

OCFO Financial Update to the Financial Review Commission

October 26, 2015

Talking Points for Financial Status Report

Fiscal Year 2015

- Preparing for 2015 audit so all estimates are preliminary and subject to verification through the audit process.
- The City of Detroit will end FY 2015 with a larger than expected surplus driven mostly by a special bankruptcy gain.
 - This surplus is made up of several components and is needed to support creation of a 5% general reserve fund (budget and cash) required by PA 182 of 2014.
 - The surplus is also needed to support funding of Restructuring and Reinvestment Initiatives (“RRIs”) as detailed in the bankruptcy plan of adjustment. Remember that the plan of adjustment provided funding for RRIs through two sources;
 - Exit Financing
 - Surpluses generated through operating savings and lower costs after reductions of legacy costs
 - A portion of the surplus was also used to reduce the exit financing at syndication by \$30 million.

Fiscal Year 2016 progress

- We completed a consensus revenue estimating conference last month as required by PA 182 of 2014 which confirmed the achievability of our current 2016 budgeted revenue.
- Expenditures for the 2 months ended August 31, 2015 provide no indication of any issues in meeting the 2016 budgeted expenditure levels.

OCFO Financial Update to the Financial Review Commission

October 26, 2015

Talking Points for Financial Status Report (continued)

OCFO Monthly Comprehensive Financial Report

- Beginning next month the OCFO will produce a comprehensive financial report beginning with the quarter ended September 30, 2015.
- This report will contain the following schedules and will be produced monthly.
- Initial Componentsⁱ of the OCFO Monthly Comprehensive Report include:
 - General Fund Budget-Actuals (summarized)
 - Cash Flow Report (reconciled to budget to actual report)
 - Accounts Payable by Department (including aging)
 - Collections (tax and major receivables)
 - Report on financial status of RRIs
 - Active Contracts (by department- contract value, amount encumbered, amount spent)
 - Report on Status of Full Time Equivalents staff vs. budget
 - Debt Service Requirements
 - Status report on Bond Proceeds
 - Grants Management activity by department (awarded, spent, drawdown status, philanthropic dollars and new grant applications)
 - OCFO Restructuring Status

ⁱ Since this will be the first such comprehensive report by the OCFO some elements may take longer to perfect than others. When the ERP is implemented, this report will be supplanted by report directly from the ERP.

MASTER AGREEMENT

BETWEEN THE

CITY OF DETROIT

DEPARTMENT OF TRANSPORTATION

AND

AMALGAMATED TRANSIT UNION, AFL-CIO - DIVISION 26

2014 – 2018

[Subject to Ratification by the City and the Financial Review Committee](#)

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1. AGREEMENT AND RECOGNITION

This Agreement is entered into between the City of Detroit, a Michigan Municipal Corporation, hereinafter referred to as the EMPLOYER or the CITY, and Division 26, Amalgamated Transit Union, AFL-CIO, hereinafter referred to as the UNION.

Pursuant to and in accordance with all applicable provisions of Act 336 of the Public Acts of 1947, as amended, the Employer does hereby recognize the Union as the sole and exclusive representative for the purpose of collective bargaining with respect to rates of pay, hours of employment, and other terms and conditions of employment for the term of this Agreement, of all Employees of the City of Detroit Department of Transportation in the classification of Transportation Equipment Operator (72-20-38).

2. BULLETIN BOARDS

- A. The Union shall have the exclusive right to the use of designated Union bulletin boards and "Swap" boards in the terminals for publishing notices pertaining to the conduct of its affairs. The bulletin boards shall not contain anything of a libelous nature.
- B. The Employer will determine where in each terminal lobby such bulletin boards will be located.

3. DUES CHECK-OFF

- A. Employees are free to join or not to join the Union. Employees who are members of the recognized bargaining unit but who are not members of the Union may join the Union by initiating a Union application form and dues deduction authorization form.
- B. The Employer agrees to deduct from the wages of any Employee, who is a member of this Union, all Union membership dues and initiation fees uniformly required, if any, as provided in a written authorization in accordance with the standard form used by the Employer herein (see Paragraph G), provided, that the said form shall be executed by the Employee. The written authorization for Union dues deduction shall remain in full force and effect during the period of this contract unless revoked by written notice on the anniversary date on which the Employee signs the authorization. The termination notice must be given both to the Employer and to the Union.
- C. Dues and initiation fees will be authorized, levied, and certified in accordance with the Constitution and by-laws of the local union. Each Employee and the Union hereby authorize the City to rely upon and to honor certifications by the Secretary-Treasurer of the local union, regarding the amounts to be deducted and the legality of the adopting action specifying such amounts of Union dues and/or initiation fees.
- D. The Employer agrees to provide this service without charge to the Union. The Union agrees to save and hold harmless the City from any damages or other financial loss which the City may be required to pay or suffer as a consequence of enforcing the above provisions.

- E. Assignees shall have no right or interest whatsoever in any money authorized withheld until such money is actually paid over to them. The City or any of the officers and employees shall not be liable for any delay in carrying out such deductions, and upon forwarding payment of such deductions to the assignees, the City and its officers and employees shall be released from all liability to the employee-assignors and to the assignees under such assignment (Chapter 13 Article 4, Section 4 of the Municipal Code of the City of Detroit).

5. MANAGEMENT RIGHTS & RESPONSIBILITIES

- A. The Union recognizes the prerogatives of the City to operate and manage its affairs in all respects in accordance with the law.
- B. Both the Department and the Union agree to work together cooperatively to maintain the highest standards of professionalism and integrity in the service of the City and its citizens. The Union recognizes the prerogatives of the Department to operate and manage its affairs in all respects in accordance with its responsibilities and powers of authority and the terms and provisions of this Agreement. As such, the Department has the right to schedule overtime work as required, to determine hours and schedules of work in a manner most advantageous to the Department and consistent with the requirements of providing transportation service and the public interest. Such overtime shall not be scheduled so as to cause the layoffs of any members of the bargaining unit.
- C. Further, except as specifically limited by the provisions of this Agreement or applicable law, the Department will have the discretion and authority:
1. to hire, direct, classify, schedule, assign, promote, evaluate, transfer, layoff and/or recall Employees, including the assignment or reassignment of Employees, on a temporary or permanent basis;
 2. to determine the size of its workforce, including the number of job classifications, departments, and shifts of work, whether increased or decreased;
 3. to develop, establish, or modify job descriptions and job postings for positions in the Department;
 4. to determine policies affecting the selection, promotion, evaluation, and training of Employees;
 5. to establish and modify hours of work for Employees, including the beginning and ending time for shifts of work, whether increased or decreased, and the establishment of the hours of the shifts, whether increased or decreased;
 6. to determine the content and nature of the work to be performed, and the competencies and qualifications needed to perform the work;
 7. to determine the organizational structure of the Department, including the planning, direction, control, increase, decrease, or discontinuance of operations or services, and the organization of the same;
 8. to determine the location and types of facilities, including the establishment of new units, departments, divisions, or subdivisions thereof and the right to transfer Employees and equipment between and among the Department's various facilities;
 9. to establish, regulate, determine, revise, or modify at any time the policies, practices, protocols, processes, techniques, methods, means, and procedures used

in the Department, including, but not limited to machinery, materials, methods, facilities, tools, and equipment;

10. to transfer, relocate, merge, consolidate or close its facilities and operations, in whole or in part, and to separate its Employees in connection with said transferring, relocation, merger, consolidation, or closing after discussing the effects of such decision with the Union to the extent required by law;
 11. to establish and enforce policies pertaining to drug testing and substance abuse according to Federal Transit Administration (FTA) regulations;
 12. to assign an Employee with restrictions to work in a restricted or light duty capacity;
 13. to enforce state and local licensing, certifications, and other requirements;
 14. to determine and control the budget of the Department;
 15. to exercise all powers of authority provided by federal law, state law, the Detroit City Charter, and Detroit City Ordinances including, but not limited to, City Code Section 18-5-100 *et seq.*;
 16. with respect to any other matter related to provision of safe, reliable, and effective public transportation in the City of Detroit.
- D. The Department reserves the right to suspend, discipline and discharge Employees for just cause. The Department reserves the right to lay off Employees for lack of work or funds or the occurrence of conditions beyond the control of the Department or when such continuation would be wasteful and unproductive.
- E. The City shall also have the right to maintain discipline and efficiency among Employees; to establish work rules and rules of conduct; and to fix and determine the penalties for the violation of such rules, provided they do not conflict with the terms of this Agreement.
- F. The Department has the right to schedule overtime work as required in a manner most advantageous to the Department and consistent with requirements of municipal employment and the public safety and consistent with the provisions of this Agreement.
- G. Except as specifically abridged, delegated, granted, or modified by this Agreement, all of the rights, powers, and authority the City had prior to the signing of this Agreement are retained by the City and remain exclusively without limitation within the rights of the City.
- H. It is understood by the parties that every incidental duty connected with operations enumerated in job descriptions is not always specifically described.
- I. The Union shall have the right to grieve on the interpretation and application of these provisions

6. UNION REPRESENTATION

- A. The Union President shall be compensated forty (40) hours per week to administer this Agreement. The Union Vice President shall be relieved from his/her run, two (2) days per week to assist the Union President in administering this Agreement. Assignments shall include; assisting in the settlement of grievances, attending Department safety meetings, attending meetings with representatives of the Department, whether same be called by the Employer or the Union, assisting in community-wide drives, and for engaging in any activity bearing upon labor relations.
- B. Certified Executive Board Members of the Union, not to exceed (1) for each terminal, will each be allowed a maximum ten (10) hours of pay per week to fully compensate them for time consumed in settlement of grievances, assisting terminal picks of runs and off days, attending Department safety meetings, attending meetings with representatives of the Department, whether same be called by Employer or the Union, assisting in community-wide drives, and for engaging in any activities bearing upon labor relations with the Department of Transportation. Arrangements for the release of the Executive Board Member and Union Steward shall be made in writing and made with the District Superintendent.
- C. In the terminals, a Steward (in addition to the Executive Board Member) may be allowed a maximum of five (5) hours pay per week to compensate for time consumed assisting the Executive Board Member. A Steward may represent Employees in handling labor relations activities with the Transportation District Superintendent.
- D. The parties agree for the life of the contract that one (1) Board Member and one (1) Steward from the closed terminal will qualify for paid union time as referenced in B and C above.
- E. The weekly allowances in this Article shall be reduced on a prorated basis for any one (1) week period when the said Union representatives perform less than five (5) days' work, except when enjoying a partial vacation. The Union Stewards and Vice President will not be replaced when on vacation or absent for other reasons, or when replacing the Executive Board Member and/or the President and Business Agent.
- F. Working Stewards, Board Members 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.
- G. It shall not be a violation of this Agreement and it shall not be cause for discharge or disciplinary action if any Employee refuses to enter upon any property involved in a primary labor dispute, or refuses to go through or work behind any primary picket line, including the primary picket line of the Union party to this Agreement, except that the Department shall not be required to pay the wages of Employees who shall refuse to report

for work. Provided, however, that such refusal shall in no way be detrimental to the public health or safety. However, the Employee cannot be ordered to cross a picket line if such action could result in adverse effect of the personal safety of the Employee, nor shall Employees be required to do work normally done by striking members of other Unions.

- H. If, in the judgment of the Union, an Operator's Union duties require absence from work, the Union will request that such Operator be excused on Union business. Excused time notification must be received by the Transportation Operations Office not less than forty-eight (48) hours prior to the scheduled time off for Union business. The Department may excuse the Operator for Union business in writing and without pay, provided such Operator's absence in the opinion of the Employer will not be detrimental to the public service and will not cause the Department to incur additional overtime. Upon return to work, such Operator will be returned to his/her position on the board without loss of seniority. Such time off will be considered paid time.
- I. The District Superintendent, or his or her designee, shall notify the terminal Executive Board Member in the following instances:
 - 1. Operators' suspensions
 - 2. Operators cited to the Board of Review
 - 3. Operators' off-day adjustments
- J. Employee Assistance Committee: The Department and the Union recognize that personal problems of Employees may adversely affect their on-the-job performance and that it is therefore in the best interest of the Department and the Union to assist Employees with their personal problems to the extent feasible and to the extent that it does not adversely affect the provision of public service. The Vice President, three (3) Executive Board Members, and one (1) Steward from each operating terminal shall be members of this Committee. The Union may also appoint three (3) additional members who must be acceptable to the Employee Assistance Committee. Once per month, members of the Committee shall be excused from work without loss of time or pay to attend the meetings of the Committee.
- K. Safety Committee: An Operator who has complaints or concerns about matters regarding safety has an initial responsibility to report those complaints or concerns to his/her supervisor.

Each terminal shall have a Safety Committee consisting of the Board Member, Steward, Union Safety Representative (or alternate), District Superintendent (or representative) and the Auto Repair Superintendent (or representative). The Safety Committee at each terminal shall meet on a monthly basis to discuss and resolve health and safety concerns. The Departmental Safety Representative may participate in these monthly terminal meetings. Members of the Terminal Safety Committee will be excused from work without loss of time to participate in monthly terminal safety meetings. The Union Safety Representative or alternate will be excused from work without loss of time to attend Departmental Safety meetings.

The Safety Committee at each terminal shall participate in monthly safety inspections which involve checking the interior and exterior of coaches for safety features and checking the terminals and garages for safety violations. The date of the terminal safety inspections will be determined by the Departmental Safety Representative. Members of the Terminal Safety Committee will be excused from work without loss of time to participate in monthly inspections.

L. Union Representation During Temporary Shutdowns of Terminals for Repair Work.

1. Notwithstanding any provisions of Article 6, for the period of temporary shutdowns of each of the operating bus terminals, the City agrees that the existing Executive Board member and Steward positions for each operating terminal will remain intact, even when one of the terminals is temporarily closed, with a portion of the runs from that closed terminal being assigned to the other terminal(s) remaining open.
2. Whenever Union representation issues arise at any then open terminal, an Executive Board member or Steward will serve a driver issue for his/her respective terminal (e.g., a Gilbert Executive Board member or Steward will serve a Gilbert driver issue). It is understood that if maintaining this representation arrangement is highly impractical in a particular situation or would be too disruptive of Department operations, then the Union will work with the Department to provide for the most reasonable representation arrangement available at the time.
3. The Safety Committee structure and other typical Union functions as set forth in the collective bargaining agreement will be maintained as closely as possible during this temporary shutdown period.
4. During this period of temporary shutdowns Union representation elections and voting will be conducted based on the then existing list of operating terminal drivers.
5. Nothing in Section L reduces any rights management had prior to its execution. The City acknowledges that the effects of any future decision the Department may make to close a terminal, as opposed to temporary shutdowns, including the issue of the Union's representation arrangements for its membership, will be a subject of bargaining between the parties.

M. Union Election of Officers. The Employer agrees to allow sufficient Operators time off work (without pay) to operate the polling places as follows: three (3) Operators for each operating terminal, three (3) Operators for the Union hall, plus two (2) election commissioners. It is also agreed that candidates for election and workers for such candidates will be allowed to trade work with other Operators and adjust off days in order to be off for the election, provided that such trades do not result in additional overtime for the Department.

7. GRIEVANCE PROCEDURE

A. The grievance procedure contained in this Agreement shall be the exclusive grievance procedure for members of this bargaining unit. This shall not preclude an Employee from

exercising any rights he/she may have under the provisions of the Veteran's Preference Act.

- B. Should disputes arise between the Employer and the Union during the term of this Agreement concerning the application or interpretation of this Agreement, an earnest effort shall be made to resolve such disputes promptly and in accordance with the procedure provided herein. Complaints which do not involve misapplication or misinterpretation of specific provisions of this Agreement shall not be proper subjects for arbitration.
- C. The informal resolution of differences or grievances is urged and encouraged to be resolved at the lowest possible level of supervision.
- D. Every Employee will have the right to present grievances in accordance with the procedure provided herein. The Union will hand deliver grievances directly to the District Superintendent and forward a copy of the grievance to the Superintendent of Transportation Operations. The written grievance will set forth the name(s) of the Employee or Employees involved and the provision(s) of this Agreement, if any, that the grievance claims have been violated. Receipt of the grievance will be acknowledged by signature of the District Superintendent who receives the grievance.
- E. Any grievances not filed within fourteen (14) calendar days of the alleged violation or within fourteen (14) calendar days of an Employee or the Union becoming aware of an alleged violation will be considered untimely and will not be processed.
- F. Grievance Procedure.

