regarding a grievance is beneficial to both parties in attempting to resolve a grievance. The Union will be advised of the factors considered in the imposition of discipline and will have the right to request copies of all information or statements pertaining thereto, and all information which the City proposes to present in defense of the grievance. Management will be advised of the basis of the grievance and have the right to request copies of all information or statements pertaining thereto and which the Union proposes to present in support of the grievance. It is agreed that any information requested in accordance with the above provisions which is not made available to the other party will not be admissible as evidence in any arbitration hearing.
- D. Any agreement reached between the City and the Union under the Grievance Procedure will be binding upon the City, the Union and the employees concerned and cannot be changed by any individual.
- E. All claims for back wages will be limited to the amount of wages that the employee would have earned, less any compensation received for temporary employment obtained subsequent to his/her removal from the City payroll, and payments from Unemployment Insurance, Social Security Disability, City Funded Long-Term Disability Insurance, or Sickness and Accident Insurance. Where appropriate, the City will reimburse those agencies and insurance funds so as to not affect the employee's equity therein.
- F. The City will not be required to pay back wages covering a period more than fifteen (15) working days prior to the date a written grievance is filed.
- G. In the case of a pay shortage in which the employee would not have been aware before receiving his pay, any adjustment made will be retroactive to the beginning of the pay period covered by such

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pay, if a grievance is filed within the fifteen (15) working days within receipt of such paycheck.

- H. The grievance procedure contained in this Agreement will be the exclusive grievance procedure and remedy for all members of the bargaining unit claiming a violation of this Agreement. Resolutions under the grievance procedure are final and binding.
- I. The release of a Union representative for the grievance process below will be without loss of time or pay.
- J. Grievance Steps

Step 1. Employee, Supervisor and Steward

Any employee having a complaint may report the same to his /her Supervisor. The employee may request a Steward or other Union representative, and the three will attempt to resolve the matter. Where the matter involves imposition of disciplinary suspension or above, any grievances will be filed at Step 2.

Step 2. Corporation Counsel Level

Grievances involving acts/omission at the supervisory level, including without limitation employee suspensions and discharges, may be filed at this step initially. For other grievances, if a satisfactory adjustment is not obtained under Step 1, the grievance will be reduced to writing on a standard grievance form setting forth all facts believed to be relevant to the dispute, and the grievance will be signed by the applicable Union President or Steward. The Union must appeal a grievance to Step 2 within ten (10) working days of the Supervisor's decision. When the grievance involves allegations concerning an individual employee, the Union will ask the employee to sign the grievance. An employee's failure to sign a grievance will not affect the progression of the grievance. The written grievance must then be submitted to the Corporation Counsel or his /her designee. A meeting to discuss the grievance will be held within ten working days after receipt of the grievance, unless mutually agreed between the parties. Up to two (2) Union Representatives, other than the Grievant, may attend the Step 2 meeting. Any resolution reached at this meeting will be reduced to writing. The Corporation Counsel or his/her designee will furnish the Union with his/her written decision within ten (10) working days of the Step 2 meeting, excluding Saturdays, Sundays and holidays.

Step 3. Labor Relations Division Level

Grievances involving acts/omissions at the Corporation Counsel level may be filed at this step initially. For grievances from Step 2, if a satisfactory adjustment is not obtained under Step 2, or timely decision is not made, the Union may request a Step 3 meeting with the Labor Relations Director. Such appeal and request for a Step 3 meeting must be submitted in writing to the Labor Relations Director within ten (10) working days from the receipt of the Corporation Counsel's Step 2 answer, if the Corporation Counsel's Step 2 decision was timely. A meeting to discuss the grievance will be held within ten (10) working days after receipt of the grievance, unless mutually agreed between the parties. A meeting to discuss the grievance will be held within ten (10) working days after receipt of the grievance, unless mutually agreed between the parties. Not more than two (2) Union Representatives

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may attend the Step 3 meeting, and the Labor Relations Director may designate members of his staff to represent the City.

Any resolution reached at this meeting will be reduced to writing. The Labor Relations Director or his[her designee will furnish the Union with his/her decision within thirty (30) working days of the Step 3 meeting.

Step 4

Arbitration

- a) If a grievance is not settled after it has gone through Step 3 of the Grievance Procedure, the Union must file a written notice of appeal and intent to submit the dispute to arbitration with the Labor Relations Director. The Notice of Intent to Arbitrate must be filed within fourteen (14) calendar days (excluding Saturdays, Sundays and holidays) from receipt of the Labor Relation Director's Step 3 answer.
- b) Arbitrations will generally be heard by a member of a permanent umpire panel consisting of individuals mutually agreed-to by the City and the Union. Arbitrators will hear cases on a rotating basis. In non-disciplinary contract interpretation cases, however, the parties may agree to have the dispute arbitrated pursuant to the Labor Arbitration Rules of the American Arbitration Association. The arbitration's fees and expenses will be borne equally by the parties, and all other expenses will be borne by the party incurring them. The Grievant, one (1) witness, and one Union Representative will not lose pay for time off the job while attending the arbitration proceeding. Other employees may use banked time to attend the hearing for the purpose of offering testimony, or to prepare for the hearing.
- c) The decision of the Arbitrator will be final and binding on the Union and its members, the employees involved and the City and its agents and employees. The Arbitrator will have no power to add to, subtract from, or modify any of the terms of this Agreement. The authority of the Arbitrator is limited to the interpretation and application of the provisions of this Agreement. The Arbitrator will have no authority to apply the provisions of an expired collective bargaining agreement between the Union and the City, unless the grievance at issue was submitted or arose during the term of that agreement, or grant any right or relief for any alleged grievance under the terms of an expired collective bargaining agreement between the Union and the City, unless the grievance at issue was submitted or arose during the term of that agreement.

