

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

In re:

Bankruptcy Case No. 13-53846

City of Detroit, Michigan

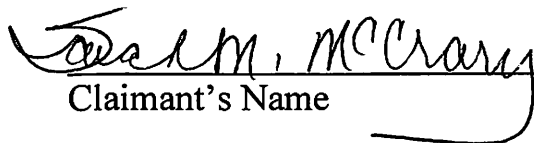
Honorable Thomas J. Tucker

Debtor.

Chapter 9

**CLAIMANT, SARAH MCCRARY'S (CLAIM #3122) OBJECTION TO DEBTOR CITY OF DETROIT'S THIRTY-SEVENTH OMNIBUS OBJECTION TO CERTAIN CLAIMS**

I, Sarah McCrary, who filed Claim #3122, do hereby OBJECT to this honorable court granting Debtor City of Detroit's Thirty-Seventh Omnibus Objection to certain claims for the reason that I have included sufficient documentation to ascertain the validity of my claim as attached in Exhibit 1.

  
\_\_\_\_\_  
Claimant's Name

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S. BANKRUPTCY COURT  
D. MICHIGAN-DETROIT

**EXHIBIT 1**

**LOSS OF THE FOLLOWING**

Loss of Wages - due to brf days (10% total over two year period)

10% pay cut across the board

Longevity payout eliminated

Benefit decrease

Annuity Interest loss (totaling \$14,487.00)

Floating holidays – 3 to 4 yearly

Paid Lunch hours

Bonus vacation days

Merit and step increases eliminated

Sick leave payout decreased by 35%

## INTER-DEPARTMENTAL COMMUNICATION

July 27, 2012

To: City of Detroit Employee

From: Lamont D. Satchel, Esq. *LS*  
Director of Labor Relations

RE: City Employment Terms

As you know, the City of Detroit has implemented employment terms ("City Employment Terms" or "CET") for employees in certain unions. Employees are encouraged to contact their respective unions for questions regarding the applicability of the City Employment Terms to them. We understand that there are a number of questions employees have regarding the actual implementation of various City Employment Terms as they affect wages, vacation, sick banks, healthcare and other areas of importance to employees. Below are a number of items covered by the City Employment Terms, accompanied by the City's approach to implementation.

It should be kept in mind that it is the City's intent to implement the economic and non-economic provision of the City Employment Terms in a reasonable manner so as to avoid or minimize personal and operational disruption.

Implementation of the item below for non-union employees will be communicated at a later date.

10% Wage Reduction and Cessation of Furlough – A 10% wage reduction will be reflected in employee's paychecks on August 24 or August 31, 2012, depending on the employee's pay cycle. Budgeted Required Furlough ("BRF") days will be discontinued and coincide with replacement by the 10% wage reduction. The last Budgeted Required Furlough day will be July 30, 2012. For employees who do not have BRF days the 10% wage reduction shall be effective July 17, 2012.

Merit and Step Increases – All merit and step increases have been eliminated effective July 17, 2012.

Shift Premium – Shift premiums will be \$.25 for the afternoon shift and \$.50 for the night shift, effective August 12, 2012.

Vacation Accrual Cap – Currently vacation hours are capped at 320 hours and accrual over this amount must be used before September 30, 2012. Going forward the cap on accrual of vacation hours will be reduced to 160 hours. However, this year employees will be allowed to carry over up to 320 hours on October 1, 2012. This cap will be implemented pursuant to the Human Resource Vacation Policy.

*Elimination of Swing Holidays and Election Day as Holiday* – Swing holidays received this July 1, 2012 will be honored. However, there will be no future receipt of swing holidays after July 1, 2012. Effective July 17, 2012, proration of swing holidays for new hires has ceased. Effective July 17, 2012, Election Days formerly treated as holidays will be considered work days.

*Sick Time Banks* – Award of Reserve and Seniority Sick Banks will be discontinued. No more accruals to these banks will be made after July 1, 2012, but they will be available for use. Current Sick Banks will be capped at 300 hours. Employees will be notified prior to the effective date of the cap.

