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July 14, 2015

Kenneth Wilson
Director Labor Relations
9th Floor 500 Griswold
Detroit, MI 48226

Re: AFSCME Council 25 and Local 3317

Dear Mr. Wilson,

Enclosed please find a copy Local 3317's counter proposals. These proposals are sent to you pursuant to the remand issued by Arbitrator Barry Ott.

The parties are scheduled to meet at 1:00 PM on July 14, 2015; please advise us as to the location of the bargaining session.

Upon receipt and review of this communication, if you have any questions, please don't hesitate to contact me.

I remain very truly yours,

Jamil Akhtar

OUTLINE OF LOCAL 3317 COUNTER PROPOSALS

JULY 14, 2015

I. Length of Contract:

AFSCME Local 3317 proposes a five year contract, commencing October 1, 2014 and running through September 30, 2019.

II. Economic Improvement "Triggers":

Most, if not all of the concessions that Local 3317 is prepared to make, have a trigger point in which we regain the concessions made in this CBA.

Local 3317 will use a figure equal to the gross Property (Real and Personal) taxes collections for the 2008 property taxes received by Wayne County (2008 CAFR $401,764,000.00), adjusted to exclude distributions from the Delinquent Tax Revolving Funds hereinafter "2008 Revenues"..

Under the Headley Amendment, Wayne County can only recoup annually, an amount less than 3% of the increase in property taxes associated with the current year owners; when the property is sold, the full property value can be assessed, the Headlee Cap is removed when property is transferred to a new owner. Kevin Haney stated to the Bargaining team that it will take until 2019 for the property taxes based upon the Headley restrictions, to revert back to the 2008 level.

Any increase in revenue sharing will likewise be added to the general fund gross property tax collections established by the 2008 CAFR, as adjusted above.

The Bargaining unit shall receive credit for any General Fund savings realized by an approved FITCH rating.

The Union stated would receive credit for any increase in the County's bond rating, wherein the County, pursuant to the terms of a bond offering, refinances the existing bonds at a lower bond interest rate. This reselling could add as much as twenty million dollars a year to the County general fund and would likewise increase the amount of general fund property tax collections, to be used for establishing a trigger, which would in turn require the County to reinstitute frozen benefits at an earlier date than 2019.

In addition to the property tax collections, as stated above, in addition to any savings as the result of re-financing of bonds, exclusive of Road Fund and Enterprise Fund Bonds; further, any increase in State of Michigan revenue sharing, above the personal property replacement allocation shall be defined as "Current Year Revenues" for the application of triggers.

In the past Wayne County would also collect approximately $50 million dollars per year in personal property taxes. The legislature in order to give an additional tax break to businesses, above and beyond the tax breaks business received when the governor convinced the legislature to start taxing our pensions. The legislature voted to increase the Counties revenue sharing by, supposedly, an amount equal to the loss personal property taxes, we must believe the Governor, and take him at his word.

III. Establishing additional revenue, which in turn would trigger a return to the to the September 30, 2015 fringe benefits and wages,

The principal idea of the trigger is that the parties track revenue such as property tax collections and certain other savings, to be tied into the reinstitution of the fringe benefits, which have been frozen during this round of collective bargaining.

Annual until the Current Year Revenues reaches 2008 Revenues, the County shall not institute any new programs where General Fund revenue is required.

Local 3317 also demands that, in the event we are successful in our grievance, demanding that the County, pursuant to the retirement ordinance, is required to fully fund the $900,000,000.00 (+ or -) dollars of the (UAAL), which in turn would almost certainly move the County Bond Rating to a AA/ AAA rating. Here again bonds would be refinanced at a much lower rate.

Access and Verification:

The AFSCME Council 25 shall designate a representative to verify the Wayne County 2008 Revenues and the Wayne County Current Year Revenues for the Fiscal years 2014 through 2019. The representative shall have reasonable access, during normal working hours, to the full Wayne County computerized financial system. Wayne County shall provide the representative with the necessary training for use of the computerized financial system bonded indebtedness records and funds to support the Wayne County Building Authority.

IV: Modifications to the Collective Bargaining Agreement:

General statement as to the Trigger:

The following concession will remain in effect until the County general fund property tax collections, as adjusted above, equals or exceeds the same level as established by the CAFR for 2008. Any increase in revenue realized by an approved FITCH rating, will be in addition to the gross property tax established by the 2008 CAFR, as adjusted above.