- K. The Arbitrator will limit his/her decision strictly to the interpretation, application or enforcement of this Agreement and he/she will be without power and authority to make any decision:
 - 1. Contrary to, or inconsistent with, or modifying or varying in any way, the terms of this Agreement.
 - 2. Concerning grievances filed with the Civil Service Commission for final resolution pursuant to provisions of the City Charter or to the Mayor pursuant to applicable State Law.
 - 3. Granting any wage increases or decreases.

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Date T.A.'D 8/9/17

- 4. Granting any right or relief for any period of time whatsoever prior to the execution date of this Agreement.
- L. No settlement at any Step of the grievance procedure will be used as a precedent for the resolution of future grievances or in any arbitration and will not be admissible in evidence in any future arbitration proceeding, unless the parties otherwise stipulate in writing.
- M. A grievance will be deemed untimely, settled and withdrawn unless advanced timely (exclusive of Saturdays, Sundays and holidays) through the grievance procedure, unless the parties have agreed in writing that the time limits would be waived or extended. If the City fails to provide a timely answer at Step 2 or Step 3 of the grievance procedure, the grievance will advance to the next step after the Union notifies Labor Relations of the City's failure to provide a timely response, unless the Union withdraws the grievance in writing.
- N. Any extensions of time limits provided for in this Article 8 - Grievance and Arbitration Procedures must be agreed to by Labor Relations in writing.

O. The following Sections 1-3, relate to the Article entitled Performance Improvement Plan:

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1. Except as provided in Article 12-Performance Improvement Plan, the International Union (Union) may file a grievance regarding the ^{violation of} performance of a performance improvement plan. The grievance shall be introduced at Step 4 of the grievance procedure and answered expeditiously at Step 4. The grievance shall be based only on the International Union's claim that the performance improvement plan was motivated by discriminatory intent that is based on union activity or that is contrary to Section D C of the Purpose and Intent Article.

2. The parties acknowledge that issues such as the quality of an attorney's work product, attitude and professionalism can be subjective. Accordingly, in the event of an arbitration, the arbitrator shall afford due deference to management's reasonable decision designed to ensure that the law department provide a high level of timely and professional legal services to its clients.

3. An arbitrator deciding such a grievance shall be strictly limited to narrowly addressing the Union's claims, and if the arbitrator rules, pursuant to this subsection, that a violation has occurred, the arbitrator's authority shall be limited to issuing an award which may modify only those specific terms of the performance improvement plan deemed to provide an appropriate specific remedy for the violation found, with the balance of all other terms of the performance improvement plan being left unchanged. The operation of the performance improvement plan shall not be suspended because a grievance has been filed during the period of the expedited process.

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P. In the event a case is appealed to an arbitrator and he/she finds that he/she has no power or authority to rule on such case, the matter shall be referred back to the parties without decision or recommendation on the merits of the case.

Q. The expenses of the arbitrator shall be shared equally by the parties. The aggrieved, one (1) witness and the Union President (or designated representative) shall not lose pay for time off the job while attending the arbitration proceedings.

R. Except as specifically provided herein, or in supplements hereto which are part of this Agreement, the parties understand and agree that in making this Agreement they have resolved for its term all bargaining issues which were or which could have been made the subject of discussion. The arbitral forum here established is intended to resolve disputes between the parties only over the interpretation or application of the matters which are not excluded from arbitration.

S. The grievance procedure described above shall be the exclusive grievance procedure for all members of the bargaining unit.

NOTE: It shall be the responsibility of the grievant to keep the Union and the City informed of his/her mailing address and telephone numbers(s) at which he/she may be reached for purposes of notification. Certified mail to the address of record shall constitute proper notification to the grievant.