*Jury Duty* – Supplemental jury duty pay will be eliminated. However, employees will be allowed to use available paid leave time while off on jury duty. Employees will be notified prior to implementation of this change in the city's jury duty policy.

*Private Car Mileage Reimbursement* - Effective September 2012, City of Detroit employees who qualify for mileage reimbursement will no longer receive the \$3.00/day reimbursement for use of their vehicle on city business. Such employees will, however, continue to receive actual mileage reimbursement. Also, supplemental accident payments are eliminated effective September 2012.

*Health Care* – The City has made changes to the plan design of its health care benefits including BCBSM PPO, Health Alliance Plan & Total Health Care. The City is eliminating BCBSM Traditional and Comprehensive Major Medical as plan options for all active employees subject to the CET. Open Enrollment is expected to occur October 1 – October 31, 2012 and the 80/20 employee healthcare contribution is expected to be implemented in October 2012.

*Health Care Plan Changes*

- Deductibles increase to \$250 per person/\$500 per family for all plans
- Coinsurance increase to 80/20 for all plans
- Coinsurance maximum increase to \$1,500 per person/\$3,000 per family
- Office Visit Copay increase to \$25 per visit
- Urgent Care Copay increase to \$25 per visit
- Emergency Room Copay increase to \$100 per visit
- New Hospital Admission Copay of \$100 per admission
- Prescription drug Copay increase to \$10 generic/\$35 preferred brand/\$50 non-preferred brand.
- Mandatory generic
- Mandatory step therapy
- Mandatory prior authorization

- 
- Mandatory mail order for maintenance medications
  - Exclusion of lifestyle drugs except Weight Management, Smoking Cessation and Birth Control medications
  - Self Funded prescription drug administration changed to new vendor. All fully insured prescription drugs will continue to be administered by the respective HMO provider i.e. HAP, BCN, THC.
  - Medical, Dental and Vision employee premium cost sharing is changed to 80/20.

**Death Benefit & Life Insurance** – The City will continue to provide death benefits and life insurance as previously outlined in the most recently expired collective bargaining agreements. The life insurance benefits will be contained in city policy.

**Retirement** – The multiplier has been reduced to 1.5 and the escalator eliminated. The expected implementation date for these changes is November 2012.

**Supplemental Unemployment Benefit** – The City will no longer provide the supplemental unemployment benefit to employees who become eligible for the benefits after July 17, 2012. Employees currently receiving this benefit will receive their last payment on August 10 or August 17, 2012, depending on their pay cycle.

**Overtime** – All changes reflected in the overtime provision of the CET, including the reduction of overtime to 1 ½ and elimination of daily overtime will be implemented prior to the end of the calendar year for relevant employees. Advance notification of implementation will be provided.

**Unused Sick Leave on Retirement** – Any sick leave accumulated after July 17, 2012 and remaining unused at retirement will not be paid out.

**Holiday** – The holiday premium rate is reduced from double time to 1 ½. This change will be implemented November 1, 2012.

**Funeral Leave** – Effective August 1, 2012, employees may take up to two days off, with pay, for funeral leave for immediate family members. Up to an additional three (3) days may be taken and charged to an employee's sick leave bank.

**Clothing & Uniform Allowance** – Where applicable, clothing and uniform allowances will now be paid every two (2) years, instead of every year. Eligible employees will receive such allowance this fiscal year.

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**Tuition Refund** – The Tuition Refund program is eliminated effective July 17, 2012. Employees taking eligible classes and receiving tuition refunds as of the effective date will receive refunds for that semester only.

**Longevity** – Effective October 1, 2012 there will be no annual longevity payment and no proration upon separation of employment.


**125k Plan** – The City will be implementing a 125K Flexible Spending Account Plan. Employees will receive prior notification of the implementation date and details regarding participation.

**Out-of-Class Pay** – Employees working out of classification will receive out-of-class payment after 30 consecutive days of working out of classification. This practice will become effective September 1, 2012.

**Bonus Vacation Days** – Bonus Vacation Days received this July 1, 2012 will be honored. However, there will be no future receipt of Bonus Vacation Days after July 1, 2012.