Step 1. Written – District Superintendent

The District Superintendent, or his or her designee, will provide a written answer to the Union within five (5) calendar days after receipt. Acceptance or rejection of the District Superintendent's answer will be written on the grievance form by the Union.

Step 2. Appeal to the Superintendent of Transportation Operations

If the grievance is not satisfactorily adjusted at Step 1 or acted upon by the District Superintendent, or his or her designee, within seven (7) calendar days, it may be appealed by the Union to the Superintendent of Transportation Operations or his/her designee within three (3) calendar days. A written decision will be rendered within five (5) calendar days after receipt of the grievance.

Step 3. Appeal to the Director of Labor Relations

If the grievance is not satisfactorily settled or adjusted at Step 2 or acted upon by the Superintendent of Transportation Operations within seven (7) calendar days, it may be appealed to the Director of Labor Relations or his/her designee within three (3) calendar days. A meeting to discuss the grievance will be held between the Union and the Director of Labor Relations or his/her designee within ten (10) calendar days after receipt of the grievance by the Director of Labor Relations. A written decision will be rendered within ten (10) calendar days of the meeting.

G If the Union does not appeal a grievance in writing to the next step within the time limits set forth above, the grievance will be considered settled on the basis of the last decision. If the City fails to respond to a grievance within the time limits provided in the steps of the grievance procedure, the grievance will be automatically moved to the next step in the grievance procedure.

H. Arbitration.

Any unresolved grievance which relates to the interpretation, application, or enforcement of any specific article or section of this Agreement or any written supplementary agreement and which has been fully processed through Step 3 of the grievance procedure may be submitted to arbitration in strict accordance with the arbitration procedure described herein. Arbitration shall be invoked by written notice to the Director of Labor Relations of intention to arbitrate within ten (10) calendar days of the notice of an unsatisfactory decision at Step 3 of the grievance procedure.

1. Selection of Arbitrator and Permanent Panel.

- a. Within thirty (30) calendar days after the execution of this Agreement, the parties shall convene and select five (5) disinterested persons qualified in labor-management relations to serve as permanent arbitrators. If the parties are unable to agree upon five (5) individuals to serve as permanent arbitrators, for each unfilled position, the parties shall request the American Arbitration Association (AAA) to submit the names of five (5) disinterested persons qualified and willing to act as impartial arbitrators. From each list, the City and Union shall each alternately strike one (1) name until four (4) names have been eliminated and the person whose name remains on the list shall be selected to act as one of the five (5) permanent arbitrators.
 - b. If at any time either party desires to terminate the service of an arbitrator, it shall give notice in writing to that effect to the other party, specifying the date of termination. The parties shall then send a joint written notice to the arbitrator of his or her termination. Neither party may terminate the services of an arbitrator unless he or she has heard at least one (1) case.
 - c. Once the arbitrator has received written notice that his or her services are terminated, the arbitrator shall not hear any further cases. However, the arbitrator shall render decisions on all cases that he or she has heard prior to receiving such notice.
 - d. In the event that an arbitrator is terminated, a new arbitrator shall be immediately selected in accordance with the procedure described in Section H.1.a.
 - e. The arbitrators will hear cases on a chronological rotation.
2. In each case, the arbitrator shall resolve the matter in accordance with the applicable rules of the Michigan Employment Relations Commission (MERC). The arbitrator

shall limit his/her decision strictly to the interpretation, application, or enforcement of this Agreement and he/she shall be without power and authority to make any decision:

- a. Contrary to, or inconsistent with, or modifying, or varying in any way, the terms of this Agreement or of applicable law or rules or regulations having the force and effect of law.
 - b. Involving the exercise of discretion by the City under the provisions of this Agreement, its Charter, or applicable law.
 - c. Limiting or interfering in any way with the powers, duties, or responsibilities of the City under its Charter, applicable law, and rules and regulations having the force and effect of law.
 - d. Changing, altering, or modifying any practice, policy, or rule presently or in the future established by the City as long as such practice, policy, or rule does not conflict with this Agreement.
 - e. Implying any restriction or condition binding upon the City from this Agreement, it being understood that, except as such restrictions or conditions upon the City are specifically set forth herein, or are fairly inferable from the express language of any article or section hereof, the matter in question falls within the exercise of the City's management rights under Article 5.
 - f. Concerning the establishment of wage scales, rates on new or changed jobs, or change in any wage rate.
 - g. Providing agreement for the parties in those cases, where by their contract, they may have agreed that further negotiations should occur to cover the matters in dispute.
 - h. Granting any right or relief for any period of time whatsoever prior to the execution date of this Agreement or subsequent to the date upon which this Agreement shall terminate.
3. All claims for back wages shall be limited to the amount of wages that the Employee otherwise would have earned less any compensation received for temporary employment obtained subsequent to his/her removal from the City payroll, and payments for Unemployment Compensation Insurance, Social Security Disability, Welfare, Aid to Dependent Children, City funded Long Term Disability Insurance, Sickness and Accident Insurance, and Automobile Accident Income Replacement Insurance.
 4. The decision of the arbitrator in a case shall not require a retroactive wage adjustment in another case except by express agreement of the parties.

5. There shall be no appeal from the arbitrator's decision, if made in accordance with his/her jurisdiction and authority under this Agreement. The arbitrator's decision shall be final and binding on the Department, on the Employee or Employees, and on the Union. The Union will actively discourage attempts by any bargaining unit Employee to appeal a decision of the arbitrator to any Court or labor board.
 6. In the event a case is appealed to an arbitrator and he/she finds that he/she has no power to rule on such case, the matter shall be referred back to the parties without decision or recommendation on the merits of the case.
 7. The expenses of the arbitrator shall be shared equally by the parties, except that each party will make arrangements to pay its own attorneys and witnesses. In cases where the arbitrator provides that either party has filed or denied a grievance in bad faith, the arbitrator will have the discretion to assess all costs and expenses of the arbitration hearing, including reasonable attorneys' fees, against the non-prevailing party. The aggrieved and his/her local representative shall not lose pay for time off the job while attending the arbitration proceedings.
 8. Arbitration hearings will be conducted at the City of Detroit Labor Relations Division unless the circumstances of the grievance indicate it should more appropriately be held where the grievance originated.
 9. Labor Relations is authorized to make settlements on behalf of the City regarding any unresolved grievance properly appealed to arbitration or Step 3 of the grievance procedure.
- I. The arbitral forum here established is intended to resolve disputes between the parties only over the interpretation or application of the matters which are specifically covered in this contract and any supplemental agreements which are or may become part of this Agreement and which are not excluded from arbitration.
 - J. The City shall not be required to pay back wages more than five (5) working days prior to the date a written grievance is filed.

8. DISCIPLINARY PROCEDURES

- J. The Department reserves the right to discipline or discharge Operators for just cause. Disciplinary penalties may include, but are not limited to, working suspensions, which are subject to the following conditions:
 1. An Operator on working suspension shall be required to work his or her regularly scheduled run.
 2. Where an Operator is subject to discipline that warrants suspension, the Employee shall serve a working suspension, provided that no working suspension may be longer than three (3) days. For all suspensions of four (4) days or more, the Operator will serve time off without pay.

3. If an Operator on working suspension misses work for any reason, the Operator shall serve the working suspension on another day selected by the Department.
 - A. Notification shall be given to the Union of any disciplinary action that results in an official entry being added to an Employee's personnel file. Both the Employee and the Union representative shall be given a copy of such official entry on or before the effective date of the disciplinary action, except when the Employee is unavailable for any reason. In that event, the Employee will be notified as soon as practicable by certified mail at his/her last known address.
 - B. All disciplinary penalties involving accidents causing personal injury or property damage, insubordination, intoxication while on duty, apprehension by legal authorities, theft or mishandling fares, possession of firearms, loss of commercial drivers' license and other comparable offenses shall be given immediate effect. Other disciplinary penalties shall be effective no sooner than forty-eight (48) hours after the Union is notified of the penalty, unless the forty-eight (48) hours is waived in writing by the Employee against whom the penalty is leveled.
 - C. Disciplinary penalties may be appealed to the Director of Transportation or his/her designated representative within forty-eight (48) hours after notice of the penalty is given to the Union. If a disciplinary penalty subject to a forty-eight (48) hour waiting period is appealed, no penalty will be imposed until after the Director of Transportation or his/her designated representative shall have responded in writing to the appeal.
 - D. If a dispute regarding a discharge or suspension/working suspension of more than three (3) days or the discharge of an Employee cannot be resolved through appeal to the Director of Transportation, an Employee will have the right to appeal the disciplinary action to arbitration in accordance with the provisions of Article 7. Arbitration may be invoked in such cases by written notice to the Director of Labor Relations of intention to arbitrate within ten (10) calendar days of the notice of the decision from the Director of Transportation or his/her designee as provided in Subsection D.
 - E. In imposing discipline on a current charge, management will not take into account any prior infractions or disciplinary action taken which occurred more than fourteen (14) months previously, except that the Department may take into account any prior infractions or disciplinary action involving accidents causing personal injury or property damage, intoxication while on duty, apprehension by legal authorities, theft or mishandling fares, possession of firearms, loss of commercial drivers' license and other comparable offenses for a period of eighteen (18) months.
 - F. If the discharge or suspension of an Operator is found to be unwarranted, he/she will be returned to his/her regular position and he/she will be compensated for his/her wage loss.

- G. Suspensions shall not be scheduled so as to disqualify an Operator for holiday pay, except in those instances where a penalty is given immediate effect.

9. SENIORITY

- A. Seniority. Seniority is hereby defined as the length of continuous service beginning on the date the Operator receives his/her badge.
- B. Continuous Service. Continuous service shall mean employment as an Operator without interruption or breaks. The following shall not be considered breaks in service:
1. Service in the Armed Forces of the United States up to five (5) years, or longer if such service is exempt under applicable law.
 2. Absence from work due to injuries compensated for under the Workers' Compensation Act of the State of Michigan.
 3. Lay off as a result of a reduction in force for a period not exceeding the employees' seniority or four (4) years, whichever is greater.
 4. Other leaves of absence, not exceeding one (1) year, approved by the Employer.

Seniority accrued prior to such absences will be retained, but Employees will not accumulate additional seniority during such absences, except in cases of military leave.

- C. Loss of Seniority. An Employee shall lose his/her seniority for the following reasons only:
1. Resignation.
 2. Retirement.
 3. Discharge (Which is not reversed by Arbitration, court order or a Last Chance Agreement by the parties).
 4. If an Employee fails to report to work for five (5) consecutive days without providing proper notice to the City, unless the Employee, in the judgment of the Employer, is completely incapacitated through no fault of his/her own or subject to some other emergency situation that, through no fault of his/her own, makes him/her unable to report said absence and is able to supply sufficient proof thereof.
 5. Failure of a laid-off Employee to notify the Department of his/her intent to return to work within five (5) days after notice has been sent by the Department to the laid-off Employee at his/her last address on the Department's records at time of layoff.
 6. Absence from work for any reason (including lay-off) in excess of one (1) year, except as set forth in Section B of this Article.

10. WAGES

- A. Wages – July 1, 2015 through June 30, 2018 – Base Salary
 - a. 6% wage increase effective thirty (30) days after ratification of this Agreement.
 - b. 2.5 % wage increase effective July 1, 2016.
 - c. 2.5% wage increase effective July 1, 2017.
 - d. 2.5% wage increase effective July 1, 2018.
- B. Lump Sum Payment: During the calendar year 2015, employees will receive one lump sum payment in the gross amount of 4.0% of annual wage earnings, to be paid thirty (30) days after ratification of this Agreement.
- C. Progression Rate Schedule. Employees will be paid according to the following progression rate schedule upon successful completion of training:

<u>Months of Employment</u>	<u>% of Maximum Hourly Rate</u>
0 – 9	70%
10 – 18	75%
19 – 28	80%
29 – 37	85%
38 – 47	90%
48 +	100%

The anniversary date for step adjustments shall be on the first pay period of the month succeeding the date the Operator receives his/her badge.

- D. If administratively feasible, pay checks for Employees shall be transmitted via direct deposit.
- E. A new Attendance Incentive Program is being implemented beginning the first full quarter after ratification. Eligible employees may receive up to 4% Attendance Incentive as set forth in the attached MOU.
- F. A new Fare Box Revenue Sharing Incentive is being implemented. Eligible employees may receive a Fare Box Bonus as set forth in the attached MOU.

11. WORK WEEK - OFF DAYS

- A. All Operators, with the exclusion of non-platform Operators, shall select a five (5) day work week. The two (2) remaining days in the work week shall be known as “off days”. Non-platform Operators, including loaders, shall select a trick that includes “off days”.

- B. Off days shall be selected when the terminal pick is held, provided that off day picks for extra men shall be held whenever necessary.
- C. The Employer shall determine the number of Operators to be off on each day of the week. Operators will then be permitted to select, in seniority order, the available off days.
- D. The work week of all Operators shall begin on Monday and end on Sunday.
- E. New Operators will be assigned their off days according to seniority.

12. WORK SCHEDULES

- A. Pursuant to its management rights under Article 5, the City has the right to establish and modify hours of work for Employees, including the beginning and ending time for shifts of work, and the establishment of the hours of the shift. The City will provide the Union with thirty (30) days' notice before implementing any schedule changes.
- B. All schedules involved in City-wide picks, except in emergencies, shall be posted at least ten (10) days before the picking of runs and work assignments begins.
- C. Operators may select all work within their classification if it is part of regular scheduled runs. This includes specials, loading and starting, but no such work shall be selected if it is required for Operators who have furnished suitable proof of their incapacity to perform their regular assignments.
- D. When working as loaders or starters, such incapacitated Operators shall receive a minimum of eight (8) hours pay and they shall receive spread premium. They will receive report and turn-in time only when platform work is performed.

13. SELECTION OF WORK

- A. Operators may, in the order of their seniority and at times scheduled by the Employer, select runs from posted schedules. The manner of selecting runs and the time required for picks shall be determined by the Employer.
- B. Notice of an Operator's selection may be made through another person so delegated. If an Operator or his or her designee does not pick at the scheduled time, the Terminal Board Member may pick for the Operator. If the Terminal Board Member fails to pick for the Operator at the scheduled time, the Station Master may assign the Operator first open run off.
- C. When notice of progressive, line or terminal picks are posted and picking starts, and the Operator is notified of his/her time to pick, he/she must pick at that time. If he/she fails to do so in a line pick, he/she will be assigned the first open run off on the line, and in progressive or terminal pick, he/she will be assigned the first open run off in the terminal. Operators off on vacation or sick leave must leave their selections with the Station Master. If an Operator makes no selection, and the terminal board member does not pick for

him/her, he/she will be assigned the first run off in the terminal. Operators shall be notified no less than twelve (12) hours in advance of the date and time they are to pick.

D. The Department will conduct four (4) picks per year. Three (3) such picks shall be City-wide picks and one (1) such pick shall be a terminal pick. The Department will hold one (1) city-wide pick in January, one (1) terminal pick in April, one (1) city-wide pick in June, and one (1) city-wide pick in September. In addition, the Department may conduct one (1) emergency pick per year. Except as otherwise provided, runs selected or assigned in accordance with Section B shall be held while the schedule is operated.

E. Employees who are not actively driving for any reason, other than vacation, in excess of fourteen (14) days shall be removed from the T.E.O. Board for the purposes of picking runs, lines, off days, and vacations. When such Operators return, they will be placed on the Extra Board and shall remain on the Extra Board until the next pick for which they are eligible and returned to their original terminal.

When an Operator has been off fourteen (14) days or more for any reason, other than vacation, he or she must have returned to active work for at least ten (10) days prior to a run selection in order to be eligible to pick runs, lines, off days, and vacations.