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9. DISCIPLINE PROCEDURE

- a) The City retains the right to promulgate, amend and modify disciplinary rules, procedures and penalties, giving the Union at least fourteen (14) days advanced notice, or if not practicable, as much advance notice as possible taking into account the operational needs of the City. Failure to promulgate any disciplinary rules, procedures and penalties shall in no way abrogate the City's management right under Article 3 to discipline and discharge employees for just cause.
- b) All disciplinary action taken against an employee will be for just cause and subscribe to the general philosophy that the **primary** purpose of disciplinary action is to correct employee behavior **and/or** conduct, if practicable while ensuring the Law Department's ability to provide timely and high quality legal services to its clients. The City will utilize a progressive discipline process; however, the City reserves the right to reasonably invoke more severe discipline, up to and including, termination. The issuance of disciplinary action will take place in a timely manner with due regard for the Employer's right to conduct workplace investigations of employee misconduct. Any dispute regarding the timeliness of the discipline will be resolved through the grievance procedure.
- c) **NOTIFICATION REQUIREMENTS:** Notification will be given to the appropriate Union representative of any disciplinary action taken against any member which may result in any official entries being added to the employee's personnel file. Both the employee and the Union representative will be given a

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copy of such official entry. In all cases when a supervisor contemplates issuance of disciplinary action, the supervisor will inform the employee and allow the employee the opportunity to have Union representation. If the employee's requested representative is unavailable, the Union will promptly substitute other Union representatives in the represented unit, if on duty and available. If the employee declines Union representation, he/she will indicate so in writing and a copy will be given to the Union.

When the Department has decided to issue discipline, the employee will be allowed adequate time and an available area to discuss the discipline with his/her steward, or in the absence of a steward an appropriate Union representative. In the case of a suspension or discharge, where Union representation is available, this discussion will take place prior to the employee leaving City property. Upon request the management representative who is present and issuing the action will discuss the disciplinary action with the employee and his/her steward. Exceptions to this procedure would be in situations where the suspended or discharged employee is absent without leave, or the parties agree that such discussion would not be beneficial at this time.

- d) In the case of an oral reprimand, a notation by date and subject only will be placed in the employee's personnel file. All disciplinary actions will be subject to the grievance procedure. It will be the responsibility of the grievant to keep the Union and City informed of his/her mailing address and telephone number(s) at which he/she may be reached for purposes of notification. Certified mail to the address of record will constitute proper notification to the grievant.
- e) During investigation, an employee will have the right to request to have his/her steward present if the employee reasonably believes that his/her statements may lead to disciplinary action. Before an employee is required to make any statements pertaining to his/her possible misconduct, the employee will have the opportunity to discuss the matter first with his/her steward.
- f) **PERSONNEL RECORDS:** All employees within the bargaining unit will have the right to review his/her personnel records pursuant to applicable law.
- g) **USE OF PAST RECORD:** In imposing any discipline on a current charge or in evaluating an employee for promotion or transfer, management will not take into account any prior infractions or disciplinary action taken which occurred more than sixteen (16) months previously.
- h) **GUIDELINES FOR ADMINISTRATION OF A CORRECTIVE DISCIPLINE PROGRAM:**
- i) Disciplinary action should be appropriate and take into account both the offense and the employee.

Factors which should be considered imposing discipline in each case are:

- a. The seriousness and circumstances of the particular offense.
- b. The employment history of the employee involved including length of

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service.

- c. The recency and nature of prior disciplinary action taken with respect to the employee.
- d. Prior departmental action in comparable situations.
- e. The impact of the offense on the Law Department's ability to provide timely and high quality legal services to its clients.

- 2. Any published departmental standards or rules governing employee conduct or expected work performance should be fairly and consistently applied.

10. SPECIAL CONFERENCE

Special Conferences for important matters including problems of health and safety and periodic discussions of substantial issues which are of concern to Union members may be arranged for a mutually agreeable date and time between the Union President and the Corporation Counsel or his/her designated representative upon the request of either party. Either party may request the presence of a representative from Labor Relations. Such meeting will be between representatives of the Department, and no more than three (3) and at least two (2) representatives of the Union.

11. HEALTH AND SAFETY

- A. The City recognizes its responsibility to provide safe and healthful working conditions, and the Union recognizes its obligation to cooperate in the maintenance and improvement of those conditions.
- B. All existing safety practices and provisions in expired agreements will remain in effect until such time as the City may amend them pursuant to the terms of this Agreement, consistent with the operational needs of the City and any applicable safety standards.
- C. All protective equipment and devices, first aid kits or similar provisions, physical examination or other tests required by the Employer will be provided at no cost to the employee.
- D. The City will act in compliance with Federal, State and Local legislation relating to use or storage of hazardous materials and incidence of contagious disease in the workplace. Union representatives will be informed of any testing of employees or precautionary steps taken because of exposure to hazardous materials or a contagious disease which has occurred within the worksite where members of his/her Union are employed.

12. SENIORITY

- A. **SENIORITY** is hereby defined as the length of continuous service beginning on the date of legal certification to a position in the classified service of the City of Detroit. Seniority, as defined above, is established to serve as a basis for determining employee seniority rights provided for in this Agreement including the order of demotion or lay off in the event of a reduction in force and the reemployment rights of employees.

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Note: Seniority is not the same as "service time" as utilized for the various economic benefit provisions.

~~The seniority date of employees in the bargaining unit who were initially hired into Federal Economic Opportunity Act (FEOA) Service classes will be made retroactive to the date of placement to a position in such FEOA Service class.~~

B. CONTINUOUS SERVICE will mean employment by the City of Detroit without interruption or breaks. The following will not be considered breaks in service.

Note: Seniority is not the same as "service time" as utilized for the various economic benefit provisions.