Once the Counties gross general fund Current Year Revenues reach the 2008 Revenues; the concessions made in 2015 will be eliminated and the contract, which was in effect on September 30, 2014 shall be reinstated.

1. **Overtime, Article 24:**

   All overtime will be paid in accordance with the Fair Labor Standard Act

2. **Article 26; Holidays:**

   Effective October 1, 2015, all holidays will be paid at time and half; further, upon the County's general fund revenue reaching the 2008 level the concessions made as to article 26 Holidays shall be reinstated and the holiday provisions in affect as of October 1, 2014 shall be reinstated.

   If a member of the bargaining unit works a second shift on a holiday, her/she shall be paid double time for working a second eight hour shift, even if it the second shift is not on the holiday.

3. **Article 28; Sick Time**:

   Sick time shall be earned, paid off and used in accordance with the now existing Executive Compensation plan. (Copy Attached)

4. **PBL Article 29:**

Effected October 1, 2015 members of the bargaining unit will not be entitled to earn PBL days; effective October 1, 2015, all accumulate personal business leave days must be used within 180 days; or at the employees option paid off in cash by December 31, 2015.

5. **<u>Article 34; Uniform and gun allowance:</u>**

   All members of the Bargaining Unit shall continue to receive the gun allowance; however, Uniform vouchers shall be deferred until September 1, 2019. However, when County Current Year Revenues reaches 80% of the 2008 Revenues level, the provisions of article 34 which were in effect on September 1, 2014 shall be reinstated.

6. **<u>Article 36; Tuition Reimbursement:</u>**

   Except for the funds which are unused as of September 30, 2015, the Tuition Reimbursement provisions of the currant CBA shall be frozen until the Triggers listed above have been reached.

7. **<u>Article 37, Insurance:</u>**

   With the following modifications, the Union accepts the Counties proposal as it relates to medical insurance. The modifications are as follows:

   A. When the Current Year Revenues , reach the 2008 Revenues , then the employees insurance premiums contribution to the High Deductible Health Insurance Plan shall be reduced by five percent of the Insurance Premium, i.e.; down to 20%.

B. When the Current Year Revenues g, reach 2008 Revenue , and increases by 5%, then the employees insurance premiums contribution to the High Deductible Health Insurance Plan shall be reduced by five percent of the Insurance Premium, i.e.; down to 15%.

C. When the Current Year Revenues , reach the 2008 Revenues , and increase by 10%, then the employees insurance premiums contribution to the High Deductible Health Insurance Plan shall be reduced by five percent of the Insurance Premium, i.e.; down to 10%.

D. When the Current Year Revenues , reach the 2008 Revenues , is increased by15%, then the employees insurance premiums contribution to the High Deductible Health Insurance Plan shall be reduced by five percent of the Insurance Premium, i.e.; down to 5%.

E. Medical Insurance coverage for members retiring on a non-duty or duty disability pension, shall have a minimum $50,000.00 placed into a HRA for the purpose of purchasing health insurance from the Health Insurance Exchange; the county will, in addition to making the minimum $50,000.00 lump sum payment, pay to the retiree the same stipend received by retirees under the Macdonald et al Class Action settlement (Case No. 09-031117-CL) (see part G, below). (Copy Attached)

After the injured employee retires, on a duty disability pension, the county will be required to continue to provide full medical coverage for injuries incurred in the line of duty. There shall not be a redemption of medical benefits.

F. Effective 180 days after the implementation of the Collective Bargaining Agreement, members of the bargaining unit, will no longer be entitled to post-retirement medical insurance. All members of the bargaining unit who retire after 180 days of the execution of this Collective Bargaining Agreement, shall be transferred to the trust and will be credited with $3,500.00 for each year of employment, on a retroactive basis; the County shall thereafter, contribute $3,500.00

per year (on or before January 1, annually) to the Trust for each employee. Annually, on October first, the payment into the employee's account shall be increased by the then CPI for Detroit - Ann Arbor - Flint Area.

Employees shall be credited with a full year of credit for ten or more months of service, which shall include all paid leave time.

Employees shall become vested in their HSA as follows:

1) Upon death, if there is a surviving legal beneficiary;
2) Upon being granted a duty or non-duty disability pension;
3) Upon receiving any age and service retirement;
4) Upon becoming eligible for a vested deferred pension benefit.