F. Employees who are assigned on an out-of-class basis to other classifications will not be allowed to operate coaches in service.

G. Line Picks will be held on Fridays when it will not result in added cost or decreased efficiency. If they are not held on Friday, board standing will be operated no more than two (2) days.

H. The manner of selecting runs and the time required for terminal or line picks shall be determined by the Employer.

1. In connection with City-wide picks, the approximate manpower requirements at each terminal, including the number of Operators to be allowed off on week days and Saturdays and Sundays, will be posted one (1) week prior to the closing date of transfers.

2. The date for closing of operator transfer shall be the Friday before the Monday on which the picking of runs begins.

14. ASSIGNMENT OF OPEN RUNS OFF DUTY PROVISIONS

A. When the first run of the day is completed, the markup sheet shall be posted for the following day. If regular Operators are excused from work before the board is marked up, the first of their then open runs off will be marked up to the first extra Operator, the second off to the second extra Operator and so forth, until all open runs are assigned. The remaining extra Operators will be moved up in order.

- B. Subject to the following conditions, a run which the Employer believes will be open at least seven (7) days shall be subject to selection by extra Operators, in seniority order, for seven (7) day periods:
7. The procedures for picking such open runs by extra Operators, including but not limited to the number of extra Operators permitted to pick, will be subject to the discretion of the Employer.
 8. Open runs will be posted in the terminal for selection by 4:00 P.M. Monday for operation on the following Monday, and open runs will be subject to pick from 4:00 P.M. Monday to midnight Tuesday.
 9. An open run so picked will be assigned to and held by the extra Operator for the ensuing seven (7) day period, or until the run holder returns to work, if sooner.
 10. Notwithstanding the foregoing, a run open seven (7) days or more will be subject to re-selection by a line pick at the discretion of the Employer.
- C. Notwithstanding any other provision of this Agreement, the Employer at its sole discretion may assign Employees to open runs or lines consistent with service needs; provided, however, that if an Operator is repeatedly removed from his or her picked run, his or her Union Representative may bring the matter to the attention of the District Superintendent or the Assistant District Superintendent. The Union and Management Representatives shall meet to discuss the problem that necessitated pulling the Operator from his or her picked run and to discuss alternative solutions to the problem.
- D. When Operators are excused after having worked part of a day, they shall not be required to lose the day following.

15. TRANSFERS – EXTRA POSITIONS

- A. The Employer shall determine the number of Operators required at each terminal and shall have the right to lay off Operators according to seniority.
- B. Operators may be transferred to a terminal or terminals provided a City-wide pick as to terminals is allowed for those affected.
- C. An Operator transferred under the conditions of subsection B shall be permitted to ride lines at the terminal to which he or she is transferred for one (1) day for eight (8) hours or, in the alternative, two (2) days for four (4) hours each day, to become familiar with those lines, if the Operator has never worked at the terminal to which he or she is transferred. Such Operator will be paid for such time at the appropriate rate.
- D. Though all runs must be selected, regular Operators may pick extra Operator's work, in which case they shall receive no advantages over extra Operators, and shall assume a position on the Extra Board according to seniority, and shall not select a numbered Extra Board position.

- E. If extra Operators who hold runs because of others picking the Extra Board are laid off or transferred, their runs shall be marked up to extra Operators until the next pick.
- F. When an Operator is on re-train, he/she shall be compensated for his/her run or the re-train run, whichever is more beneficial for the Operator.

16. RUNS - DEFINITIONS - PROVISIONS

- A. The scheduled running time will be allowed from the pull-in point to the terminal, unless operating in express service or over expressways, and passengers shall be picked up same as in regular service.
- B. Runs already selected may be revised and rescheduled at the discretion of the Employer, in accordance with service needs. In the event that the Department either adds sixty (60) minutes or more to a run or subtracts twenty (20) or more minutes from a run, the Department will conduct a re-pick for the particular line that is affected.
- C. Underpayments or overpayments made in computing time in a run shall be retroactively corrected upon discovery, to the effective date of the last pick, even though the run has been selected and worked.
- D. The City is expressly authorized to correct any underpayment or overpayment by payroll adjustment as well as taking any steps permitted by applicable law.
- E. When two (2) or more Operators are marked up in error for the same run, the Operator with the greater seniority shall be given the run except if one is the run holder and the Operator with the lesser seniority shall be given other work. The Department will provide an Operator with work equivalent to the run for which he/she was marked up, or pay the equivalent of the run in error and to ensure that the substitute work does not require the Operator to work beyond thirty (30) minutes of the scheduled time of the run marked up in error.
- F. Any Operator who begins a run must complete that run, even if he/she is working on his/her off day, unless the Operator's Supervisor grants permission to leave the run. Any Operator who fails to complete a run without just cause, or otherwise leaves passengers stranded, will be subject to discipline up to and including discharge. The Department may require an Operator who cannot complete a run due to illness to provide a medical certificate or other suitable proof of illness signed by the Employee's treating physician before being permitted to return to work.
- G. When an Operator picks a line and later a part of that line is changed and they are required to operate on a foreign line, they may request a terminal pick. A foreign line is any line other than the one that the Operator picked.

17. PART-TIME TRANSIT OPERATORS

- A. A Part-Time Transit Operator ("PTO") shall mean a person employed by the City on a continuing basis, who will be assigned work less than twenty-five (25) hours per week.

- B. An Operator who retires and is rehired as a PTO within one (1) year of his/her retirement will not be required to serve a probationary period. However, any retired Operator not meeting rehire standards may, at the Employer's discretion, be rehired and required to serve a probationary period.
- C. The Department may assign work to PTOs consistent with service needs, provided a PTO's total weekly hours shall not exceed twenty-five (25) hours. The union rep has a right to view PTO's daily worked hours. The station master may use his/her judgment as to which PTO, if any, to use in an emergency. If a PTO works more than twenty-five (25) hours in a non-emergency situation causing a TEO to lose overtime for that day, the TEO with the lost overtime will be paid for the lost overtime opportunity.
- D. PTOs shall be compensated for hours worked in accordance with the terms of this Agreement. Unless otherwise required by law, PTOs shall not accrue or receive funeral leave with pay (Article 37); paid vacations (Article 38); hospitalization, medical insurance, and optical care (Article 40); compensation for Employees serving on jury duty (Article 41); casual leave days, sickness and accident insurance, or extended disability benefit insurance (Article 45); or retirement benefits (Article 46).
- E. The number of part-time employees shall not exceed twenty percent (20%) of the active workforce.

18. WORKERS' COMPENSATION AND EMPLOYEE DISABILITY

All workers' compensation benefits shall be paid in accordance with the Workers' Compensation Act. Employees will be eligible for wage increases granted to their alternate job classification. Employees on workers' compensation and long term disability can be placed on limited duty work assignments in any City of Detroit Department where work is available. They will continue to receive TEO wages until certified/reclassified.

19. NON-PLATFORM ASSIGNMENTS

- A. Operators temporarily engaging in non-platform work shall continue to receive their regular base wage rate for the time actually worked. Non-platform work includes, but is not limited to, transferring equipment, receiving instructions, loading, giving instructions, traffic work, and, for the purpose of this Section, plugging at the discretion of the Department.
- B. When Operators are required to see the supervisor outside their scheduled and paid working hours, the Operators will be paid for such time at the appropriate rate.

20. OVERTIME

Operators have the right to pick posted overtime work and are required to complete picked overtime work. An Operator who begins a run must complete that run unless the Supervisor grants permission to leave the run. Employees scheduled to work overtime are required to adhere to the same work rules, regulations, and/or policies that apply during regular hours of work.

- A. The overtime rate will be time and one-half the Employee's regular rate. Overtime will be paid for work in excess of forty (40) hours per week (and in excess of a regular run subject to the provisions of Article 24 (Owl Runs) hereof).

Any overtime paid under this Agreement shall be computed solely on the basis of time actually worked by the Employee. Paid scheduled holidays, and excused vacations, and casual leave days shall be counted as time worked for purposes of computing overtime.

- B. At no time shall there be a duplication or pyramiding of overtime premium and spread premium except for scheduled swing runs or when an Operator on a scheduled swing run is required to work overtime by going to the end of the line when he/she is not relieved as scheduled, in accordance with the provisions of Article 21.B (Extra Work – Regular Operators).

- C. The following items being paid allowances shall neither be compensated for at the overtime rate or used in computing overtime premium: extra man's weekly minimum guarantee or tripper minimum guarantee.

- D. When an Operator works on his/her off days, having worked all scheduled days in the Monday through Sunday workweek and he/she has not been charged with a suspension, the following occurrences shall not deprive the Operator of off-day premium:

1. Appearance in court on behalf of the Employer.
2. A miss occurring on a day on which a full run or its equivalent is worked.
3. Being off with permission on a paid holiday.
4. Being paid scheduled vacation or scheduled Casual Leave during the work week.

- E. Extra work will be distributed as follows:

1. All known extra work, including trippers, to be operated will be posted daily when the Board is marked up.
2. Operators will volunteer for the posted work.
3. When more than one Operator volunteers, the extra work will be awarded to the Operator who worked a full schedule the preceding week and worked the lesser amount of overtime. If volunteers are tied, the extra work will be awarded to the volunteer with the most seniority. For purposes of this Section only, a use of a scheduled vacation day or scheduled casual leave day shall count toward working a full schedule.
4. If more than one Operator volunteers and none of them worked a full schedule in the preceding week, the extra work will be awarded to the volunteer with the most seniority.

5. The list of extra work will be closed to volunteers at 8:00 P.M. The list shall be posted by 9:00 P.M. It will be the responsibility of the Operator to check with the terminal between 9:00 PM and 4:00 A.M. to determine if he/she has been awarded that extra work.
- F. Operators reporting for extra work before the first run reports, on their off days shall receive work according to seniority. Operators reporting for extra work after the first run reports, shall receive work on a first-come basis. An Operator assigned to a run may move up ahead of an Operator from a foreign terminal, but not ahead of a day off Operator or an Operator who has completed his/her day's work at the terminal at which the extra work occurs.
- G. At no time shall the overtime rates be applicable until after an Operator has worked more than forty (40) hours in a workweek.

21. EXTRA WORK - REGULAR OPERATORS

- A. Regular Operators who are requested to report for extra work and who report will be paid a minimum of two (2) hours at the appropriate rate and may be required to remain on duty for the minimum two (2) hour period.
- B. When an Operator is not relieved from duty as scheduled, he/she shall notify his or her dispatcher. Such Operator must continue en route, in service, to the end of the line, unless specifically authorized by the dispatcher or Terminal Supervisor to pull in before going to the end of the line. The Operator may then pull in from the end of the line, but may not be required to operate in service on pull in.
- C. Extra Operators that are off the day the extra board is marked up can call the station master as early as 3:00 p.m. on the Operator's day off to be notified of scheduled work for the next day.

22. SPREAD PREMIUM

Spread premium of half the base rate will be allowed in addition to any overtime premium on scheduled swing runs. If more than ten (10) hours, including report and turn-in time, are scheduled to elapse in such a run from the first required report to the time of completion, the Operator working and completing it will receive the premium for the scheduled period beyond ten (10) hours. An Operator will not be entitled to spread premium for work beyond their scheduled swing run except as provided in Article 20 (Overtime).

23. REPORT AND TURN-IN TIME

- A. Operators shall report to their terminals twenty (20) minutes before their runs are scheduled to leave.
- B. On each day they perform platform work, for the first piece of work only, Operators will be paid twenty-five (25) minutes for reporting, preparing for work, moving vehicles in and out of the terminals, and turning in.

- C. Report and turn-in time shall be counted as time worked for purposes of computing overtime.

24. OWL RUNS

- A. An owl run is a night run scheduled to finish after 3:30 A.M. The Department may schedule owl runs at its discretion.
- B. The owl rate will be one hundred and four percent (104%) of an Operator's basic wage rate. This rate will be paid for working a complete scheduled owl run and any late time on the same.
- C. The said owl rate will also be paid for a portion of an owl run if operated through 3:30 A.M., and either started or finished as scheduled.
- D. Owl runs shall be started as early as practicable; the owl operator's wages to start no later than midnight.
- E. For the purpose of computing earnings, extra work begun before 10:00 A.M. following completion of an owl run will be regarded as work of the previous day.

25. LATE TIME

Operators will be paid for delays in runs or swings thereof provided that on the day the delay occurs the Operator shall submit a late slip (which is detachable from the trip sheet) for same and explain the reason for the delay. The late slip must also be submitted to be eligible for payment of the late time.

26. RELIEF TIME

When an Operator is required to relieve or to be relieved on the road, the Operator will be paid the running time from the relief point to the terminal, in addition to any platform time worked. Such time will be considered as time worked.

27. TRIPPERS

- A. Trippers are runs of less than six (6) hours duration and are not considered as extra work.
- B. A minimum guarantee of two (2) hours pay at the straight time rate including report and turn-in time, but excluding overtime premium, will apply to any tripper or extra other than Special Assignments or Revenue Specials in those instances where an Operator works same as a separate and unrelated assignment prior to or following completion of his/her regular work assignment for the day or when same is worked on an off day.
- C. Said minimum guarantee shall not apply to coupled trippers or extras unless the combined time of same is less than two (2) hours, in which case the guarantee shall apply as one (1) assignment.

28. INSTRUCTION RATE

- A. One hundred and eighteen and three-quarters percent (118.75%) of an Operator's basic straight time rate will be paid Operators for instructing students or trainees.
- B. Operators will be selected as instructors based upon their demonstrated superior performance.
- C. Unless the instructing Operator is found negligent in his or her duties, he/she shall not be charged with any accident in which the student is involved, and it will not be entered on his/her record.
- D. One hundred and twenty-five percent (125%) of an Operator's basic straight time rate will be paid to Operators for instructing students or trainees during an Owl Run.

29. OPERATORS RETURNED TO TRAINING

- A. Operators required to return to training on a re-break status shall be compensated as follows:
 - 1. Operators with less than six (6) months of service or who have not completed their probationary period shall be compensated at the student rate.
 - 2. Operators who have completed six (6) months of service and who have completed their probationary period shall be compensated at their regular rates including spread and other premiums.
- B. Operators returned to training have the option of wearing their uniforms or the same dress required of student Operators.
- C. The student rate will be paid in accordance with the minimum wage provisions of the Fair Labor Standards Act.
- D. When training is required for an Operator, the Operator will be notified at least twenty-four (24) hours prior to the start of the training.

30. COURT - CLAIMS - ACCIDENT REPORTS

- A. Operators required to report to the Law Department, attend court for the Department, or the City of Detroit, or to be detained at the terminal, shall be paid the regular wage rate plus travel time, and less witness fees.

When it is necessary that an Operator be relieved for these purposes after, or prior to, working a portion of his/her run, he/she shall be paid for his/her entire run as though worked and shall be paid for all time consumed beyond the scheduled work hours of his/her run.

This provision shall not be construed as precluding the Department from marking an Operator off his/her entire run for the day for these purposes, in which case he/she shall be paid only for the actual time consumed plus any difference necessary to compensate him/her for the equivalent of his/her run.

- B. Pay for thirty (30) minutes will be allowed an Employee for making out a required accident report and fifteen (15) minutes will be allowed for a required written statement. Operators will be given a copy of their report.
- C. Employees will adhere to any policies promulgated by the Department for filing a police report in the case of an accident.

31. CHANGE OFF OF EQUIPMENT

Operators, when used to change off vehicles, will be allowed pay for the actual running time plus ten (10) minutes at the straight time rate.

32. PAID INTERVENING TIME IN SWING RUNS

- A. When an unworked interval in a swing run amounts to one (1) hour or less, it will be treated and compensated for as actual platform time. Intervening time shall be determined from the off time of the first part of the run to the report time of the second part of the run.
- B. The lesser of the two (2) unworked intervals in a three (3) piece swing run will be treated and compensated for as actual platform time.