1. Service in the Armed Forces of the United States up to four (4) years, or five (5) years if requested by the Government as provided under Federal law.
2. Absence from work due to injuries compensated for under the Workers' Compensation Act of the State of Michigan.
3. Appointment or election to an exempt non classified position of the City of Detroit.
4. Lay off as a result of a reduction in force for a period not exceeding four (4) years.
5. Leave of absence to serve in a qualifying employee labor organization for the term of said employment.
6. Leaves of absence for Peace Corps service up to two (2) years.
7. Other approved leaves of absence for a period not exceeding one (1) year.

Employees may be granted a personal leave by the City for up to one (1) year. Seniority accrued prior to the leave will be retained but employees will not accumulate additional seniority for the period of the leave, except that this provision will not apply to leaves related to military or Peace Corps.

C. LOSS OF SENIORITY: An employee will lose his/her seniority for the following reasons only:

1. Discharge or permanent removal from the payroll and the separation is not reversed through the grievance procedure.
2. Retirement.
3. Resignation or voluntary quit, which will include:
 - (a) Failure to report within five (5) working days after receiving notice of recall I from lay off.

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(b) Failure to report back to work within five (5) working days after expiration of an approved leave of absence or extension thereof

(c) Absence from work for three (3) consecutive working days without notice to the Employer unless he/she can demonstrate that he/she was physically or mentally incapable of notifying the Department of his /her inability to come to work.

4. For Seasonal Employees, failure to report for work in any given season within five (5) days of the date of notice to report for work for that season.

D. ADJUSTMENT FOR SEASONAL, TEMPORARY OR PART-TIME EMPLOYMENT:

If an employee in a special service classification employed on a seasonal, temporary or part-time basis is subsequently placed in a regular full-time classified position the following adjustments to seniority will be made:

1. In the case of the seasonal or temporary employee, for each twelve (12) month period of employment in which the employee worked six (6) months or less, six (6) months will be deducted from the length of continuous employment.
2. In the case of the part-time employee, for each period of employment in which the employee worked on a half-time or less basis, the employee will be awarded one-half seniority credit and the length of continuous employment adjusted accordingly.

Any adjustment of seniority under this section will be made from the employee's certification date as a seasonal, temporary or part-time employee.

E. RESOLVING TIES IN SENIORITY:

1. Where two or more persons have the same seniority date, the employee with the highest standing (examination rating) on the eligible register from which the employees were certified will be deemed as having the greater seniority. In the event of identical examination ratings, the employee with the earliest examination date will be deemed as having the greater seniority. In the further event of identical examination dates, the employee who first submitted his/her employment application (as measured by the examination number) will be deemed as having the greater seniority.
2. In the case of inducted employees with the same seniority date, employees will be ranked in accordance with their length of continuous service in the Department, agency or activity in which they were employed when inducted into the classified service. Insofar as possible to determine, such continuous service will include any adjustments in accordance with procedures outlined in this Article.
3. Notwithstanding the above, in all cases of identical seniority dates, persons

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entitled to preference under the Michigan Veteran's Preference Act will be deemed as having greater seniority than those employees without such preference.

F. PROBATIONARY EMPLOYEES:

New employees hired by the City and others initially placed into the bargaining unit will be considered as probationary employees for the first six (6) months of their employment depending on the classification except as provided below. The City may extend in its sole discretion this probationary period for up to an additional six (6) months. This decision may not be grieved. The reasons for the extension will be given in writing to the employee in accordance with the Human Resource Rules, and a copy given to the Union upon request.

The Union will represent probationary employees for the purposes set forth in this Agreement except separation from City service or reversion to the formerly held title for reasons other than Union activities. For probationary employees with prior City service, the Union will represent such employees when the Department issues a suspension or discharge for cause instead of taking action to revert the employee to his/her prior status.

- G. SENIORITY LISTS:** The City will furnish to the Union quarterly, a seniority list and a separation list showing each employee's name, address, department, classification, and total City seniority date. ~~Upon request, the City will annually furnish a Union its relevant city-wide seniority list by classification.~~ These computer generated lists will be based on official Human Resources Department documents which have been approved and processed as of the date submitted. Any questions concerning this information or alleged errors should be submitted to the Administrative Services Division of the Human Resources Department. ~~When the City has the capability, such lists will be provided to the Union on compact disks (CDs).~~

13. SENIORITY OF UNION REPRESENTATIVES

- A.** There will be no exceptions or special seniority provisions for Union officers. Notwithstanding their position on the seniority list, all Union Representatives who provide "Weingarten" representation to employees in the bargaining unit, or who are responsible for the adjustment of grievances, will in the event of a layoff or reduction in force, be retained in employment so long as there are:
1. Full-time positions remaining in their current classification in their respective Department;
 2. Full-time positions remaining in their current classification in any other Departments within the bargaining unit; and
 3. Full-time positions remaining in any classification other than their current one in which the employee has had prior year service or occupational series and be able to perform the duties and functions of the new job as determined by the Employer.
- B.** The provisions of this Article will apply only so long as Union Representatives engage in the representation and grievance adjustment functions set forth above

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- C. Should a Union Representative lose his/her Weingarten representation or grievance adjustment functions, they will be subject to displacement by employees with greater seniority who have been laid off or demoted as a result of reductions in force made prior to the former representative's loss of representation or grievance adjustment functions.

