



CITY OF DETROIT
OFFICE OF THE EMERGENCY MANAGER

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December 26, 2013

Mr. Partho Ghosh
President
Association of Municipal Engineers
9300 W. Jefferson NAB #420
Detroit, MI 48209

Re: Terms and Conditions of Employment

Dear Mr. Ghosh:

Pursuant to Section 12 of Public Act 436, MCL § 141.1552, the City of Detroit is implementing the following terms and conditions of employment for employees in the bargaining units represented by Association of Municipal Engineers, excluding employees who work in the Detroit Department of Transportation, effective January 1, 2014. Unless specifically modified by this letter, the City Employment Terms between the City and Association of Municipal Engineers units dated July 18, 2012 (“CETs”) will remain in full force and effect:

Article 3. Management Rights and Responsibilities: Rescind the provisions of Articles 3(C)(4), (19), and (20) of the CETs.

Article 5. Agency Shop: Rescind the provisions of Article 5 of the CETs.

Article 6. Dues Check-Off: Rescind the provisions of Article 6(C) of the CETs.

Article 7. Service Fee Check-Off: Rescind the provisions of Article 7 of the CETs.

Article 10. Disciplinary Procedure: The reference to three (3) years in Article 10(G) is changed to eighteen (18) months.

Article 15. City-Wide Displacement Rights: Rescind the provisions of Article 15(E) of the CETs. City-Wide Displacement is eliminated.

Article 18. Leaves of Absence: Article 18.A – Family and Medical Leave is modified to include the following: Effective January 1, 2014, the 12-month FMLA eligibility period for City employees shall be defined as the 12 months preceding the first day of the current FMLA absence (i.e., the prior 12 months). This “Rolling Year Method” measures the 12-month period from the date an employee uses FMLA leave rather than the calendar year.

KEVYN D. ORR, EMERGENCY MANAGER

Article 27. HR / Payroll Systems: Rescind the provisions of Article 27 of the CETs.

Article 34. Funeral Leave: Modify the provisions of Article 34(A) of the CETs as follows: “If a death occurs among members of the employee’s immediate family, the employee, provided he/she attends the funeral and submits documentation of such upon return to work, will be granted two (2) days leave not to be charged to sick leave. An employee may take an additional three (3) days of funeral leave to be charged against current sick leave and then reserve sick leave upon his/her request.”

Article 41. Temporary Assignments: Modify the provisions of Article 41(B)(2) of the CETs as follows: “If an employee is so assigned the duties of a higher classification to replace an absent employee more than one work day, he/she shall be compensated on an out-of-class basis at the rate for the appropriate classification for all such out-of-class hours worked.”

Article 43. Hospitalization, Medical Insurance and Optical Care: Employees will be eligible for a 2014 group medical, dental, and vision plan provided by the City of Detroit for its active Employees. *(See Healthcare Summary Plan Descriptions attached hereto at Exhibit A).*

Article 48. Retirement: Effective as of December 31, 2013 (the “Freeze Date”), the General Retirement System of the City of Detroit (“GRS”) will be closed to all new Employees. Benefit accruals for GRS members will be frozen based on the years of benefit service and Average Final Compensation as of such Freeze Date. As of the Freeze Date, the Annuity Savings Fund and the City’s 1998 defined contribution plan will be closed to all new Employees and no future contributions will be made to or accepted after the last payroll date that occurs in 2013. Active members who are not vested as of the Freeze Date shall not be entitled to benefits under the GRS. Further, as of December 31, 2013, no future cost of living adjustments (escalator) shall be made with respect to accrued benefits payable to any GRS member and, effective as of the effective date of City of Detroit Ordinance No. 37-11, the provisions contained in Section 47-1-18 of the Detroit Code of Ordinances shall apply to GRS members. The terms of the GRS, as applicable to GRS members, will be codified in the Detroit Code of Ordinances. Effective January 1, 2014, the City will establish a new qualified defined contribution plan that is intended to meet the requirements of Section 401(a) of the Internal Revenue Code (the “Code”) (the “401(a) Plan”). *(See Defined Contribution Plan at Exhibit B.)*

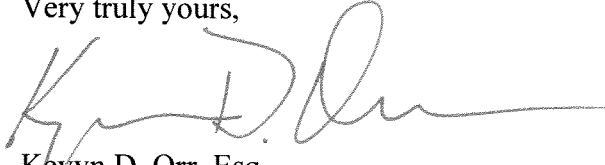
Article 49. General Retirement System, Board Composition: Rescind the provisions of Article 49 of the CETs.

Although the City is implementing new terms and conditions of employment for employees represented by Association of Municipal Engineers and its constituent local unions, the City remains willing to continue discussions with respect to terms and conditions for a long-

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term collective bargaining agreement covering employees in the Association of Municipal Engineers bargaining unit. Please note, however, that the City reserves all rights under Public Act 436 to manage its employees and that the City may implement additional changes to terms and conditions of employment in the future.

Very truly yours,



Kevyn D. Orr, Esq.
Emergency Manager

cc: Michael Hall, Director of Labor Relations