33. REST PERIODS

- A. An Operator who has performed eight (8) or more hours actual work or completed his/her assigned show-ups shall be given the option of taking a rest period of not less than ten (10) hours if he/she so requests.
- B. An extra Operator who completed only one (1) show-up can demand no such rest period unless he/she has worked a run or completed eight (8) hours work.
- C. An Operator reporting at the designated time following such a rest period will be assigned work prior to those with less seniority whether he/she is then or later put on show-up.
- D. The Department shall develop policies and procedures related to emergency stops and shall designate at least one toilet facility at or near the end of each route.

34. CANCELED WORK SUBSTITUTION

- A. When a regular run or portion is canceled in a schedule, the run holder shall nevertheless be paid as though they worked same, but they may be used in other work if in duration it approximates that which was canceled.

- B. The Department will ensure that the substituted work does not start before or end more than thirty (30) minutes after that which was canceled.

35. EXTRA OPERATORS

- A. Extra Operators who work five (5) days in a week and who fulfill all requirements of this Article shall be guaranteed total weekly compensation of forty (40) hours at the regular straight time rate.
- B. Extra Operators' work will be marked up and/or they will be placed on show-ups from which assignments will be made in the order of their seniority.
- C. Extra Operators may be required to serve two (2) show-ups daily of not more than three (3) hours each of which the second show-up must be scheduled to complete within ten and one-half (10½) hours after the start of the first show-up. No second A.M. or P.M. show-up shall be given until prior first show-ups are terminated.

When an Operator receives a run while sitting on show-up, he or she shall be paid for the entire time that elapses from the start of the show-up to the end of the run. All such time payable under this subsection shall be in accordance with the provisions of this Agreement which determine when regular wage rates and overtime rates are payable to Operators.

- D. In the event of the following occurrences, the weekly guarantee shall not apply:
 - 1. Refusal to make an assigned show-up and/or perform all assigned work.
 - 2. Failing to report immediately for further assignments when less than eight (8) hours work, including report and turn-in time, is received on the first show-up.
 - 3. While serving at the bottom of the board for disciplinary reasons.
 - 4. A single miss or double miss;
 - 5. Failure to finish a run or work assignment.
- E. If an Operator is assigned a run on his/her first daily show-up, he/she shall work same to completion and shall enjoy the status of a run holder, with any spread premium being payable after ten (10) hours, inclusive of report and turn-in time, but beginning with time of show-up.
- F. Operators shall not be entitled to exercise preference for runs or trippers.
- G. When pieces of work are hooked up and assigned to an Operator on show-up, or when separate assignments are commenced within one (1) show-up period, the time between separate pieces will be paid for as time worked.

- H. Scheduled pieces of work may be split or divided by assigning only a portion, or by relieving the Operator already assigned, but this shall not be done when an Operator received a run on first show-up.
- I. All work time, report and turn-in time, allowances, premiums and bonuses shall be included in computing the minimum weekly guarantee, provided that the following items are excluded and shall be paid in addition to any weekly guarantee allowance that may be due:
 - 1. Work performed on extra days;
 - 2. Extra work performed after completion of work assignments received on show up;
 - 3. Extra Operator's spread premium.
- J. Operators on show-up shall be subject to an assignment within the classification of Transportation Equipment Operator.
- K. An extra Operator may be sent to a foreign terminal for work during a day, but his/her travel time to and from his/her terminal will be paid as work time.
- L. Each extra Operator in good standing, will be entitled to and may be required to serve on show-up in seniority order on each of his/her scheduled work days even though his/her earnings exceed his/her minimum weekly guarantee.
- M. Extra Operators who are awaiting the results of a drug test shall only be compensated with eight (8) hours pay per day.
- N. Operators must complete work assignments, except when given specific permission to pull in. If an assignment made on the second show-up would require that an Operator work more than nine (9) hours including report and turn-in time or beyond a daily spread of twelve (12) hours, he/she may request that he/she be relieved at a relief point reached after the eleventh (11th) spread hour or eighth (8th) work hour.

If the Operator is not relieved as requested, he/she shall notify the dispatcher via his/her coach radio or Terminal Supervisor via the nearest convenient public phone en route to the end of the line, unless specifically authorized by the dispatcher or the Terminal Supervisor to pull in before going to the end of the line. The Operator may then pull in from the end of the line, but may not be required to operate in service on pull-in.
- O. On the six (6) major holidays, Operators required to serve on show-up will be guaranteed a minimum of three (3) hours pay at the holiday premium rate for each show-up, provided they meet the standard extra man requirements.

36. MISSING ASSIGNMENTS

- A. Operators who miss an assignment shall either be assigned to a subsequent show-up or be dismissed for the day, in accordance with service needs. Such Operators shall be subject

to discipline in accordance with Department policies, which the Department may amend from time to time in accordance with its management rights under Article 5.

- B. If an Operator misses all or part of his/her assigned run and is assigned a new piece of work in substitution, therefore, the said new piece of work will be considered as unconnected with any other work performed by him/her on that day prior to the miss. All penalties and allowances computed on the run originally assigned shall be forfeited.
- C. When an Operator fails to report on time for the second part of his/her assigned run and then picks up his/her run and works the remaining part, he/she shall not be entitled to receive spread bonus for the run.
- D. In computing spread premium, any work performed after a miss must be regarded as unconnected with that performed before a miss.

37. FUNERAL LEAVE (WITH PAY)

- A. If a death occurs among members of the Employee's immediate family, such Employee, provided he/she attends the funeral and submits documentation of such upon return to work, will be granted three (3) days leave not to be charged to Casual Leave. An Employee may take an additional two (2) days of funeral leave to be charged to Casual Leave or Vacation upon his/her request.
- B. Definition of Immediate Family. The immediate family is defined as wife, husband, son, daughter, brother, sister, father, mother, stepfather, stepmother, stepson, stepdaughter, grandson, granddaughter, grandmother, and grandfather.
- C. If a death occurs among the relatives of the Employee, the Employee will be granted one (1) day leave, not to be charged to Casual Leave provided he/she attends the funeral and submits documentation of such upon return to work. If the funeral, which the Employee attends, is more than three hundred (300) miles from the City of Detroit, the Employee may extend the leave by two (2) days to be charged against Casual Leave or Vacation upon his/her request.
- D. Definition of Relatives. Relatives are defined as brother-in-law, sister-in-law, uncle, aunt, mother-in-law, and father-in-law.
- E. In the event the local union president could not attend, his/her designated representative from the bargaining unit with proper notification to the Department Head, shall be allowed one (1) funeral leave day, not to be charged to Casual Leave, in the event of the death of a member of the bargaining unit covered by this Agreement.
- F. Documentation. Employees seeking paid funeral leave under this Article shall submit to the Department a letter from the funeral home stating the Employee's relation to the deceased.

38. VACATIONS

A. Annual paid vacation based upon employment and service will be granted those who qualify for same.

1. Operators will become eligible for full paid vacation for each employment year of two hundred and twenty-five (225) or more service days. Those who fail to accumulate two hundred and twenty-five (225) service days shall be entitled to one-twelfth (1/12) of a vacation for each month of eighteen (18) or more such service days only.
2. Those who die or are granted a leave of absence shall be entitled to prorated vacation leave on the basis of one-twelfth (1/12) of a vacation for each month of eighteen (18) or more service days.
3. Notwithstanding the foregoing, no full or partial vacation shall be allowed until an Operator completes his/her first employment year.
4. For purposes of this Article, employment will be credited while one is listed as an active Operator with the Department of Transportation. One will not be considered employed during periods of layoff or during leaves of absence unless same are for military service or for training encampments as reservists as per Board Meeting No. 1750. A service day is one for which an Operator earns wages for work, holidays, vacation, sick leave, in military or City service.

B. Operators' vacation allowances will be as follows:

The vacation allowance for Employees hired before September 14, 2010 shall be as follows:

<u>Year of Service</u>	<u>Vacation Days</u>	<u>Allowance Hours</u>
1	5	40
2-5	10	80
6	11	88
7	12	96
8	13	104
9	14	112
10-12	17	136
13	18	144
14	19	152
15 or more	20	160

The vacation allowance for Employees hired on or after September 14, 2010 shall be as follows:

<u>Year of Service</u>	<u>Vacation Days</u>	<u>Allowance Hours</u>
1-5	5	40
6	6	48
7	7	56
8	8	64
9	9	72
10-12	12	96
13	13	104
14	14	112
15	15	120

- C. Management shall determine the number of vacation leaves to be scheduled at any given time of the year, and shall base such determination on the requirements of the service. Vacation periods will then be selected by Operators according to seniority.
- D. Operators will be permitted to select up to four (4) weeks regular vacation on the first selection, provided that no more than three (3) weeks may be selected during the prime vacation period starting with the school close schedules in June and ending with the school open schedules in September.
- E. When the vacation pick is finished, a copy of the vacation schedule will be given to the Union.
- F. Up to five (5) vacation days may be requested per year, in one (1) day increments. Once an Operator has at least two (2) weeks of vacation, he/she may schedule half of it during the vacation pick. An Operator will not be granted a vacation day if the scheduled vacations have reached the quota.
- G. All unused vacation which has not been picked will be posted in the terminal between March 1st and March 10th of each year. Such vacation will be picked from the vacation schedule.
- H. Employees will automatically have up to one hundred and sixty (160) hours of unused vacation carried over into the next fiscal year. Any vacation, in excess of one hundred and sixty (160) hours, which remains unused on June 30th every year, will be forfeited.
- I. Vacation time will be credited on a fiscal year basis.
- J. Based upon service needs and with permission of the Department, Operators may work during their scheduled vacations.

39. HOLIDAYS

Operators shall be compensated as follows for ten (10) recognized holidays, consisting of New Year's Day, Martin Luther King's Birthday, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, Christmas Eve, Christmas Day and New Year's Eve.

A. Holiday Pay. An Operator in good standing shall receive eight (8) hours pay at his or her base rate when excused from work on any of the above holidays, provided that the Operator is scheduled to work and works the day before and the day after the holiday.

1. Notwithstanding the above Paragraph, an Employee who receives pre-approval for a Casual Leave Day or a vacation day on the day before or the day after a holiday, will not be disqualified from Holiday Pay.
2. In no event shall an Employee receive Holiday Pay if he or she is scheduled to work on a holiday but does not work that holiday.

B. Holiday Premium.

1. If the Employee works on the following six (6) major holidays, he/she shall receive his/her normal pay plus two times (2x) his/her hourly rate for all hours actually worked on the holiday: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.
2. If an Employee works on the following four (4) holidays, he/she shall receive his/her normal pay plus one time (1x) his/her hourly rate for all hours actually worked on the holiday: Martin Luther King's Birthday, Veteran's Day, Christmas Eve and New Year's Eve.
3. Both full-time Operators and PTOs shall be eligible to receive holiday premium pay.

C. If an Operator is qualified to receive pay for a holiday which falls on their seventh (7th) day according to their work schedule, then the Employer will, within its discretion, either grant his/her Holiday Pay for the said day or allow him/her another work day off with Holiday Pay.

D. A pick of the six (6) major holidays will be held once a year, and each Operator, in accordance with his/her seniority, shall be required to select three (3) of the holidays as days off.

40. HOSPITALIZATION, MEDICAL INSURANCE AND OPTICAL CARE

A. During the term of this Agreement, Employees will be eligible to participate in the group medical, prescription drug, flexible spending, dental, and vision plans ("Medical Plans") offered by the City. Unless the parties mutually agree otherwise, the City's 2014 medical plan designs ("Medical Plan Designs") will remain in place during the term of this

Agreement. For purposes of this Article, the term Medical Plan Design will collectively refer to deductibles, co-payments (including prescription drug benefit co-payments), covered services, networks, and third party administrators or insurers.

- B. Employees will be required to make monthly contributions for their benefits based upon the plan and coverage tier selected by the Employee. Monthly contributions will be deducted from Employee payroll disbursements on a pre-tax basis (if authorized by the employee), in accordance with applicable law.
1. For calendar year 2014, Employees' monthly contributions under the City's Medical Plans will remain at the levels in place as of the effective date of this Agreement.
 2. For subsequent calendar years during the term of this Agreement, Employees' monthly contributions under the City's Medical Plans will be adjusted annually to the level necessary to maintain an 80/20 proportional share of the cost of the medical coverage, subject to the terms, conditions and limitations set forth in this Article. Under this cost sharing arrangement, the City will pay eighty percent (80%) of the costs of each coverage tier in the City's Medical Plans, and Employees participating in each coverage tier will pay twenty percent (20%) of the costs for such coverage tier. Premiums will be calculated as follows:
 - a. For the Health Alliance Plan ("HAP") health maintenance organization ("HMO") plan, participating Employees will pay twenty percent (20%) of the premium charged by HAP for their selected coverage, plus twenty percent (20%) of the per capita administration costs. Such premiums will be established by HAP, subject to confirmation by an independent qualified actuary retained by the City ("Plan Actuary"). Anticipated administrative costs will be calculated in accordance with generally accepted actuarial principles, and will take into account actual and anticipated administrative costs, actual and anticipated fees and surcharges (including those associated with compliance with the Patient Protection and Affordable Care Act ("ACA") not otherwise included in the HAP premium), and any other relevant costs or factors as determined by the Plan Actuary.
 - b. For the Blue Cross/Blue Shield ("BCBS") preferred provider organization ("PPO") self-insured plan, monthly contributions will be set such that Employees in each coverage tier collectively pay twenty (20%) of the costs for that coverage tier. Such monthly contributions will be calculated by the Plan Actuary. Monthly contributions will be calculated in accordance with generally accepted actuarial principles, and will take into account medical and prescription drug claims experience from the prior fiscal year, inflation, actual and anticipated administrative costs, actual and anticipated fees and surcharges (including those associated with compliance with the ACA), and any other relevant costs or factors as determined by the Plan Actuary.

- C. Except as provided in this Article, the extent of coverage under the City's Medical Plans will be governed by the terms and conditions set forth in the applicable Medical Plans offered by the City during the term of this Agreement. Plan documents may be modified or amended by the City from time to time in accordance with the terms of the applicable plan documents, provided that such amendments do not violate the terms of this Article. Any questions or disputes concerning a breach of this Agreement by either party will be subject to the Grievance & Arbitration Procedures set forth in Article 7 of this Agreement. However, any questions or disputes concerning the denial of a claim or coverage will be resolved in accordance with the terms and conditions set forth in the applicable insurance policies or plan documents and will not be subject to the Grievance & Arbitration Procedures set forth in Article 7 of this Agreement.
- D. The failure of any insurance carrier(s) or plan administrator(s) to provide any benefit for which it has contracted or is obligated will not result in any liability to the City (excluding any liability that may result from a separate breach of this Agreement pursuant to Section C above), nor will such failure be considered a breach by the City of any obligation undertaken under this Agreement or any other agreement. However, nothing in this Agreement will be construed to relieve any insurance carrier(s) or plan administrator(s) from any liability it may have to bargaining unit Employees or beneficiaries of bargaining unit Employees.
- E. Except as set forth in this Article, during the term of this Agreement, the Medical Plans provided by the City will provide benefits to eligible bargaining unit employees with an actuarial value (as determined by the Plan Actuary) that would fall within the acceptable range for the "Gold" level as defined by the ACA. In the event that the actuarial value of the medical benefits provided under any Medical Plan provided by the City under this Article falls below the "Gold" level as determined by the Plan Actuary during the term of the Agreement, the City will meet and confer with the Union to discuss potential modifications to the Medical Plan during the subsequent plan year to improve the actuarial value of the benefits to the "Gold" level.
- F. During the term of this Agreement, and in conjunction with the City obtaining renewal quotes for existing healthcare plan options, the Union may offer alternative or additional health care plan options to the City that will not increase City cost or trend. Upon request, the City will provide the Union with data utilized by the City and its actuaries, or utilized by Blue Cross Blue Shield of Michigan (or by the pharmacy benefits manager for the self-insured PPO option), to establish monthly contributions under such self-insured PPO benefit option. The City and the Union will meet to discuss such proposed options offered by the Union but the City is under no obligation to implement any of the Union's recommendations. The City agrees to provide the Union with a summary of the basis for its rejection of the Union's proposed changes to health benefits.
- G. Notwithstanding any provision in this Article that could be construed to the contrary, this Article will not be construed to require the City to fall out of compliance with the requirements Public Act 152 of 2011 MCL § 15.561 *et. seq.* ("PA 152"). The City's Plan Actuary will be responsible for periodically monitoring compliance with the requirements of PA 152. In the event that the Plan Actuary determines that the City is reasonably likely

to fall out of compliance with PA 152, the City will provide written notice to the Union, and offer to meet and confer with the Union for a period not longer than thirty (30) days in order to discuss potential modifications to the terms of the Medical Plans or to the allocation of contributions to the cost of medical coverage by the City and the Employees in order to comply with the requirements of PA 152. To the extent the City and the Union are unable to reach an agreement within thirty (30) days, the City may make any necessary modifications to ensure compliance with PA 152.