1.4. REDUCTIONS IN FORCE, LAY OFF, DEMOTION, AND RECALL
THIS ARTICLE PREVIOUSLY T.A.'D ON JULY 18, 2017

~~A. NOTICE TO THE UNION: Where practical, the City will provide notice to the Union at least fourteen (14) days prior to the issuance of any layoffs.~~

~~B. If as a result of a reduction in force in the Law Department, it is necessary to reduce the number of employees in a classification represented by the Union, such reductions in force shall be in accordance with the reduction in force provisions provided in Human Resources Department Rules as adopted by the Civil Service Commission in effect January 1, 2014.~~

~~Provisions for re-employment of laid-off person shall continue for four (4) years after layoff and separation from City employment.~~

~~Employees who were laid off and are recalled to City employment retain seniority rights in accordance with the reduction in force and seniority provisions of the Master Agreement and are not considered new in this agreement.~~

~~ORDER OF REMOVAL: Provisionally hired employees, newly hired employees who have not completed the probationary period, and employees hired on a seasonal, temporary, or other limited term basis will be removed first, notwithstanding their Division. Thereafter, reduction in force will be by job classification within a particular Division (e.g., Transactional & Economic Development Division, Labor/Employment & Workers' Compensation Division, etc.) in the Department, except that Employees in the Assistant Corporation Counsel job classification will be removed before Employees in the Senior Assistant Corporation Counsel job classification. Within the particular Division, the following categories of employees in the class will be removed first in the following order:~~

- ~~1. Seniority employees who have recently been promoted into the class and have not completed the required trial period, and employees promoted to the class on a limited term basis. Such employees will revert to the classification in the Department from which they were promoted.~~
- ~~2. Seniority employees who are in the class on a permanent basis and have completed the required trial period. Such employees will be removed from the class based upon knowledge, training, experience, certifications, personnel evaluations, ability, skills, disciplinary history, attendance, efficiency, and seniority. When all other qualifications are equal, the least senior employee will be removed.~~

~~C. EMPLOYEE RECALL, REEMPLOYMENT AND RESTORATION RIGHTS: Employees will be recalled for available positions within their particular Division in~~

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~~inverse order of layoff. The City's right to fill vacancies through transfer, promotion, or new hire will be done in accordance with the Management Rights or the Transfer and Promotion provisions of this Agreement.~~

~~D. NOTICE REQUIREMENTS: Following notice, a representative of the Department will meet with the Union to discuss the circumstances of the Department's reduction in force.~~

~~1. Employees to be laid off will receive notice of layoff no less than two (2) Calendar weeks prior to the effective date of the separation. A Union representative will be permitted to attend the notification meeting. A copy of such notice will be sent to the Union.~~

~~2. Employees displaced as a result of a reduction in force, will receive notice of displacement and/or layoff no less than two (2) calendar weeks prior to the demotion or separation. A Union representative will be permitted to attend the notification meeting. A copy of such notice will be sent to the Union.~~

~~3. Notice of recall or offer of reemployment to laid off employees will be sent by certified mail to the person's last address of record. It will be the responsibility of the laid off employee to notify the Human Resources Department immediately of any change of address. Failure of the laid off employee to report to Human Resources within five (5) calendar days of the date of the notice will be considered a voluntary quit and result in loss of seniority unless good cause for the employee's failure to report is shown.~~

~~4. Exceptions to the above notice requirements will be allowed in individual cases where the failure to give timely notice resulted from error or unforeseen circumstances beyond the control of management.~~

~~E. To exercise bumping rights, an employee must have prior service in such classification within the last three (3) years and can perform the duties of the new position. Employees will be pennitted to work outside their classification.~~

15. TRANSFERS AND PROMOTIONS

~~A. Members of the Union shall be given notice and consideration for available promotional opportunities in the bargaining unit. Factors to be considered in promotional decisions shall include experience, work performance and demonstrated abilities. It is understood that the ultimate decisions on promotions and appointments rest solely within the discretion of the Corporation Counsel. Members of the Union shall be given notice and consideration for available promotional opportunities in the bargaining unit. The City will have the right to transfer and/or promote employees within any department or to any new department in its reasonable discretion that will take into account an employee's seniority, training, education, expertise, performance, attendance, and discipline history, as well as any possible disruption that may result from an inter-departmental transfer. Such transfer and/or promotion will be on a six (6) month probationary period, during which time the City may reasonably~~

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~~determine that the transferred employee is unable to perform the duties and functions of the new position and may reasonably exercise its right to transfer that person back to their old position or to another position. Transfers and promotions will be effected without loss of seniority.~~