**Sick Time Inclusion in Final Average Compensation** – The inclusion of sick time in an employee's Final Average Compensation will be discontinued. The expected implementation date is November 15, 2012

TO: All Department Directors, Deputies and Agency Heads

FROM: Joseph P. Martinico, Labor Relations Director 

DATE: February 24, 2011

RE: **IMPLEMENTATION OF BUDGET REQUIRED FURLOUGH  
DAYS FOR SENIOR ACCOUNTANTS, ANALYSTS AND  
APPRAISERS (SAAA) BU 7100**

This notice is to inform you that effective March 14, 2011, employees represented by SAAA will begin to observe unpaid Budget Required Furlough (BRF) Days. In accordance with the terms and conditions of their 2008 – 2012 collective bargaining agreement, the BRF days will be continued for three consecutive twelve-month periods. Please refer to the attached documents for the BRF implementation guidelines and schedule.

Attachments



# Budget-Required Furlough (BRF) Day Implementation Guidelines

*(These guidelines are intended to be used for implementing budget-required furlough days for union represented employees.)*

- ◆ Budget-Required Furlough (BRF) Days are prescheduled days off without pay. BRF days are to be taken in eight (8) hour increments.
- ◆ Labor Relations will provide notice to departments when specific bargaining units are to start the BRF days. Please do not implement the established BRF day schedule prior to receiving this notice. All affected unions will also receive notice from Labor Relations.
- ◆ Upon receipt of notice from Labor Relations, directors will be responsible for providing notice to the union represented employees, within their department, of the BRF start date.
- ◆ To the maximum extent possible, all employees are required to take BRF days off without pay in accordance with the City of Detroit's official BRF schedule. We must however, provide an appropriate level of supervision to manage work activities and employees who are not, as of this time, participating in the BRF. To ensure adequate levels of supervision, directors must assign a limited number of supervisors to manage operations on BRF days.
- ◆ Employees who are scheduled to work on a BRF day will be paid for the day, but will be required to take a BRF make-up day. BRF make-up days are to be scheduled by the department and taken by the employee as soon as possible. The requirement is that all BRF make-up days (without pay) must be taken within the 12-month period. (Example – Employee A must work the scheduled BRF day on Monday, February 15, 2010. Employee A's make-up BRF day must be taken before the end of the twelve month period in which the BRF was missed.)
- ◆ Directors are responsible for ensuring that in instances where employees are required to work on a BRF day, that a BRF make-up day is scheduled and taken by the employee. BRF make-up days should only be used when absolutely necessary. In an effort to prevent an entitlement to unemployment compensation, an employee should not be allowed to take more than two (2) furlough days in a pay cycle and cannot take more than one (1) furlough day per calendar week.
- ◆ Emergency and 24 hour/7 day Operations: The City recognizes that emergency service and certain 24 hour/7 day operations will not be able to reduce work hours or close on BRF days without incurring additional overtime costs. All 2008 - 2012 labor agreements contain an exception provision for these operations. However, all department directors are hereby instructed to implement the BRF day schedule to the maximum extent possible.
- ◆ Emergency Call In: Employees should only be called in for an emergency situation on BRF days. If an employee is called in to work on a BRF day, the employee will be paid in accordance with the "show-up" or "call back" payroll rules specified in the labor agreement or City Code. In this instance, the employee will NOT be required to make up the BRF day, regardless of the number of hours the employee is required to work. Again, this rule only applies in situations where the employee was called in to work on the BRF day. It does not apply when advance notice was provided to the employee that he/she is required to work on the BRF day.
- ◆ Grant agencies will be required to take BRF days. It may be necessary to extend the hours of operation. Department Directors are responsible for determining the hours of operation, with approval from the Mayor's Office, and to ensure the appropriate staffing levels are provided, including supervision.

*Note: Directors are required to provide documented rationale for all instances where BRF make-up days have been waived. Copies of such documentation must be provided to appropriate Group Executives, Labor Relations, and Budget for review.*

# 2011 (Revised)

Management reserves the right to establish the Budget Required Furlough (days off with no pay) schedule, including the designation of the implementation date. This schedule is provided for concept demonstration purposes only and does not in any way obligate the City to implement this particular schedule. As such, it is understood that the dates that have been designated herein as BRF days are subject to change. Appropriate adjustments shall be made to achieve 26 days without pay during the fiscal year, and to the greatest extent possible to achieve uniformity among the City's various bargaining units.