41. EMPLOYEES SERVING ON JURY DUTY

- A. An Employee who serves on jury duty will be paid the difference between his/her pay for jury duty and his/her regular day's pay for all days he/she is required to serve on jury duty.
- B. In the event that an Employee reports for jury duty but is not selected to actually serve on a jury, he/she will be paid the difference between the jury pay received and his/her regular day's pay and be excused for the day, exclusive of travel pay.
- C. In order to receive payment for jury duty, an Employee must have been regularly scheduled to work on a non-overtime basis and, within ten (10) days of completion of serving on jury duty, he/she must turn in documentation received from court to the departmental supervisor of such service, otherwise, all monies paid will be recovered by the Department.
- D. Run holders will be paid for the difference between pay for jury duty and pay for their regularly scheduled runs. Extra persons will be paid the difference between pay for jury duty and eight (8) hours.
- E. An Operator serving on jury duty shall report for scheduled work on any day he/she is not required to serve on jury duty.
- F. An operator who is required to serve on jury duty is not required to report for work that day regardless of the time of their scheduled work.

42. MISCELLANEOUS

- A. Active and retired Employees will be permitted to ride without charge upon presentation of a current pass card or a retirement pass card.
- B. Within seven (7) days of its effective date, the City shall provide the Union with an electronic copy of the Agreement.
- C. The City may offer Operators an employee loan program, the terms of which may be changed from time to time at the discretion of the City.
- D. Use of Surveillance Equipment and GPS Equipment.
 - 1. The City of Detroit has established the use of surveillance equipment and GPS equipment to provide a safe and secure environment for passengers and Employees.

2. Information from surveillance equipment and GPS equipment may also be used to train and counsel operators. In addition, such information may be used to investigate potential misconduct and to support disciplinary measures in cases in which the Department has received a complaint or otherwise has a reasonable basis for believing that misconduct has occurred.
3. In gathering video evidence from surveillance equipment for use in disciplinary matters, the Department may consider any video from between ten (10) minutes before and ten (10) minutes after the incident at issue. This limitation shall not apply in any case involving alleged criminal acts (including, but not limited to assault, robbery, theft, or driving offenses) or in any case involving an alleged threat to public safety.
4. The Union has the right to review all video and audio used as evidence in disciplinary actions.

43. UNIFORMS

- A. The Department shall have the right to require Employees to wear uniforms in accordance with policies established by the Department. Any Employee not wearing a clean uniform, or wearing items not a part of the designated uniform, will be considered “OUT OF UNIFORM”.
- B. Initial Issue. At time of hire, the Department shall provide all new Operators with an initial uniform. In the alternative, the Department may institute a uniform voucher system and issue Employees uniform vouchers in lieu of an initial uniform. Operators shall be ineligible to receive an annual uniform allowance in accordance with Section C until he or she has completed two (2) years of service.
- C. Annual Uniform/Cleaning Allowance. Employees having completed two (2)* years of service and who are actively working in the classification of T.E.O., shall be granted an annual uniform/cleaning allowance totaling five hundred dollars (\$500) to be paid in the amount of two hundred and fifty dollars (\$250) twice yearly. These payments shall be made in the months of September and April. Employees shall be responsible for procuring uniforms according to Department specifications. Operators who, for any reason, are not actively working in the capacity of T.E.O. during the week the uniform/cleaning allowance is issued will not be entitled to receive a uniform allowance at that time. However, upon his/her return to work and after actively working a full regularly scheduled work week, the Operator will be issued a uniform allowance at that time.

*Each year of service is twelve (12) months of eighteen (18) paid days.

- D. T.E.O.’s uniform will be composed of the following clothing items:

Garrison Hat, Shirt, Trousers/skirt, Tie, Eisenhower Jacket, Winter Jacket (Also, customary ancillary uniform items, such as turtleneck, polo summer shirt, belt, shorts, sweater, baseball cap, and skull cap will be allowed to be worn in the appropriate, authorized color and must adhere to D-DOT’s regulations).

- E. During the period from May 1st to October 1st, the Operators may operate without uniform jackets or sweaters, in short sleeves and uniform shorts. Also, between May 1st and October 1st, ATU Local 26 baseball caps may be worn as part of the uniform.

44. REDUCTION IN FORCE

Laid-off Employees covered by this Agreement shall receive unemployment benefits in accordance with the unemployment insurance plan administered by the Michigan Employment Security Commission under the Michigan Employment Security Act.

- A. When there is an impending reduction in force within the bargaining unit, the City shall inform and consult with the Union as soon as there is any possibility of said reduction in force.
- B. In the event of a reduction in force in the Department, it shall be made among all Employees in the same classification. The order of removal among Operators shall be as follows:
 - 1. PTOs shall be laid off according to length of service as PTOs. PTOs with the least amount of service shall be the first laid off.
 - 2. If the Department determines that additional layoffs are necessary, full-time Operators shall be laid off according to length of service. The Operators with the least amount of service shall be the first laid off.
- C. The order of recall among Operators shall be as follows:
 - 1. Full-time Operators shall be recalled according to length of service. Operators with the most amount of service shall be recalled first.
 - 2. PTOs shall be recalled according to length of service as PTOs. PTOs with the most amount of service shall be recalled first.
- D. Any grievance submitted concerning a layoff will be submitted at Step 3 of the grievance procedure and the parties expressly agree that they will expedite the final resolution thereof.

45. CASUAL LEAVE, SICKNESS AND ACCIDENT AND EXTENDED DISABILITY INSURANCE

- A. In the event of an unforeseeable illness, Operators shall notify their Station Master one (1) hour before report time. The report may be made by telephone. On the work day following any such absence, the Operator must notify his/her terminal one (1) hour before report time that he/she will be returning to work, otherwise his/her run will be reassigned for the day. Prior to returning to work for his/her next scheduled run, the Operator shall provide evidence of illness as set forth in Section B.3.d . below. Operators who fail to

notify their Station Master of their absence in accordance with this paragraph shall be charged with a “miss”.

B. Casual Leave Days.

1. All Employees who have been on the payroll for the previous six (6) months and who shall have completed three (3) months of continuous service shall be granted seven (7) Casual Leave Days on July 1 of any one fiscal year, provided they are on the payroll on that date. A month of continuous service is a calendar month for which an Employee is paid for a minimum of eighteen (18) days. Any calendar month for which an Employee is not paid for a minimum of eighteen (18) days shall not be counted.

(a) Employees not on payroll effective July 1st:

<u>Employees returning to work in the month of</u>	<u>Days credited after three (3) months of new service</u>
July	7
August	6
September – October	5
November – December	4
January – February	3
March	2
April through June	7 days next fiscal year

The exception to the above shall be that no Casual Leave will be credited for the months of May or June.

(b) New Hires:

<u>If an Employee qualifies in the month of</u>	<u>Days credited after six (6) months on the payroll with three (3) months of continuous service</u>
July 1	7
August 1	6
September 1	5
October 1	4
November 1	3
December 1	2
January 1 through March 1	1
April through June	7 days next fiscal year

2. For the purpose of this Section, an Employee shall be considered off the payroll if he/she is fired, quits, engages in a work stoppage, is on a formal leave of absence granted by the Human Resources Department (generally over thirty (30) days), laid off, collecting Extended Disability Benefit Insurance, or retired. An Employee’s payroll status not covered by the above shall be subject to a special

conference. Criteria to be used to determine payroll status will be if the absence of the Employee shall be for more than thirty (30) days.

3. Use of Casual Leave Days.

- a. An Employee may use his/her seven (7) Casual Leave Days for personal or family illness.
- b. An Employee may also use Casual Leave Days to attend to important personal business, such as moving day, wedding day, and closing a mortgage, which cannot reasonably be handled outside working hours, provided he/she arranges with his/her supervisor at least one (1) week in advance. In cases of emergency, however, an Employee may request to use a Casual Leave Day to attend to important personal business with less than twenty-four (24) hour notice.
- c. An Employee's supervisor shall have the right to deny use of casual leave for personal business if the Employee's absence would adversely affect the Department's operation.
- d. In cases of attendance abuse, Management can require employees to provide medical documentation of sick absences and/or require the employee to be medically evaluated by the clinic. By way of illustration; excessive absenteeism prior to or following scheduled days off or patterned absenteeism are examples.
- e. Up to eight (8) hours of Casual Leave may be used in less than four (4) hour increments but not less than one (1) hour increments. Otherwise Casual Leave must be used in not less than half-day increments.

4. Casual Leave Bonus Plan.

- a. All Casual Leave earned under this Section will be paid in cash if not used in the fiscal year in which it is credited.
- b. If no Casual Leave in the complete fiscal year is used, such Employee shall be paid for nine (9) days.
- c. If one Casual Leave Day is used in the complete fiscal year, such Employee will be paid eight (8) days.
- d. Absences of Employees excused for Union business will not be charged to Casual Leave.
- e. Notwithstanding the foregoing, no Casual Leave Bonus will be paid to Employees who have one (1) or more unscheduled absences.

5. No disciplinary action shall be taken as a result of using the seven (7) Casual Leave Days granted under this Section in accordance with the above.
6. No Casual Leave will be paid between June 20 and June 30, at the end of the fiscal year, for the purpose of auditing Casual Leave banks to reimburse Employees for unused Casual Leave.

Sickness and Accident Insurance/Extended Disability Benefit Insurance. The Employer and the Union agree to continue the existing Sickness and Accident Insurance and Extended Disability Benefit Insurance benefit payment and eligibility plan as set forth in the policy currently in effect. This notwithstanding, the employer shall have the right at any time to select the carrier to provide the benefits provided the benefit amount stays the same. In such instances, sixty (60) days written notice will be given to the Union if there are any changes.

Further, the employer and the union agree to edit attachment A&B to eliminate duplication of language. The S&A and the LTD benefit and payments provided by these sections will remain the same.

46. RETIREMENT BENEFITS/PLAN OF ADJUSTMENT

Employees will be eligible for retirement benefits pursuant to the terms and conditions included in the plan of adjustment approved by the United States Bankruptcy Court.

47. DEATH AND PERMANENT DISABILITY BENEFITS

A. Death Benefits. Death benefits for all regular City employees are authorized by the City Charter, Title IX, Chapter VIII. The City Code, Chapter 13, Article 8, currently provides a death benefit of ten thousand dollars (\$10,000).

1. Membership shall be mandatory for regular Employees.
2. Contributions shall be determined by the City.

B. Payment for Employees killed or permanently disabled in the line of duty:

1. A lump sum duty death benefit of ten thousand dollars (\$10,000) will be paid to the beneficiaries or estate of Employees who are killed or who die as a direct result of injuries sustained in the actual performance of their duties.
2. A lump sum payment of ten thousand dollars (\$10,000) shall be made to any Employee who is totally and permanently disabled from illness or injury arising solely out of the actual performance of his duties. "Totally and permanently disabled" shall be defined exclusively as follows:
 - a. Total and permanent loss of sight of both eyes.
 - b. Loss of both legs or both feet at/or above the ankle.

- c. Loss of both arms or both hands at/or above the wrist.
- d. Loss of any two of the members or facilities enumerated in a., b., or c.
- e. Permanent and complete paralysis of both legs or both arms or one leg and one arm.

Employees who receive a permanent disability payment under this Section shall be ineligible for the ten thousand dollar (\$10,000) Duty Death Benefit described above in Section B.1.

48. RIGHTS OF EMPLOYEES ENTERING OR RETURNING FROM ARMED FORCES

The rights of Employees entering or returning from the armed forces shall be in accordance with Chapter 13, Article 6 of the Municipal Code of the City of Detroit.

49. LEAVES OF ABSENCE

The City shall comply with the requirements of all applicable laws relating to leaves of absences, including the Family and Medical Leave Act.

50. SAVINGS CLAUSE

If any article or section 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 shall not be affected thereby, and the parties shall enter into immediate collective bargaining negotiations for the purpose of arriving at a mutually satisfactory replacement only for those articles or sections affected.

51. INTERFERENCE WITH WORK

The Union agrees to refrain from engaging, encouraging, or participating in any strike, sit down, stay in, sick out, work-stoppage, or slowdown, or participating in any activity for the purpose of interfering with the operations of the Employer during the term of this Agreement. In the event of such work interference, the Union shall instruct the Employee(s) involved that their activities are in violation of the Agreement, and that they may be disciplined, up to and including discharge.

The City shall have the right to discipline or discharge any Employee participating in such interference, and the Union agrees not to oppose such action when properly taken. It is understood, however, that the Union shall have recourse to the grievance procedure as to matters of fact in the alleged actions of such Employees.

The Employer will not lock out any Employee during the term of this Agreement. However, if equipment or facilities are unavailable for a member of this bargaining unit to work due to a strike, sit down, stay in, sick out, work stoppage, slowdown, or other interference by other Employees,

such unavailability shall not be deemed a lockout under the terms of this Article nor shall the Employee affected be considered striking or refusing to work.

Employees are not subject to disciplinary action for refusing to cross a picket line of another union if such action could endanger the personal safety of the Employees, provided that such refusal shall in no way be detrimental to the public health or safety.

The City shall not, however, be obliged to pay the wages of Employees who do not work.

52. NONDISCRIMINATION

It is agreed by the City and the Union that the City is legally and morally obligated to provide equality of opportunity, consideration, and treatment of all employees of the City and, accordingly, to establish policies and regulations that will insure such equality of opportunity, consideration, and treatment of all persons employed in the bargaining unit in all phases of the employment process, without regard to race, color, creed, national origin, citizenship status, religion, age, political orientation, sex, sexual orientation, genetic information, arrest record, height, weight, familial status, marital status, or disability, in accordance with applicable State and Federal laws.

53. COMPLIANCE WITH MINIMUM WAGE LAWS

To the extent that the state or federal minimum wage is raised to an amount that exceeds any wage provided for by this Agreement, the parties shall enter negotiations regarding the affected portions of the Agreement. However, the parties recognize that, to the extent necessary, the Department may make changes necessary to comply with applicable law.

54. SUCCESSOR CLAUSE

This Agreement shall be binding upon the parties hereto, their successors, administrators, executors and assigns. In the event an entire operation or any separable, independent segment thereof is sold, leased, transferred or taken over by sale, transfer, lease, assignment receivership or bankruptcy proceeding, such operation shall continue to be subject to the terms and conditions of this Agreement for the life thereof.

The Department shall comply with all provisions of Section 13(c) of the Federal Transit Act, 49 U.S.C. § 5333(b), the parties' Section 13(c) Agreement, and the parties' Supplemental Section 13(c) Protective Arrangements including, but not limited to, provisions relating to successorship.

55. PROTECTION CLAUSE

If, after the effective date of ratification of this Agreement, the Detroit Department of Transportation enters into a new consensual contract with any other labor organization representing Department employees that provide covered, full-time hourly employees with greater total compensation than provided to ATU in this Agreement, the parties will meet to discuss whether ATU has been economically disadvantaged as a result of this settlement. In evaluating total compensation, wages, differentials, premium payments, bonuses, healthcare benefits and retirement benefits, etc. will be considered. In addition, work rule changes regarding department efficiency, and productivity may be used to justify CBA settlement differentials. Also, the

uniqueness of each bargaining unit including recruitment, retention and other economic and performance matters may be considered.