- B. All promotions shall be subject to a six (6) month probationary period which may be extended for an additional six (6) month period. The employees shall receive the reason(s) in writing for any extension of the probation period in accordance with the Human Resource Rules. During the probationary period, if the promoted employee is found to be unsatisfactory, the Department may take action reverting the employee to his/her previous classification unless discharge for cause is appropriate. The employee shall receive the reason(s) in writing for any extension of the probation period. ~~Notwithstanding the procedures set forth in Section A of this Article, employees in the Assistant Corporation Counsel job classification who have attained at least ten (10) years of seniority as of the effective date of this Agreement will be promoted to the Senior Assistant Corporation Counsel job classification and provided a one thousand dollar (\$1,000) increase in annual salary thirty (30) days after the effective date of this Agreement. Promoted employees will be subject to a six (6) month probationary period in accordance with Section A. In no event shall such promotions be construed as a commitment by the Department to promote Employees who subsequently attain ten (10) years of seniority after the effective date of this Agreement. After the effective date of this Agreement, all promotions will be made pursuant to Section A of this Article.~~
- C. Transfer Requests: An employee wishing to transfer in grade from his/her current Section to another Section in the Law Department shall submit such request in writing to the Corporation Counsel. Such transfer request on the file will be given consideration prior to filling an available vacancies in the Section.

16. CONTRACTUAL WORK

- A. It is the intent of this Article to preserve the jobs of City employees, while maintaining the rights of the City of Detroit to handle its affairs in an efficient, cost effective contract approval process for the good and welfare of its citizens.
- B. The City agrees to abide by Detroit City Ordinance, City Code Section 18-5-100 et seq. (for purposes of this Article 16, the "Code"). This Article 16 (Contractual Work) will not apply to City contracts that fall under Code Section 18-5-102. Application of the terms of the Code pursuant to this Agreement will be subject to the grievance and arbitration procedures of this Agreement, however in no event an employee or a Union will be permitted to pursue the same claim under both the Code and the grievance and arbitration procedures. The arbitrator will not have the authority to amend, terminate or modify this Agreement or to interpret or apply the Code in a manner that is inconsistent with its terms or as it may have been judicially interpreted.
- C. In the event the City, in its discretion, determines that it will recommend a contract for services as defined in the City Code to the Detroit City Council

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- (other than those contracts covered by Code Section 18-5-102), the applicable Union(s) will be notified reasonably in advance prior to a final decision of the City Council on the contract being awarded, or as soon as possible in emergency situations (as defined by Code Section 18-5-10 1). Such notice to the Union will be in writing and will include the information described in City Code Section 18-5-104(C), to the extent not already provided to that Union.
- D. The Union may prepare alternate plans to the City recommendation upon review of the above information, working with management employees if it chooses to do so. The final decision to act is vested solely and exclusively in the City which will not act in an arbitrary and capricious manner.
- ~~E. Nothing in this Article should be construed to waive, abridge or impair the rights reserved to an emergency manager appointed pursuant to Public Act 436, MCL §§ 141.1541 et seq. to reject, modify or terminate any provision of this Article subject to Section 1 2(k) of PA 436 (§141.1552(k)). This reservation of rights shall expire on September 30, 2014 at which time this Article shall be binding in accordance with Article 48 of this Agreement.~~
- F. **Insourcing**
1. The Unions will be granted the opportunity to offer to have work which is currently performed by private individuals or companies, to be performed by City employees. This is referred to as "Insourcing."
 2. Any Union may submit an Insourcing proposal to the City's Purchasing Director and the Department Head of the relevant department. Such proposal will contain sufficient detail demonstrating the economic and/or qualitative advantages of Insourcing contracted services. The City will review such proposal on a fair and reasonable basis and respond to the Union within sixty (60) days of receipt of the Union's insourcing proposal.
- G. The right of contracting and sub-contracting is vested in the City. Nothing in this Article shall prohibit the City from hiring and utilizing outside counsel to represent its interests in any legal matters. Moreover, nothing in this Article shall create any additional limitations or requirements with respect to the hiring and utilization of outside counsel, beyond those that were in place as of the effective date of this Agreement. The right to contract or sub-contract shall not be used for the purpose of discrimination against the Union.

17. PREFERENTIAL HIRING

- A. Any non-governmental entity awarded work by the City pursuant to Article 16 of this Agreement - Contractual Work (for purposes of this Article 17 a ("Contractor") will give City employees who have been or will be separated from employment as a result of the award of the contract preferential hiring rights for open positions for which they are qualified based on their level of skill and ability as of the date the contract is awarded.
- B. "Preferential hiring rights" for purposes of this Article 17 means that City employees separated from employment as a result of the contract award will be offered employment by

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the Contractor into any open positions covered by the contract for which City employees are qualified based on their level of skill and ability prior to offering employment to any non-City employees. Neither the City nor any Contractor will be obligated to provide any training, education, or any other form of assistance, without limitation, to any employees seeking employment with a Contractor pursuant to this Article 17.