G. Members of the Union, who retired prior to the effective date of the mirror insurance plan going in effect, shall have their monthly insurance stipend increase by an additional $35.00 dollars per month, for the retiree, the retiree's legal partner (spouse) and beneficiary.

H. The present retirees, who retired under the mirror medical insurance plan, shall have their retirement accounts funded in the same manner as active employees.

I. Wayne County has stated that the unfunded accrued liability as established by GASB 45, is 1.5 billion dollars. The elimination of post-retirement medical insurance benefits, will cause the County bond rating to be adjusted upwards, the County will be able to refinance its bonds and any general fund revenue realized by the refinancing of the bonds, shall be credited in reaching the 2008 adjusted gross general fund revenue figure (2008 CAFR amount $401,000,000.00.

J. The bonus payment, in the following amounts (family = $1300.00; 2 persons = $1000.00 and 1 person = $650) going into the employee's HRA account shall be front loaded on or before January 1, 2016, the date that the new HDHA goes into effect and annually thereafter, on or before January First.

8) Article 38, Retirement:

A.) Wayne County shall, by August 1, 2015 bring suit against any Executive Staff Retiree, who were former employees of the City of Detroit and who used their Detroit Retirement Service Credits to buy into Retirement Plan 6; the

City of Detroit did not participate in the Reciprocal Retirement Act (Act 88 of 1961) (MCL 38.1101 et sec)

B) AFSCME Council 25 and Local 3317 will only meet and confer as to any retirement modification requested by the County.

9) <u>Article 39, Wages:</u>

A) Effective October 1, 2015, all members of the Bargaining unit shall have their wages adjusted to eliminate 25% of the wage differential between the wages paid to like classifications at the Wayne County Airport Authority Police Department, represented by Local 3317, to those members of the bargaining unit as of July 14, 2015".

(Example using July 14, 2015 Airport wages)

COMPLETED MONTHS OF SERVICE IN-GRADE	10-1-11	10-01-12	10-01-13*
Less than 12 months of service	$60,259	$60,259	$60,259
12 or more months of service	$64,913	$64,913	$64,913
24 or more months of service	$66,568	$66,568	$66,568

($66,568.00 <> $80.885.00 = $14,317 X 25% = $3,579.00

($66,568.00 + $3,579.00 = $70,147.00 for October 1, 2015)

B) Effective October 1, 2016, all members of the Bargaining unit shall have their wages adjusted to eliminate 50% of the wage differential between the wages paid to like classifications at the Wayne County Airport Authority Police Department, represented by Local 3317, to those members of the bargaining unit as of July 14, 2015".

C) Effective October 1, 2017, all members of the Bargaining unit shall have their wages adjusted to eliminate 75% of the wage differential between the wages paid to like classifications at the Wayne County Airport Authority Police Department, represented by Local 3317 to those members of the bargaining unit as of July 14, 2015".

D) Effective October 1, 2018, all members of the Bargaining Unit shall have their wages adjusted to 100% (parity) of the then current wages paid to like classifications at the Wayne County Airport Authority Police Department, represented by Local 3317.

E) Effective October 1, 2018, there shall be a starting pay grade, and three annual step increases, which will take place on the employee's seniority in grade date. Until October 1, 2018 all members of the Bargaining Unit will have their steps frozen.

AIRPORT POLICE DEPARTMENT PAY RATES

Captains and Executive Sergeants:

All employees promoted to captain positions as enumerated in Article 21 shall receive additional compensation in the amount of three thousand dollars ($3,000.00) per year during the term of that assignment; said $3,000 shall be rolled into their annual rate of pay for as long as they hold that assignment.

All employees appointed to Executive Sergeant positions as enumerated in Article 21 shall receive additional compensation in the amount of two thousand dollars ($2,000.00) per year as long as they hold that assignment, said $2,000 shall be rolled into their annual rate of pay for as long as they hold that assignment.

39.03 **Wage Rates For Employees In Local 3317:**

A. Police Sergeant:

Effective on the following dates, active employees of record as of the date the Authority CEO signs the collective bargaining agreement will receive the following designated increase in their base wage rate:

October 1, 2013: 2.0%

October 1, 2014: 1.5%

Employees on a leave of absence will receive the base wage increase upon return to work.