56. MAINTENANCE OF CONDITIONS

Wages, hours and conditions of employment expressly provided in this agreement shall not be changed unless mutually agreed by the City and the Union. During the course of negotiations there was considerable discussion as to the interpretation and intent of Article 56. The parties agree that this article is intended to include those proper practices and minor benefits not covered by specific language in the contract. The parties further agree this article is not intended to conflict with the express terms of the contract or to interfere with the department's ability to modify work rules and procedures that in the department's judgment support safe and efficient bus service to customers.

[Remainder of Page Intentionally Left Blank]

57. DURATION OF THE CONTRACT

It is agreed between the parties that this Agreement will be effective upon the approval of City Council and will continue in full force and effect until 11:59 P.M., December 31, 2018.

If either party desires to modify this Agreement, it may give written notice to the other party during the month of September 2018

In the event the parties fail to arrive at an agreement on wages, fringe benefits, other monetary matters, and non-economic items by December 31, 2018, this Agreement will remain in effect on a day-to-day basis. Either party may terminate the Agreement by giving the other party ten (10) calendar day’s written notice on or after December 31, 2018.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement

Dated this _____ day of _____, 2015.

**AMALGAMATED TRANSIT UNION
DIVISION 26, AFL-CIO**

CITY OF DETROIT

Fred Westbrook, President / Business Agent

Michael E. Duggan, Mayor

William Williams, Vice President

Dan Dirks, Director, Department of
Transportation

Henry Foutner, Financial Secretary

Michael A. Hall, Director, Labor Relations

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
CITY OF DETROIT
DEPARTMENT OF TRANSPORTATION
AND
DIVISION 26, AMALGAMATED TRANSIT UNION, AFL-CIO

RE: Attendance Incentive

Objective

The purpose of the Attendance Incentive Program is to reward attendance and encourage employees to plan their time off in advance to help departments plan schedules and provide exceptional customer service.

Program Summary

The DDOT's expectation is that all employees come to work and plan their absences when possible. The new absence standard is:

- 24 hours or less of unscheduled absence per quarter for full-time employees

Eligible employees who demonstrate consistent attendance may earn two Attendance Incentive components:

1. Earn up to 1% annual cash incentive payout (paid quarterly) based on quarterly attendance
2. Earn up to an additional 1% annual base rate increase based on four (4) qualifying quarters in the previous year

*This program may be revised or revoked at any time by the City of Detroit with prior notice to employees and the Union.

Eligibility

Eligible

All full-time hourly DDOT employees are eligible to participate in the attendance incentive program as follows:

1. Full Time Employees with 24 hours or less unscheduled absences per quarter
2. New employees are eligible after they work a full quarter

Ineligible

The following employees are ineligible to participate in the attendance incentive program:

- Employees in salaried classifications are not eligible.
- Employees who terminate employment before the incentive is paid forfeit their incentive payment

The Quarterly Attendance Standard

To earn the incentive, employees must meet the quarterly standard for unscheduled absences. Full-time employees are not eligible if they have more than 24 hours of unscheduled absences during the quarter.

Once employees meet the quarterly attendance standard, they can earn an incentive lump sum payment of one percent (1%) of their base rate times the number of regular straight time hours paid in the quarter.

Quarterly Incentive Payment Tracking, Calculation & Processing

The incentive will be calculated quarterly as follows: 1.0% x Base Rate x Regular Straight Time Hours Paid (quarterly wages)

The calculation excludes unscheduled paid time off, premiums and overtime. Tardies and absences are included in the total absence time per quarter. Eligibility and the incentive amount are tracked in all pay periods paid in the calendar year. The incentive will be paid within 30 days after the end of each quarter in the regular paycheck as a separate lump sum taxable line item based on the pay rate and benefit at the time of payment.

Attendance Annual Pay Rate Adjustment

Employees may be eligible for up to a 1% additional annual pay rate adjustment based on the previous year’s attendance record. The pay adjustment is based on the number of quarters in the previous year in which the employee met the attendance standard. The employee’s base pay rate may be adjusted as follows in addition to the annual review or contractual increase amount:

<i>If employee met the attendance standard for their employment status</i>	<i>... Then the employee is eligible to earn ...</i>
<i>1 Quarter</i>	<i>¼ of 1% Bonus</i>
<i>2 Quarters</i>	<i>¼ of 1% Bonus</i>
<i>3 Quarters</i>	<i>¼ of 1% Bonus</i>
<i>4 Quarters</i>	<i><u>¼ of 1% Bonus</u></i>
	<i>1% into the Base</i>

For this Special Attendance Incentive, employees at pay range maximum will receive the salary increase on top of their current maximum pay rate.

Scheduled vs. Unscheduled Absences

The goal of the Attendance Incentive Program is to encourage employees to plan their time off so that managers can schedule work and provide service. If an employee submits a written request within 48 hours and the manager approves it before the employee takes a vacation, holiday, casual leave time, then it is considered a Scheduled Absence and does not count against the attendance incentive.

This program supersedes the attendance program currently in place.

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE
CITY OF DETROIT
DEPARTMENT OF TRANSPORTATION
AND
DIVISION 26, AMALGAMATED TRANSIT UNION, AFL-CIO**

Fare Box Revenue Sharing Incentive

**Total Fare Box Revenue Fiscal Year 2014-2015 (Ended 6/30/15): \$18,304,976
(Includes all DDOT ridership revenue from cash, tickets, and passes)**

Use 2014-2015 as base year.

For all years starting with FY 15-16, City would share with ATU members 30% of increase in fare box revenue over 2014-2015 base year, up to the following amount.

2015-2016	\$ 375
2016-2017	\$ 500
2017-2018	\$ 625
2018-2019	\$ 750

- Calculation applies to all Fare Box revenues, including cash, ticket, pass sales.
- Any ATU member still on the job on the last day of the fiscal year (June 30), with previous 6 months of continual work gets the bonus.
- Revenue sharing bonuses would be equal for all ATU members.
- Paid in a lump sum by September 1st of following year.

2015-2016 Example

Bonus Calculation for Future Years

	<u>Max Bonus</u>	<u>Total Fare Box Revenue Required for Max Bonus</u>	
2015-16	\$375	\$18,854,125	3% increase over base year (14-15)
2016-17	\$500	\$19,037,175	4% increase over base year (14-15)
2017-18	\$625	\$19,220,226	5% increase over base year (14-15)
2018-19	\$750	\$19,403,276	6% increase over base year (14-15)

In short, if 2018-19 total ridership revenues of DDOT exceeds last year's revenue by 6%, each eligible ATU member receives a \$750 check.

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE
CITY OF DETROIT
DEPARTMENT OF TRANSPORTATION
AND
DIVISION 26, AMALGAMATED TRANSIT UNION, AFL-CIO**

The parties agree that a final TA'd Contract is not approved by the Union unless Article 10 Wages are approved by the City as reflected in the September 14, 2015 Proposal.

City Signature: _____

Union Signature: _____

Date: _____

APPENDIX A

SUPPLEMENTAL AGREEMENT RELATIVE TO SICKNESS AND ACCIDENT AND LONG TERM -DISABILITY BENEFITS

SICKNESS AND ACCIDENT BENEFITS:

(a) Eligibility for Benefits

- (1) If while insured for these benefits, an employee becomes wholly and continuously disabled as a result of any injury or sickness so as to be prevented thereby from performing any and every duty of their occupation, and during the period of such disability is under treatment therefore by a physician legally licensed to practice medicine, the amount of weekly benefits for which the employee is then insured shall be paid to the employee each week during the period they are so disabled and under such treatment. Notwithstanding the above, Sickness and Accident Benefits shall be payable to an employee who becomes wholly and continuously disabled as a result of undergoing surgery for sterilization purposes, or becomes confined as a registered bed patient in a legally constituted hospital for the purpose of undergoing testing to determine their suitability to be donor for an organ or tissue transplant and, in either case, is otherwise eligible for such benefits.
- (2) Sickness and Accident Benefits shall not be paid for any day for which an employee receives holiday pay.
- (3) For new hires, preexisting conditions shall not be covered. The Union shall be held harmless by the City in any lawsuit regarding a dispute arising out of preexisting conditions language in the agreement.

(b) Duration and Commencement of Benefits

- (1) Sickness and Accident Benefits shall be payable during total disability for a period not to exceed twenty (20) weeks, for any one continuous period of disability, whether from one or more causes, or for successive periods of disability due to the same or related cause or causes.
- (2) The waiting period for sickness or accident shall be seven (7) calendar days. The waiting period for hospital confinement shall be five (5) calendar days, except when hospital confinement extends five (5) days or more, then benefits shall begin with the first day of hospitalization.

(c) Basis for Daily Benefit Payments

Any Sickness and Accident Benefits due for a period other than a whole week shall be paid on the basis of one-fifth of the weekly benefit for each scheduled day of five (5) day work week, the employee is disabled and misses work.

(d) Benefits for More Than One Absence

- (1) If an employee returns to work after receiving Sickness and Accident Benefits for less than twenty (20) weeks and is again absent within three (3) months for the same reason or some disability related to it, there is no waiting period for the rest of the twenty (20) weeks' period, if the employee is disabled that long.
- (2) If the second absence results from a different kind of sickness or injury, the first absence does not affect any possible future benefits. If there are three (3) months or more between two (2) periods of disability, and the employee worked two hundred (200) hours during the intervening period, the second period of disability shall not be considered as being due to the same or related cause of causes as the first disability.

(e) Occupational Disabilities

- (1) Benefits payable for any period shall be reduced by any payments for time lost from work in that period to which the employee is entitled under any Workers' Compensation Law or Act or any Occupational Disease Law or Act.
- (2) No deduction shall be made for any payments under such laws specifically for hospitalization or medical expense, or specific allowances for loss, or 100% loss of use, of member or disfigurements.

(f) Unemployment Compensation

Benefits payable for any period shall be reduced by any payments of unemployment benefits to which the employee is entitled for that period under any Unemployment Compensation Law.

(g) Notice and Proof of Claim

- (1) Written notice of injury or sickness in the form of written statement from a physician legally licensed to practice medicine must be received by the insurance company or the Payroll Office of the employer within ten (10) calendar days after the date of the accident causing such injury or the commencement of disability resulting from such sickness. If such written statement is not received within the initial ten (10) day period, no benefits shall be payable prior to the date such statement is received. Proof of such injury or sickness must be furnished to the insurance company within sixty (60) days after the commencement of disability for an employee to be eligible for Sickness and Accident Benefits.
- (2) The insurance company shall have the right to have such medical examinations of an employee who is eligible to receive Sickness and Accident Benefits, as it may reasonably require, made by a physician or physicians designated by it.
- (3) No legal action shall be brought by an employee to recover from the insurance company prior to the expiration of 60 days after proof of claim has been filed in

accordance with the requirements of the Plan, nor shall such action be brought at all unless brought within three (3) years from the expiration of the time within which proof of claim is required by the Plan.

(h) Payment of Claim

- (1) Subject to due proof of claim, the weekly benefits will be paid to the employee each week during any period of disability for which such benefits are payable and any balance remaining unpaid at the termination of such period will be paid immediately upon receipt of proof.
- (2) If disability is due to or accompanied by mental incapacity, all or any part of such weekly benefits, may, at the option of the insurance company, be paid to the beneficiary of record of the employee or to any other person or institution then in the judgment of the insurance company contributing toward or providing for the care or maintenance of the employee.

(i) Benefit for Chemical Dependency

- (1) Employees who have met the requirements to receive Sickness and Accident benefits and who have been referred for treatment or have voluntarily presented themselves for treatment for chemical dependency shall receive Sickness and Accident benefits for the initial inpatient treatment program followed up by enrollment in an ongoing outpatient treatment program. Benefits will be paid upon verification from a licensed physician or proof of admission in a medical facility. Monthly progress reports will be required every thirty (30) days confirming that each scheduled appointment has been kept, that the employee is adhering to all prescriptions and proscriptions as instructed and is remaining substance free. If or when treatment is discontinued, the Department must be notified. No additional benefits will be paid for any absence that may occur within a twelve-month period that is related to the chemical dependency.
- (2) Following hospitalization and during outpatient treatment, the employee will be held to the same standards of attendance and performance as other employees. Repetition of the behavior that led to the initial treatment will be regarded as a violation of Department policy regarding chemical dependency treatment and chemical dependency will not be regarded a mitigating circumstance if discipline is indicated and such employees shall be ineligible for Sickness & Accident Benefits for any illness or disability related to chemical dependency for twelve (12) months after return to work.
- (3) Such employees who fail to submit themselves for prescribed treatment by licensed physician and prescribed out-outpatient treatment or follow-up will be ineligible for Sickness & Accident Benefits.

APPENDIX B

LONG TERM DISABILITY

I. TABLE OF BENEFITS

This table of benefits must only be interpreted in conjunction with other provisions of the plan.

Elimination Periods:

An employee shall not be eligible for Long Term Disability Benefits until after all of the following have been exhausted:

1. The seven (7) day waiting period for Sickness and Accident Benefits, where applicable.
2. The twenty (20) weeks Sickness and Accident Benefits.
3. The total accumulated number of days an employee is eligible to receive casual leave days, casual leave time and swing holidays and vacation days under plans sponsored by the employer.

Maximum Benefit Period:

1. For an employee who is eligible for a pension, Long Term Disability Benefits may be paid only until the earlier of:
 - a. one-half of the employee's service time with the City, rounded to the nearest month,
 - b. the date on which the employee completes thirty (30) years of service, or
 - c. the date the employee attains sixty (60) years of age with at least eight (8) years of service.
2. For an employee who is not eligible for a pension, Long Term Disability Benefits may only be paid to the earlier of the date the employee attains age 62 or one-half of the employee's service time with the City, rounded to the nearest month.

In no event shall benefits be paid after the date the employee accepts employment in any capacity with any employer or occupation for remuneration or profit.

Benefit Class

All bargaining unit employees

Employees Monthly Benefit Amount

An amount equal to 50% of the employee's monthly earnings rounded to the nearest multiple of a dollar.

II. DEFINITIONS

In the Plan,

1. "City" means the City of Detroit.
2. "Proof" means proof satisfactory to the City and shall include a medical examination if required by the City.
3. "Employer" means the City of Detroit, Department of Transportation.
4. "Employee" means and includes a person who is in the service of the Employer.
5. "Employ", "employed", "employment" and the like, refer to employment with the Employer.
6. "Monthly Earnings" unless otherwise specified in the TABLE OF BENEFITS, means the current basic hourly rate of pay multiplied by 40, multiplied by 4.33, received by the employee from the Employer.
7. "Service" means employment with the Employer on an active, permanent, full-time and full pay basis, but does not mean:
 - (1) employment on a temporary, seasonal or part-time basis, or
 - (2) employment where the employee works less than 40 hours per week with the Employer, or
 - (3) employment at a location other than the Employer's usual and customary place of business unless it is a location to which the Employer's business requires the employee to travel;
8. "Work" means service with the Employer.
9. "Plan" means the Long Term Disability Benefit Plan of the City of Detroit.

III. MISCELLANEOUS PROVISIONS

In the Plan,

1. Any application notice, report, proof or request to be made or given to or filed with the Employer must be in writing and must be so made or given to or filed with the Employer at its Main Office.
2. Words implying the masculine gender include the feminine.

IV. TERMINATION OF AN EMPLOYEE'S COVERAGE

The coverage of an employee under the Plan terminates automatically on the earliest of the following dates:

1. The date of termination of the Plan, or
2. The date of termination of service with the Employer, or
3. In respect of:
 - (a) An employee who is eligible for a pension, the date on which he completes 30 years of service, or attains age 60 with at least 8 years of service, whichever occurs first.
 - (b) In respect of an employee who is not eligible for a pension, the date on which he attains age 62.
 - (c) But in no event more than one year of benefit for two years of service.

V. EXTENDED BENEFITS AFTER TERMINATION OF THE PLAN

If prior to the termination of the Plan, an employee is considered to have a Total Disability (defined in the Plan) on the date his coverage terminates due to termination of the Plan, he/she shall be entitled during the continuance of the disability to any Long Term Disability Benefits that would have been payable had the coverage not terminated.