- C. Qualification requirements will be determined in the Contractor's sole discretion. Nothing in this Article 17 is intended to restrict a Contractor's right to set its own terms and conditions of employment and/or its own hiring qualifications and employment standards. However, any contract pursuant to Article 16 will include a provision that prohibits discrimination against former City employees based upon their union affiliation or for any other reason prohibited by law.
- D. The City will require that all contracts awarded pursuant to Article 16 will, as a condition of such contracts with the City, comply with the terms of this Article 17. Contractors will establish appeal procedures, culminating in neutral arbitration, for the processing of complaints from former City employees who claim to have been denied the preferential hiring rights established by this Agreement. An arbitrator will have the authority to order back pay, but not any other form of remedy or relief in the event of a violation by the Contractor of such preferential hiring rights. The arbitrator will be selected by the Contractor from a list of five arbitrators provided by the Union and the City. The fees and expenses of the arbitrator will be borne by the Contractor.
- E. The City will not be responsible for the Contractor's hiring criteria or employment decisions but will take reasonable measures, including written requirements that obligate a Contractor to comply with this Article 17 in any request for proposal and any subsequent contract by the City awarded pursuant to Article 16 to ensure Contractor compliance with this Article.
- F. The parties acknowledge that a Contractor may not have any open positions at the time a contract is awarded if the Contractor's then-current workforce is sufficient to perform the work covered by the contract.

18. EMPLOYEE INPUT

- ~~A. As of the effective date of this Agreement, the Law Department does not report to the City's Chief Operating Officer. This Article, which incorporates language set forth in the ORS Coalition Agreement, shall be applicable and effective only in the event that the City's organizational structure changes such that the Law Department reports to the Chief Operating Officer.~~
- ~~B. For departments reporting to the Chief Operating Officer that employ bargaining unit employees, the City will hold at least one meeting per month between a department management official from a department identified by the Union fully familiar with the department's operations and a bargaining unit member in that department designated by the Union for the purpose of discussing operational efficiencies, potential cost savings, and any other Union or employee concerns related to departmental operations. A management official from each of the City's Chief Operating Office, the Purchasing Department and the Labor Relations Department will also participate in these meetings. The Union will identify in writing to the Director of Labor Relations the requested department for participation in the meeting at least two (2) weeks~~

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~~prior to the Union's proposed meeting date and the Union will submit a proposed agenda for such meeting no later than five (5) business days prior to the meeting. Monthly meetings will be scheduled for one hour, at a mutually agreeable date and time taking into account the department's operational needs, and may be extended by agreement of all participating parties. The Union may select a maximum of three departments for meetings within a single month and no department will meet more frequently than once a quarter.~~

~~C. In conjunction with the monthly meetings, upon request, the City will respond to reasonable information requests from the Union concerning information relevant to the meeting that is within the City's possession, custody or control, subject to applicable confidentiality restrictions and the availability of the information requested. After the parties have met, the parties will work cooperatively and reasonably to put any agreed upon changes into effect.~~

19. LEAVES OF ABSENCE

A. FAMILY AND MEDICAL LEAVE ACT OF 1993 (FMLA): The City will promulgate reasonable FMLA policies in accordance with the law. A full explanation of the employee's FMLA rights will be included in the New Employee Orientation. Employees may seek information about their FMLA rights from Human Resources.

B. CITY LEAVES OF ABSENCES: The City may grant leaves of absence for medical, educational, military, personal or other reasons in its sole discretion, consistent with the terms of this Agreement and applicable law. The City may also authorize the extension of a leave of absence in writing signed by an authorized City representative, at its sole discretion, consistent with the terms of this Agreement and applicable law. City leaves of absence and/or extensions of such leaves must be approved by Human Resources. Employees may seek information about leaves of absences from Human Resources.

C. UNION LEAVES OF ABSENCE: Members of the Union elected or selected by the Union to do work which takes them from their employment long-term, for an incessant assignment of more than six months, will, at the written request of the Union, receive leaves of absence for the period of employment with the Union, and upon return will be re-employed. During the leave of absence the Union member will not accrue additional seniority. Upon re-employment, the Union member will be reinstated with the seniority he or she had accrued prior to the leave of absence.

20. UNION BULLETIN BOARD

Bulletin boards for postings of Union activities and announcements shall be available at bargaining unit work locations. The bulletin boards shall not contain anything of a political or libelous nature.

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21. STRIKES AND LOCKOUTS

- A. **Interference with Work:** Employees will not engage in any strike, work stoppage, slowdown, refusal to cross picket lines, sympathy strike or otherwise neglect of, or interference of any kind with, the operations of the City.
- B. The City will not lockout any employee in furtherance of a labor dispute. However, if any employee is unable to work because equipment or facilities are not available due to a strike, work stoppage, slowdown or other interference by other employees, such inability to work will not be deemed a lockout under the provisions of this section.
- C. If an employee is not engaging in conduct outlined in section A of this Article 20 but is unable to work because equipment or facilities are not available due to a strike, work stoppage, slowdown or other interference by other employees, such inability to work will not be deemed to violate Section A of this Article.

22. SEVERABILITY

If any Article, Section or provision of this Agreement or any Supplement thereto, should be held invalid by operation of Law or by any Tribunal of competent jurisdiction, or if compliance with or enforcement of any Article or Section should be restrained by such Tribunal, the remainder of this Agreement and supplements will not be affected thereby, and Employer may negotiate a satisfactory replacement for such Article or Section.