POLICE SERGEANT PAY RATES

STEP	10/1/13 2%	10/1/14 1.5%
1	$75,731	$75,867
2	$77,711	$78,877
3	$79,689	$80,885

2. Annual Step Increases:

   Based on the number of completed months of service in-grade, the above-cited regular full-time employees of record employed in the classification of Police Sergeant shall be placed at the following annual base wage rates on the dates indicated.
   Annual step increases for each year of the contract shall be increased by 3% on an across the board basis.

3. Minimum Base Wage Rates:

   Employees of record promoted to the classification of Police Sergeant shall be placed at the minimum base wage rate in effect as of the date of their promotion.

B. **Police Lieutenant:**

Effective on the following dates, active employees of record as of the date the Authority CEO signs the collective bargaining agreement will receive the following designated increase in their base wage rate:

October 1, 2013: 2.0%
October 1, 2014: 1.5%

Employees on a leave of absence will receive the base wage increase upon return to work.

POLICE LIEUTENANT/CAPTAIN PAY RATES

STEP	10/1/13 2%	10/1/14 1.5%
1	$83,700	$84,956

2	$87,148	$88,456
3	$90,594	$91,953

2. Annual Step Increases:

Seniority in grade annual step increases for each year of the contract shall be increased by 3% on an across the board basis.

3. Minimum Base Wage Rates:

The minimum base rate for the classification of police Lieutenant/Captain shall be increased in accordance with the above wage increases.

ARTICLE 45 - DURATION OF AGREEMENT

45.01

This Agreement shall be effective October 1, 2014, and shall remain in full force and effect through September 30, 2019

45.02

This Agreement shall continue in effect for consecutive yearly periods after September 30, 2019, unless notice is given, in writing, by either the Union or the Employer to the other party at least sixty (60) days prior to September 30, 2019 or any anniversary date thereafter, of its desire to modify, amend, or terminate this Agreement.

45.03

If such notice is given, this Agreement shall be open to modification, amendment, or termination, as such notice may indicate.

45.04

Subsequent to the effective date of this Agreement, and during the period it remains in effect under section 45.01 above, should another County-associated bargaining unit negotiate a new collective bargaining agreement for the 2014-2019 contract period that contains an aggregate level of retirement, health care, and base wage benefits that exceeds that which is contained in this Agreement, AFSCME Local 3317 will be granted the greater level of benefits effective the same date as the effective date of the greater level of benefits.

This special bank may be used to supplement annual leave earned in the new position at the employee's then current rate of pay subject to the employee's eligibility to use annual leave in the new position. Annual leave in the special bank may be paid out upon separation, retirement or death at one hundred percent (100%) of its value when earned provided the employee has at least 2 years of service with the County. Such payment shall be made separate from other annual leave pay off.

6. Employees covered by the Plan who are granted a leave of absence at or before the beginning of any year shall receive a pro-rated number of days upon their return from leave.

7. Employees continued into a new calendar year for a specified period of less than a full year, shall have their annual leave pro-rated based upon the anticipated service time between January 1st and the expected termination date.

8. Upon entry into the Plan from other County plans, an employee with banked and unscheduled annual leave, or compensatory time which has a cash-out value, shall receive a cash payment at one hundred percent (100%) of its value based on the employee's salary immediately prior to entry. This cash payment shall be payable November 30th, following entry into the Plan, and shall be paid no later than the following January 30th.

9. Subject to the approval of the Director of Personnel/Human Resources, employees who have been members of the Plan for at least one (1) year and have completed at least one (1) month of service in the current year may be paid for unused annual leave days allotted in the current year at one hundred percent (100%) of its cash value upon their separation from County service.

B. SICK LEAVE

1. Full-time employees shall be allotted twenty (20) paid sick days in a calendar year. Due to computerized leave time accounting, employees will not receive their sick leave allocation until after the 1st full pay period in the new year. However, employees may use time from the 1st workday of the new year which will be charged against the anticipated allocation or the balance from the prior year. Once the allocation is made, the prior year's balance will be zeroed.

2. Upon request, the employee shall provide the appropriate management representative with satisfactory evidence that sick leave was properly used.

3. A sick leave savings account, which can accumulate up to twenty (20) sick days, shall be established for each employee. This savings account will be credited at the end of each year with an employee's unused sick days. All unused sick days in excess of the twenty (20) day maximum accumulation will be lost. Sick days in the savings account shall be available for use upon the exhaustion of the annual twenty (20) sick day allotment.