VI. QUALIFICATION FOR BENEFITS

Subject to other provisions and qualifications contained herein, if the accidental bodily injury or a sickness results in an employee's Total Disability and if such Total Disability commences while the employee is covered under the Plan and continues for at least the number of days of the Elimination Period (shown in the TABLE OF BENEFITS in Section 1) the employee shall be entitled to the payment of benefits determined in accordance with Section 7 which is entitled AMOUNT PAYABLE. Such benefits:

1. Shall commence on the first (day following the number of consecutive days of the Elimination Period (stated in the TABLE OF BENEFITS), and
2. Shall continue for not more than the Maximum Benefit Period (stated in the TABLE OF BENEFITS) during any one Period of Disability.

It is hereby provided that:

1. No benefits shall be paid for any portion of a Period of Disability after the earlier of the following dates:
 - (a). the date of cessation of Total Disability
 - (b). the date on which an employee retires
 - (c). the date an employee who is eligible for pension completes 30 years of service or attains age 60 with 8 years of service
 - (d). the date an employee who is not eligible for pension attains age 62.

In no event shall an employee receive more than one year of benefits for each two years of service.

In no event shall benefits be paid after the date the employee accepts employment in any capacity with any employer.

2. Total Disability shall be deemed to continue during a Rehabilitation Program (defined herein).

For the purposes of the Plan,

1. "Accidental Bodily Injury", subject to the conditions and limitations contained in section on BENEFIT LIMITATIONS, means a bodily injury caused by an Accident which occurred after the effective date of the employee's coverage under the plan and which results directly and independently of all other causes in Total Disability.
2. "Sickness" subject to the conditions and limitations contained in subsection on BENEFIT LIMITATIONS, means a disease, illness or pregnancy.
3. "Total Disability" means the complete inability of a covered employee because of accidental bodily injury or sickness to engage in their regular occupation or employment with the Employer on a full-time basis for remuneration or profit.
4. "Rehabilitation Program" means a program of rehabilitation in which the employee engages after qualifying for benefits hereunder and which is approved by the Employer. Any of the following may be eligible for consideration as a Rehabilitation Program:
 - (a). The employee's regular occupation on a part-time basis:
 - (b). A formal vocational training program.

The Rehabilitation Program shall continue until the earlier of the following dates:

- (a) The date on which the employee is able to perform their regular occupation on a full-time basis, or
 - (b) The date which is 24 months after the end of the Elimination Period.
5. "Amount of Indemnity" means an employee's Basic Monthly Benefit Amount in accordance with the TABLE OF BENEFITS.
 6. "Period of Disability" means that period which commences with the date the employee is first absent from work as a result of Total Disability and which continues for at least the number of consecutive days of the Elimination Period (stated in the TABLE OF BENEFITS).

Subsequent periods of Total Disability suffered by an employee while they are covered hereunder shall be considered as occurring in the same Period of Disability, except:

- (a). When the later disability is due to causes wholly different from those of the prior disability and the employee works, excluding service during a Rehabilitation Program, 200 hours or more in the 3 month period immediately following their return to work, or
 - (b). When the later disability is due in whole or in part to causes related to those of the prior disability and the employee completes at least 3 months of continuous service, excluding service during a Rehabilitation Program, before commencement of the later disability, or
 - (c). When the later disability, regardless of cause, commences more than 2 weeks after the date the employee's benefits under this Plan were terminated and the employee has not returned to work.
7. "Regular Occupation" means the duties equal or similar to those duties performed by the employee in the classification in which they have seniority immediately prior to the commencement of a Period of Disability.
8. "Physician" means
- (a). A duly qualified physician who is legally licensed to practice medicine or osteopathy, or
 - (b). To the extent that this contract provides coverage for services they are licensed to perform, any other practitioner of the healing arts who performs a service within the scope of their license and for whom the law of the applicable State requires that such service be covered.
9. "Hospital" means an institution which
- (a). Is legally constituted as a hospital,
 - (b). is open at all times,
 - (c). is operated primarily for the care of sick and injured persons as inpatients,
 - (d). has a staff of one or more licensed physicians available at all times,
 - (e). continuously provides twenty-four (24) hour nursing services by graduate registered nurses,
 - (f). provides organized facilities for diagnosis, and
 - (g). is not primarily a clinic, nursing, rest or convalescent home or similar establishment, nor other than incidentally a place for drug addicts.

VII. AMOUNT PAYABLE

The amount of the monthly benefit to which the employee is entitled is the Basic Monthly Benefit amount in accordance with the TABLE OF BENEFITS as of the date of the commencement of the Period of Disability, except that such amount will be reduced by the sum of:

1. The primary Social Security benefits to which an employee is entitled under the Social

Security Act of the United States.

For the purposes of this Section,

- (a) An employee shall be deemed to be entitled to benefits under the Social Security Act of the United States whether or not he is actually so entitled, unless satisfactory evidence is submitted to the Employer indicating that such benefits were applied for and denied.
 - (b) The amount of the initial entitlement under said Act for a Period of Disability shall be deemed not to have been increased by any Social Security increases which result from a change in the Social Security Act, or an increase in the Consumer Price Index as provided under said Act.
 - (c) The employee's Amount of Indemnity shall be reduced by an amount equal to Social Security Disability Insurance Benefits that would have been payable except for the employee's refusal to accept vocational rehabilitation services.
2. The monthly amount or the monthly equivalent of any indemnity to which he is entitled in accordance with the provisions of any state or federal law providing benefits for working time lost as a result of disability, such as Workers' Compensation, No-Fault or similar law, including lump sum settlements, but excluding specific allowances for loss, or 100% loss of use, of a body member.
 3. The monthly amount of the periodic payments to which the employee is entitled under plans or laws of any government or subdivision thereof, other than under (1) and (2) above, and except the portion they were receiving prior to the effective date of his coverage hereunder.
 4. The monthly amount of the remuneration they may receive from the Employer during a Period of Disability, including any government income benefits paid as a result of service with the Employer.

It is hereby provided that:

(A) In determining the amount by which the employee's Amount of Indemnity is reduced:

- (1) The monthly equivalent of benefits paid on weekly basis shall be computed by multiplying the weekly benefit rate by 4.33.
- (2) Lump sum settlements under Workers' Compensation, No-Fault or similar law shall result in reductions in the Basic Monthly Benefit equal to the monthly amount of the benefit to which an employee would have been entitled had there been no lump sum settlement, but not to exceed the total amount of the settlement.

In the event the lump sum settlement is made for a period of disability for which the full Basis Monthly Benefit has previously been paid, the lump sum settlement will be allocated to future amounts in chronological order in an amount equal to the Basic Monthly Benefit until the full amount of the lump sum settlement is allocated. Payment of the Basic Monthly Benefit will cease until the time the full amount of the lump sum settlement has been allocated. Should the disability continue beyond such time, payment of the Basic Monthly Benefit will resume.

Should the cessation of disability, termination of the plan, the ineligibility of the employee for future benefits or any other factor cause there to have been an overpayment, the employer shall be entitled to reimbursement from the employee.

- (B) Once an employee's Basic Monthly Benefit amount is determined, it shall not be changed unless the change represents an adjustment in the original determination of the employee's monthly benefit amount.
- (C) The City shall pay a fraction of the amount determined under this section for any portion of a Period of Disability which is less than a full month. Such fraction shall be the number of calendar days an employee is entitled to receive benefits divided by the total number of calendar days in the month for which benefits are due.
- (D) The City may require certification of the employee's amount of income from sources (1) through (4) above, but not more than once in any 12 month period.
- (E) If Total Disability is due to or accompanied by mental incapacity, any of all of the employee's monthly benefit amount may, at the option of the City, be paid to the employee's beneficiary of record or to any other person or institution then, in the judgment of the City, contributing toward or providing for the care or maintenance of the employee. Any such payment shall constitute a full discharge of the liability of the City to the extent thereof.

VIII. BENEFIT LIMITATIONS

No benefits shall be payable hereunder for or on account of:

1. An accidental bodily injury arising out of or in the course of any employment for remuneration or profit other than with the Employer.
2. Accidental bodily injury or sickness which is the result of war, declared or undeclared.
3. Any sickness due to a mental, or emotional disorder of any type after 24 months of benefits have been paid, unless the employee continues to be confined in a hospital as a registered bed-patient.
4. Accidental bodily injury or sickness.
 - (a) For which the employee is not continuously under the regular care and attendance of a physician, and;

- (b) If the sickness is due to a mental or emotional disorder of any type, for which the employee is not receiving continuing treatment from a physician certified in psychiatry.
- 5. Intentionally self-inflicted bodily injury or sickness.
- 6. Accidental bodily injury or sickness due to alcoholism, drug addiction or the use of any hallucinogenic.
- 7. A bodily injury or sickness which results from committing or attempting to commit an assault or crime.

GENERAL PROVISIONS

ENTIRE CONTRACT: CHANGES

The contract and the individual application, if any, of the employees covered shall constitute the entire contract between the parties. All statements made by individual employees shall, in the absence of fraud, be deemed representations and not warranties and no such statement shall be used in defense of a claim under this contract unless it is contained in an individual application of an employee.

No change in the contract shall be valid until approved by the parties to the contract and unless such approval be endorsed by the parties and attached hereto.

No agent of the parties has authority to change the contract or to waive any of its provisions.

NOTICE OF CLAIM

Written notice of claim, in the form of a statement of verification of disability from a physician licensed to practice medicine, must be given to the Employer within 10 days after the occurrence or commencement of disability covered by this contract, or as soon thereafter as is reasonably possible. Such notice given by or on behalf of the covered employee to the Employer at its main office with information sufficient to identify the employee, shall be deemed notice to the Employer.

CLAIM FORMS

If written notice of claim is not made on forms furnished by the Employer for filing proof of claims, the Employer, upon receipt of the notice of claim, will furnish to the claimant such forms as are required for filing proofs of claim. If such forms are not mailed to the last address given the Employer by the claimant within ten (10) days after giving such notice, the claimant shall be deemed to have complied with the requirements of this contract as to proof of loss upon submitting, within the time fixed in this contract for filing proof of claim, written proof covering the occurrence, the character and extent of the disability for which claim is made.

PROOFS OF CLAIM

Written proof of loss must be furnished to the Employer at its main office within 90 days after the termination of the period for which the City is liable. Failure to furnish such proof within the time required shall not invalidate nor reduce any claim if it was not reasonably possible to give such proof within such time, provided such proof is furnished as soon as reasonably possible and in no event, except in the absence of legal capacity, later than one year from the time proof is otherwise required.

TIME OF PAYMENT OF CLAIMS

Subject to due written proof of loss, all accrued indemnities will be paid to the covered employee each month during any period for which the Employer is liable and any balance remaining unpaid upon the termination of liability will be paid immediately upon receipt of due written proof.

PHYSICAL EXAMINATIONS

The City, at its own expense, shall have the right and opportunity to examine the person of the covered employee when and so often as it may reasonably require during the pendency of a claim hereunder.

LEGAL ACTIONS

No action at law or in equity shall be brought to recover on the contract prior to the expiration of 60 days after written proof of loss has been furnished in accordance with the requirements of this contract. No such action shall be brought after the expiration of three (3) years after the time written proof of loss is required to be furnished.

CONFORMITY WITH STATE STATUES

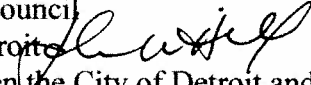
Any provision of the contract which, on its effective date, is in conflict with the statutes of the State of Michigan on such date is hereby amended to conform to the minimum requirements of such statutes.



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVE., SUITE 1100
DETROIT, MICHIGAN 48226
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WWW.DETROITMI.GOV

CFO MEMORANDUM
No. 2015-002

TO: Michael E. Duggan, Mayor; Honorable Detroit City Council
FROM: John W. Hill, Chief Financial Officer, City of Detroit 
SUBJECT: Fiscal Impact of the Proposed Contract between the City of Detroit and the Amalgamated Transit Union (“ATU”)
ISSUANCE DATE: October 7, 2015

1. AUTHORITY

1.1. State of Michigan Public Act 182 of 2014 (“PA 182”), Section 4s(2)(d) 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 ATU.

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 ATU in relation to the city’s FY 2016 budget and 4-Year Financial Plan for FY 2016 – FY 2019.

4. SCOPE

4.1. This Memorandum is not intended to convey any statements nor opinions on the advisability of entering into the provisions in 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 2016 budget and 4-Year Financial Plan for FY 2016 – FY 2019.

5. STATEMENT

5.1. Conclusion: Funds are sufficient and the proposed contract will not materially impact the city’s FY 2016 budget and 4-Year Financial Plan for FY 2016 – FY 2019.

5.2. Background: The proposed contract’s financial provisions provide for a wage increase, a 1.5% one-time lump sum payment, and an incentive program. It also enables DDOT to hire part-time bus drivers.

5.3. Fiscal Impact: The proposed contract would result in potential savings from part-time hires and new full-time hires in amounts that are adequate to support the wage increase, 1.5% one-time lump sum payment, and incentive program. Even after



adjusting potential savings for the risk associated with the time it may take to implement, funds are sufficient and the proposed contract will not materially impact the city's FY 2016 budget and 4-Year Financial Plan for FY 2016 – FY 2019.

<i>\$ in millions</i>	Fiscal Year				4 Year
	2016	2017	2018	2019	Total
Cost					
Additional wage increase ¹	\$ (0.5)	\$ (0.8)	\$ (0.8)	\$ (0.8)	\$ (2.9)
1.5% one-time lump sum payment ²	\$ (0.3)	\$ -	\$ -	\$ -	\$ (0.3)
Incentive program	\$ (0.1)	\$ (0.3)	\$ (0.5)	\$ (0.8)	\$ (1.7)
Total Cost	\$ (0.9)	\$ (1.1)	\$ (1.3)	\$ (1.6)	\$ (4.9)
Savings					
Part-time drivers	\$ 0.0	\$ 0.3	\$ 0.4	\$ 0.4	\$ 1.0
New hires	\$ 0.5	\$ 0.6	\$ 0.5	\$ 0.2	\$ 1.7
Overtime reduction	\$ 0.2	\$ 0.8	\$ 0.8	\$ 0.8	\$ 2.6
Total Savings	\$ 0.7	\$ 1.7	\$ 1.6	\$ 1.4	\$ 5.4
Net Savings / (Cost)	\$ (0.2)	\$ 0.6	\$ 0.3	\$ (0.3)	\$ 0.4

Notes

1. Current proposal assumes 8% total wage increase. Budget assumes 5% total wage increase, resulting in a financial impact of 3%.
2. Current proposal assumes total 4% one-time bonus. Budget assumes 2.5% one-time bonus, resulting in a financial impact of 1.5%.