23. EMPLOYEE ASSISTANCE PROGRAM

- A. The City and the Union recognize and acknowledge that behavioral-medical problems have an adverse effect on the employee's job performance and merits special attention. Examples of these problems include but are not limited to substance abuse, including alcohol and drugs, physical illness, mental or emotional illness, marital or family maladjustments and other personal problems. These behavior-medical problems impair the employee's ability to function, and contribute to increased absenteeism and tardiness, and violations of other rules, regulations, and procedures. The combination of factors is recognized as having potentially damaging effects on the employee, the work site and the well-being of co-workers. The City and the Union believe most behavioral-medical problems are treatable. The Employee Assistance Program is designed to provide assistance to employees who are experiencing behavior- medical problems that may result in deteriorating job performance.
- B. The City may continue to provide an Employee Assistance Program through a third party vendor.
- C. Nothing in this statement is to be interpreted as constituting any waiver of management's responsibility to maintain discipline or the right to invoke progressive disciplinary measures when applicable in the case of misconduct which may result from or be associated with the abuse of any substance or other personal problem; the Union may exercise its right to process grievances concerning such matters in accordance with the

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Agreement.

- D. During or following treatment, the employee should not expect any special privileges or exemptions from standard personnel practices; however, employees with substance abuse problems or personal problems will be allowed to liquidate sick leave for the purpose of treatment or rehabilitation upon presentation of satisfactory medical evidence.
- (1) When a leave of absence is necessary so that an employee may undergo behavioral-medical treatment for alcoholism, drug abuse, or other personal problems in or from an appropriate facility in accordance with this program, and when the employee has voluntarily submitted himself for such treatment, he/she may be granted a leave of absence if the employee has completed one (1) year of continuous classified service immediately prior to the leave.
- E. The confidential nature of medical records of affected employees will be preserved in the strictest manner as all other medical records. To the extent feasible, employee assistance facilities will be located in areas separate from other City activities.

24. CAREER DEVELOPMENT AND TRAINING

- A. The City and the Union recognize the need to provide training and career development opportunities for employees which will develop their skills, knowledge, and abilities to effectively carry out duties and responsibilities of their current classification, and to qualify for more responsible positions in the future.
- B. The City subscribes to the principle of promotion from within, and, in keeping with that principle, the City agrees to focus some of its resources toward those employees in lower job classifications in order to provide opportunities to train and enter new careers.
- C. The City and the Union agree that a major goal of training and career development is improvement of the status of female and minority employees in order to fulfill the City's and the Union's commitment to effective affirmative action programs, and to make the work force at all levels reasonably representative of the sex and ethnic composition of the City.
- D. The City and the Union recognize that technological or other changes may occur during the term of this Agreement. Whenever such changes occur, bargaining unit members may be offered opportunity for training, retraining or reassignment whenever possible. (Example: Detroit Resource Management System (ORMS)).
- E. To insure that employees are adequately trained, the Human Resources Department may conduct periodic training need assessments and employee performance reviews.

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25. PROFESSIONAL MEETINGS

- A. The City will encourage attendance at professional meetings, where attendance is likely to increase the competency or otherwise benefit an attorney in his/her professional capacity.
- B. The Union shall periodically make recommendations to the City regarding meetings where attendance by attorneys is desirable and may submit the names of persons who might attend.
- C. With prior approval of the Corporation Counsel, attorneys shall be given time off without loss of pay to attend such meetings. An attorney requesting time off to attend professional meetings shall notify the Corporation Counsel at the earliest time practicable of the date of the professional meeting. The Corporation Counsel shall give a written reply to the attorney's request for time at the earliest time practicable.
- D. The parties further agree that all members of the bargaining unit have an obligation to continuously update their legal skills and proficiency in new technology through continuing education. At a minimum of thirty (30) days in advance, structured professional training sessions to update member's legal skills and proficiency in new technology may from time to time be scheduled during a period which is outside what is normally regarded as regular business hours without additional compensation. It is recognized that on occasion, due to a previously planned important commitment, and reasonable prior notification to management, a bargaining unit member may be required to make up the missed training, or if a make-up session is impracticable by such methods as watching videotapes of such training sessions, if videotaping is practicable and of educational use, by listening to audiotapes, or by completing practical written, spoken, typed, telephonic, computer based, etc., exercises, as appropriate. The makeup of missed training shall be acknowledged by a memo written by the bargaining unit member to his/her immediate supervisor or designated representative.

26. BAR DUES

The City will pay the employee's annual dues for the Michigan Bar.

27. EEO AND AFFIRMATIVE ACTION STATEMENT

- A. The City will adhere to a policy of equal opportunity for all employees and continue to prohibit discrimination because of race, color, creed, national origin, age, political orientation, sex, sexual orientation, disability, or any other protected category, continue to comply with all federal state and local civil rights laws, ordinances and regulations and promote a full realization of equal employment opportunity through a positive and continuing effort.
- B. The City may, upon request, provide the Union with copies of statistical minority employment information reports and such reports concerning policies and