4. Employees who exhaust their paid sick days are placed on unpaid sick leave. After thirty (30) consecutive calendar days of illness or disability, full-time employees in the Plan shall be eligible for Long Term Disability Benefits under the County's Long Term Disability Income Protection Plan. The total unpaid sick leave may not exceed eighteen (18) months after which the employee will be separated from County service. Eligibility for benefits under the LTD Program may continue after termination.

5. Part-time employees shall be entitled to a pro-rated allocation of sick leave determined by their average weekly hours of work. Part-time employees are not eligible for Long Term Disability coverage.

6. New County employees who become members of the Plan after January 1st in any year shall receive a pro-rated number of days. Employees who leave the Plan for another position in the County service outside of the Plan shall have up to twenty (20) days of their unused sick leave placed in a special bank. This special bank may be used to supplement sick leave earned in the new position at the employee's then current rate of pay subject to the employee's eligibility to use sick leave in the new position. Sick leave in the special bank may be paid out upon separation, retirement or death at seventy-five percent (75%) of its value when earned provided the employee has at least 2 years of service with the County. Such payment shall be made separate from other sick leave pay off.

7. Employees continued into a new calendar year for a specified period of less than a full year, shall have their sick leave prorated based upon the anticipated service time between January 1st and the expected termination date.

8. Employees with accumulated sick leave in a primary bank prior to entry into the Plan shall have that accumulation paid in cash at seventy-five percent (75%) of its value based on; 1) the employee's salary immediately before entry into the Plan, or 2) the contractually provided pay amount if the sick leave is in a frozen primary bank. Payment is due on the November 30th following entry into the Plan and is to be paid no later than the following January 30th. The payment shall be eligible for inclusion in the employee's final average compensation for retirement purposes.

9. Employees with accumulated sick leave in their secondary bank prior to entry into the Plan shall have that accumulation paid in cash at fifty percent (50%) of its value based on the employee's salary immediately before entry into the Plan. Payment is due on the November 30th following entry into the Plan and is to be paid no later than the following January 30th. The payment shall not be eligible for inclusion in the employee's final average compensation for retirement purposes.

10. Payment of sick time under Items 8 and 9 above may be delayed for up to seven (7) years upon written notice to the Employer of the employee's intent to schedule such payments. Notice shall be given on the forms provided by the Department of Personnel/Human Resources. The dollar value of the payout shall remain frozen as of the date of Plan entry, regardless of how the payments are scheduled.

11. Subject to the approval of the Director of Personnel/Human Resources, employees who have been members of the Plan for at least one (1) year and have completed at least one (1) month of service in the current year may be paid for a maximum of twenty (20) sick days, which may include sick days in the employee's sick leave savings account, at seventy-five percent (75%) of cash value upon separation. Employees whose appointments are terminated and not renewed, shall be paid for a maximum of twenty (20) sick days, of record as of their last day worked, at 75% of cash value.

12. Employees who enter the Plan at any time during the calendar year, and who held unused Cash Plan Sick Leave hours prior to entry into the Plan, shall be paid for those unused hours on a pro-rated basis. Hours to be considered for payment shall be limited to the unused portion of the first 50% of the employees' last Cash Plan Sick Leave deposit. Payment shall be made no later than the following January 30th and at a rate equal to 75% of the employees' hourly rate immediately prior to entry into the Plan. The payment shall be eligible for inclusion in the employee's final average compensation for members of Retirement Plan 1.

Cash Plan hours not subject to cash payment will be zeroed along with any Cash Plan hours from prior years placed in a reserve for purposes of Long-Term Disability qualification.

C. *HOLIDAYS*

1. A list of holidays and their dates of observance shall be published each year.

2. An employee required to work on a scheduled holiday may be granted eight (8) hours of time off with pay at a later date to be scheduled by the Department Head.

3. With the approval of the Department Head, employees required to work on a scheduled holiday may be paid at straight time in addition to their regular holiday pay for all hours worked.

4. Employees with "holiday time" which was accumulated prior to Plan entry shall use such time within twelve (12) months of Plan entry. Any time not used will be zeroed.

5. Upon completion of one year of service, an employee will receive a day off for his or her birthday.

D. *MILITARY LEAVE*

All employees covered by the Plan shall be granted military leave in accordance with the Rules of the Department of Personnel/Human Resources.