CITY OF DETROIT CONTRACT SUBMISSION TO FINANCIAL REVIEW COMMISSION
THE FOLLOWING CONTRACTS ARE BEING SENT TO THE FRC FOR REVIEW AND APPROVAL PURSUANT TO
SECTION 6, SUBSECTION 6 OF THE MICHIGAN FINANCIAL REVIEW COMMISSION ACT
For October 26, 2015 Meeting

Revised Updated Listing: Prepared By: Boysie Jackson, Chief Procurement Officer - 10/20/2015

City Council and Water Board Approvals Through October 20, 2015

	Department	Contract Number	Description	Competitively Bid	Lowest Bid	City Council Approval Date	Office of the Chief Financial Officer Approval Date	Comments
CONTRACTS GREATER THAN \$750K								
1	AIRPORT	2912914	Contract Amount: \$840,000.00 (New) Contract Period: Upon FRC Approval through 8/31/2025 Source: 100% Other (Revenue) Funding Purpose: To Provide an Agreement of Lease of Property and Operating Rights (Hangar/Parking Lot/Classroom Space/(Aeronautical) at the Coleman A. Young Airport Contractor: Center for Innovations in Education dba Base 11 Location: 600 Anton Blvd., Suite 1100, Costa Mesa, CA 92626	Lease Agreement	Lease Agreement	09/29/15	10/26/2015	
2	FINANCE	2911783	Contract Amount: \$766,089.00 Contract Period: Upon FRC's Approval through 6/30/16 Source: 100% City Funding Purpose: Preparation of the City of Detroit's Comprehensive Annual Financial Report for FY 2015 Contractor: Plante & Moran, PLLC Location: 27400 Northwestern Hwy., Ann Arbor, MI 48104	Contract Extension	Contract Extension	09/29/15	10/26/2015	Continuation of CAFR Audit Support
3	FINANCE	2874390	Contract Amount: \$750,000.00 Contract Period: 1/9/13 through 12/31/15 Source: 100% General Fund Restructuring Purpose: To Provide Assistance with Restructuring the Planning and Development Department and establishing the Housing and Revitalization Department Contractor: Conway Mackenzie, Inc. Location: 401 South Old Woodward Avenue, Suite 340, Birmingham, MI 48009	EM Orders 38 and 41	EM Orders 38 and 41	N/A	10/15/2015	
4	FINANCE	2898266	Contract Amount: \$1,430,840.00 Contract Period: 10/1/15 through 10/31/16 Source: 14.6% City, 85.4% (Quality of Life) Funding Purpose: To Provide Ongoing OCFO Support for Office of Contracting and Procurement; Office of Departmental Financial Services; Income Tax Division and Office of Grants Management Contractor: Public Consulting Group, Inc. Location: 148 State Street, 10th Floor, Boston, MA 02109	EM Order 41	EM Order 41	N/A	10/26/2015	Breakdown Funding Procurement - \$783,000 (QOL) Income Tax - \$208,400 (General Fund) Grants Mgmt - \$364,500 (QOL) Financial Service - \$74,940 (QOL)
5	FIRE	2913660	Contract Amount: \$1,014,862.74 (New) Contract Period: One Time Purchase Source: 100% City Funding Purpose: To Provide Six (6) EMS Ambulances Contractor: Jorgenson Ford Sales Corporation Location: 833 Michigan Avenue, Detroit, MI 48210	Yes	Yes	09/29/15	10/26/2015	

	Department	Contract Number	Description	Competitively Bid	Lowest Bid	City Council Approval Date	Office of the Chief Financial Officer Approval Date	Comments
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CONTRACTS GREATER THAN \$750K--continued

6	HEALTH	2912085	Contract Amount: \$994,500.00 (New) Contract Period: Upon FRC's Approval and thereafter five (5) years Source: 100% State Funding Purpose: Leasing of Office Space for the Health Department Administration at 3245 East Jefferson Ave., Detroit, MI 48207 Contractor: MBPIA Title Holding Corporation Location: 3245 East Jefferson Avenue, Detroit, MI 48207	Yes	Yes	09/29/15	10/26/2015	
7	ITS	2915504	Contract Amount: \$6,067,011.00 (New) Contract Period: 10/27/15 through 10/26/17 Source: 100% City (QOL) Funding Purpose: To Provide Computer Aided Dispatch and Record Management System Software/Hardware and Implementation Services Contractor: SunGard Public Sector, Inc. Location: 1000 Business Center Drive, Lake Mary, FL 32746	Yes	Yes	EM Order 39	10/26/2015	
8	PUBLIC WORKS	2902713	Contract Amount: \$929,209.64 (New) Contract Period: Upon FRC Approval through 12/31/16 Source: 100% Street Funding Purpose: To Provide PW-6970 Overband Crack-Fill in Bituminous Pavement at Various Locations Citywide at the New Detroit Public Safety Headquarters Building Contractor: Michigan Joint Sealing, Inc. Location: 28830 E. Eight Mile Road, Farmington Hills, MI 48336	Yes	Yes	10/20/2015	10/26/2015	
9	PUBLIC WORKS	2913189	Contract Amount: \$3,868,460.92 (New) Contract Period: Upon FRC Approval through 12/31/16 Source: 100% Street Funding Purpose: To Provide PW-6972 HMA Resurfacing on W. Grand Blvd and W. Vernor Contractor: Fort Wayne Contracting, Inc./Ajax Paving Industries Inc., a Joint Venture Location: 320 E. Seven Mile Road, Detroit, MI 48203	Yes	Yes	10/20/2015	10/26/2015	
10	PUBLIC WORKS	2913867	Contract Amount: \$1,819,760.00 (New) Contract Period: One Time Purchase Source: 100% Street Funding Purpose: To Provide Ten (10) 14 Cubic Yard Live Bottom Dump Trucks Contractor: Wolverine FreightLiner - Eastside Location: 107 S. Groesbeck, Mt. Clemens, MI 48043	Yes	Yes	10/20/2015	10/26/2015	
11	PUBLIC WORKS	2914129	Contract Amount: \$3,157,830.00 (New) Contract Period: October 13, 2015 through August 31, 2016 Source: 100% Street Funding Purpose: To Provide Salt, in Bulk, Seasonal Back-up (MIDEAL) Salt Contract) #071B30039 Contractor: Detroit Salt Company Location: 12841 Sanders, Detroit, MI 48217	Yes	Yes	10/13/2015	10/26/2015	There were two (2) other contracts with this entity and they are 2914870 for \$43,184.00 and 2914201 for \$75,000.00. The contracts were Approved by City Council on 10/13/15.

	Department	Contract Number	Description	Competitively Bid	Lowest Bid	City Council Approval Date	Office of the Chief Financial Officer Approval Date	Comments
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CONTRACTS GREATER THAN \$750K--continued

12	RECREATION	2908597	Contract Amount: \$2,446,717.09 (New) Contract Period: Upon FRC Approval through 4/30/2017 Source: 100% Federal Funding Purpose: To Provide Recreation Center Improvements for two Centers: Butzel Family Recreation Center, located at 7737 Kercheval Road, Detroit, MI and Williams Recreation Center locate at 8431 Rose Parks Blvd., Detroit, MI Contractor : W-3 Construction Company Location: 7601 Second Avenue, Detroit, MI 48202	Yes	Yes	9/22/2015	10/26/2015	
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CONTRACTS GREATER THAN 2 YEARS

13	PLANNING AND DEVELOPMENT	2913036	Contract Amount: \$510,000.00 (New) Contract Period: 10/15/15 through 6/30/18 Source: 100% Federal Funding Purpose: To Provide Healthy Homes Assessment, Data Collections and Management Contractor: ClearCorps Detroit (Southeastern Michigan Health Association) Location: 3011 W. Grand Blvd., Suite 200, Detroit, MI 48202	Yes	Yes	10/13/2015	10/26/2015	A different contract #2898252 from SEMHA for \$513,361.00 was approved by City Council on 7/28/15.
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WITH 1 ENTITY, WITHIN 1 YEAR, GREATER THAN \$750K

14	FINANCE	2848583	Contract Amount: \$375,000 (Addendum No. 1) Contract Period: Upon FRC Approval through 12/31/15 Source: 100% City Funding Purpose: To Assist in Real Estate Development and Redevelopment Matters Contractor: Ernst & Young U.S. LLP Location: 777 Woodward Avenue, Detroit, MI 48226	EM Order 41	EM Order 41	N/A	10/15/2015	This is Addendum No. 1 to Amendment No. 8.
15	FINANCE	2848583	Contract Amount: \$230,000.00 (Addendum No. 2) Contract Period: Upon FRC Approval through 12/31/15 Source: 100% City Funding Purpose: To Provide Income Tax Advisory and Project Management Services to the City under Phase I: Access Office of the CFO Staffing Model; Systems and Data Analytics and Project Management Contractor: Ernst & Young U.S. LLP Location: 777 Woodward Avenue, Detroit, MI 48226	EM Order 41	EM Order 41	N/A	10/15/2015	This is Addendum No. 2 to Amendment No. 8.
16	FIRE	2913765	Contract Amount: \$274,407.24 (One Time Purchase) Contract Period: One Time Purchase Source: 100% City Funding Purpose: To Provide EMS Cots for Ambulances Contractor: Stryker Sale Corporation Location: 3800 E. Centre, Portage, MI 49002	Yes	Yes	9/29/2015	10/26/2015	Different contracts: #2895796 for \$674,925.65 was approved by City Council on 9/16/14 and #2899178 for \$457,345.40 was approved by City Council on 1/20/15 for Stretcher Cots for the New Ambulances. This was identified as a Serious and Urgent Need for New and Efficient Equipment.
17	ITS	2901809	Contract Amount: \$27,200.00 (Increase of Funds) Contract Period: 12/8/14 through 12/7/17 Source: 100% City (QOL) Funding Purpose: To Provide Checking Printing Services Contractor: The Ultimate Software Group Inc. Location: 2000 Ultimate Way, Weston, FL 33326	EM Order 39	EM Order 39	N/A	10/26/2015	Amendment #1 is for increase of funds Only. Original contract \$8,997,498.00

	Department	Contract Number	Description	Competitively Bid	Lowest Bid	City Council Approval Date	Office of the Chief Financial Officer Approval Date	Comments
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WITH 1 ENTITY, WITHIN 1 YEAR, GREATER THAN \$750K--continued

18	POLICE	2874673	Contract Amount: \$0.00 (Extension of Time Only) Contract Period: Upon FRC Approval through 12/31/15 Source: 100% City Funding Purpose: To Provide Uniforms for the Police and Fire Departments Contractor: Enterprise Uniform Location: 2862 E. Grand Blvd, Detroit, MI 48202	Yes	Yes	10/13/15	10/26/2015	This Amendment is for Extension of Time Only. The original contract date is October 1, 2014 through September 30, 2015. The original contract amount is \$896,000.00.
19	PUBLIC WORKS	2830398	Contract Amount: \$650,000.00 (Increase of Funds) Contract Period: 10/1/2010 through 12/31/17 Source: 100% Street Funding Purpose: To Provide Architectural/Engineering Services and Capital Improvements and Renovations Contractor: Detroit Building Authority Location: 1301 Third Street, Suite 328, Detroit, MI 48226	Inter-Governmental Agreement	Inter-Governmental Agreement	9/22/2015	10/26/2015	This Amendment #2 is for increase of funds only. The original contract amount is \$1,450,000.00. Original contract period is October, 2010 through December 31, 2017 A different DBA Contract #2908062 was approved by FRC on 9/28/15 for \$960,000.00

Department	Contract Number	Description	Competitively Bid	Lowest Bid	City Council Approval Date	Office of the Chief Financial Officer Approval Date	Comments
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DEPARTMENT OF WATER AND SEWAGE CONTRACTS

CONTRACTS GREATER THAN \$750,000.00

20	Water and Sewerage	2904951 (Chg Order# 1)	<p>Contract Amount Not to Exceed: \$3,331,715.33 (\$1,271,969 Annually) Contract Period: 4/1/15 - 4/1/18 Source: 100% Operating Budget (Operations & Maintenance) Purpose: Provide Commercial Janitorial Services for Lake Huron, Northeast, Water Works Park, Southwest, Springwells Plants, East & West Customer Services Center and West Yard in addition to Wastewater Treatment Plant, Industrial Waste Control, Main Office Building & Central Services Facility for duration of Three (3) Years with Two (2) - One (1) Year Renewal Options Contractor: GDI Omni, Inc. (Ahmed Boomrod, President) Location: 24300 Southfield Road Suite 220, Southfield, MI 48075</p>	Yes	No	N/A; below \$2 mil/yr approval requirement for contracts relative to Goods & Services	N/A BOWC Approval 9/23/15	Nineteen (19) bid submissions resulted from initial solicitation to 181 suppliers; CPO# 2904952 for \$3.138 mil consequently awarded to Lowest Bidder, Giant Janitorial Services, was terminated for convenience on 8/28/15; commercial janitorial service requirements for four (4) facilities resourced to second lowest bidder, GDI Omni, previously awarded CPO# 2904951 for \$2.18 mil as dual source to provide commercial janitorial services for eight (8) facilities pursuant to FRC Approval on 3/23/15; single-sourced contract award expected to yield \$0.855 mil (as opposed to \$1.08 mil) annual savings equivalent to 30% (as opposed to 37.9%) reduction in costs.
21	Water and Sewerage	CPO# Pending (Fed Bid Buy# 726923_03)	<p>Contract Amount Not to Exceed: \$2,545,494.84 (\$1,272,747 Annually) Contract Period: 11/15/15 - 11/15/16 Source: 100% Operating Budget (Operations & Maintenance) Purpose: Furnish Phosphoric Acid, Technical Grade, 75% Concentration, for duration of Two (2) Years with Two (2) - One (1) Year Renewal Options Contractor: PVS Nolwood Chemicals, Inc. (Richard Peacock, President & CEO) Location: 10900 Harper Avenue, Detroit, MI 48213</p>	Yes	Yes	N/A; below \$2 mil/yr. approval requirement for contracts relative to Goods & Services	N/A BOWC Approval 9/23/15	Five (5) bid submissions resulted from solicitation to 3,472 suppliers through FedBid website; Awarded to lowest bidder & incumbent, PVS Nolwood Chemicals, and projected to yield TBD% or \$49,794.50 annual savings based on unit price variance from current Contract# 2853107 \$6.64/gal to \$6.39/gal; required as corrosion control treatment to prevent lead & copper materials that line pipes from dissolving into water in order to maintain compliance with EPA Lead & Copper Rule which has resulted in 81% lead level reduction since addition of phosphoric acid for past 15 years to protect public health, decrease maintenance costs & ensure continuous supply of potable water.

CONTRACTS GREATER THAN OR EQUAL TO 2 YEARS

22	Water & Sewerage	2815687 (CS-1499 Chg. Order# 2)	<p>Contract Amount Not to Exceed: \$10,675,000.00 [\$675,000 Increase] Initial Contract Period: 6/2/10 - 6/2/15 [New Expiration: 6/2/2018] Source: 100% Operating Budget (Capital Improvement) Purpose: Provide construction administration services in addition to resident project representation (RPR) services in support of DWS-891 Pressure Reducing Valve Stations Replacements (5) , DWS-896 Outdoor Switchgear Replacement at Joy Road Pump Station and related projects Contractor: METCO Services, Inc. (Raj Vijayendran, President) Location: 535 Griswold Suite 540, Detroit, MI 48226</p>	Existing contract amendment	Existing contract amendment	N/A; below \$2 mil/yr. approval requirement for contracts relative to Goods & Services	N/A BOWC Approval 7/22/15	99% of initial award expended to date which is insufficient to complete tasks incl. Work Plan for 17 Upper Rouge Outfalls, Wastewater Treatment Plant (WWTP) Flooding Mitigation, Ferric Chloride Replacement & Other Services and scope modification to include Resident Project Representation (RPR) services for DWS-891 Pressure Reducing Valve Station Replacements (5) and DWS-896 Outdoor Switchgear Replacement at Joy Road Pumping Station as result of decreased DWSD staff consisting of total deployment of 1-Engineer & 2-Technicians for inspection & administration on other existing DWSD construction projects.
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	Department	Contract Number	Description	Competitively Bid	Lowest Bid	City Council Approval Date	Office of the Chief Financial Officer Approval Date	Comments
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CONTRACTS GREATER THAN 2 YEARS

			No Contracts Submitted for this Category					
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WITH 1 ENTITY, WITHIN 1 YEAR, GREATER THAN \$750K

			No Contracts Submitted for this Category					
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CITY OF DETROIT
MAYOR'S OFFICE

COLEMAN A. YOUNG MUNICIPAL CENTER
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DETROIT, MICHIGAN 48226
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October 21, 2015

Ronald L. Rose
Executive Director
Detroit Financial Review Commission
3062 West Grand Blvd.
Detroit, MI 48202

Dear Mr. Rose:

I write as Mayor of the City of Detroit to request that the Financial Review Commission (FRC), at its meeting scheduled for October 26, 2015, hold a closed session so that the City can discuss with the FRC the City's strategy in certain potential negotiations with the unions representing firefighters and/or police, together with the potential financial impact that would follow such a negotiation. The City deems it very important that the FRC be given this information at this time. It is important for the City to make a presentation because the FRC has a duty to approve or disapprove all modifications of collective bargaining agreements. In order for the FRC to understand the positions proposed to be taken by the City in the anticipated negotiations, the potential financial impact, and whether the FRC is in favor of the actions the City anticipates taking, the City desires to discuss the anticipated negotiations with the FRC in closed session.

Sincerely,

Michael E. Duggan
Mayor, City of Detroit