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     Holiday or Excused Time Day  
     Budget Required Furlough (No-Pay)

1/24/2011:LRZG

# 2012

Management reserves the right to establish the Budget Required Furlough (days off with no pay) schedule, including the designation of the implementation date. This schedule is provided for concept demonstration purposes only and does not in any way obligate the City to implement this particular schedule. As such, it is understood that the dates that have been designated herein as BRF days are subject to change. Appropriate adjustments shall be made to achieve 26 days without pay during the fiscal year, and to the greatest extent possible to achieve uniformity among the City's various bargaining units.

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■ Holiday or Excused Time Day  
■ Budget Required Furlough(No-Pay)

8/20/2009:LRZG

# 2013

Management reserves the right to establish the Budget Required Furlough (days off with no pay) schedule, including the designation of the implementation date. This schedule is provided for concept demonstration purposes only and does not in any way obligate the City to implement this particular schedule. As such, it is understood that the dates that have been designated herein as BRF days are subject to change. Appropriate adjustments shall be made to achieve 26 days without pay during the fiscal year, and to the greatest extent possible to achieve uniformity among the City's various bargaining units.

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     Holiday or Excused Time Day  
     Budget Required Furlough(No-Pay)

8/20/2009:LRZG

To: All City of Detroit Employees

From: Joseph P. Martinico, Labor Relations Director



**Subject: Elimination of the Paid Lunch Period**

Date: November 7, 2011

This notice is to inform you that pursuant to recently negotiated changes to the labor agreements, the regular full working day for City employees shall consist of eight (8) hours of work in the service day, exclusive of the lunch break. Employees must work forty hours to be paid for forty hours; there are no paid lunch periods. Each department will be responsible for monitoring the implementation of the 40 hour work week and the timekeeping thereafter, in either Workbrain or on a manual timesheet, effective 12/12/11.

In order to implement the elimination of the paid lunch period in Workbrain, a new shift pattern will be assigned to employees who currently are assigned a paid lunch. Employee's belonging to a union where there is no settled or imposed contract will not be included in the implementation process at this time.

Any questions regarding the assignment of new shift patterns should be directed to your department management team.




CITY OF DETROIT  
HUMAN RESOURCES DEPARTMENT  
LABOR RELATIONS DIVISION

COLEMAN A. YOUNG  
MUNICIPAL CENTER  
2 WOODWARD AVENUE, SUITE 332  
DETROIT, MICHIGAN 48226  
PHONE 313-224-3860  
FAX 313-224-0738  
WWW.DETROITMI.GOV

INTER-DEPARTMENTAL COMMUNICATION

To: City of Detroit Employees

From: Lamont D. Satchel, Esq.   
Director of Labor Relations

Date: November 8, 2012

RE: Revised Implementation Dates for Select City Employment Terms

In a previous communication to employees subject to City Employment Terms, dated July 27, 2012, the Labor Relations Division identified several economic and non-economic provisions of the City Employment Terms that would be implemented over a period of time. This communication updates the prior communication by providing revised implementation dates for the City Employment Terms listed below:

**Overtime** – The reduction of overtime to time and one-half (1 ½) from double time for the seventh day effective November 12, 2012.

**Holiday** – The holiday premium rate is reduced from double time to time and one half (1 ½) effective November 12, 2012.

**Shift Premium** – Shift premium will be \$.25 for the afternoon shift and \$.50 for the night shift effective November 9, 2012

**Elimination of Longevity, Longevity additive and Proration** – Effective November 15, 2012, there will be no annual longevity payment and no proration of longevity payment upon separation of employment.


If there are any questions or concerns on these issues, please contact Labor Relations on 224-3860.

LDS:lbw

## INTER-DEPARTMENTAL COMMUNICATION

June 24, 2013

To: City of Detroit Employees

From: Lamont D. Satchel, Esq.   
Director of Labor Relations

RE: Benefits Changes for CET Governed Employees

As you know, the City of Detroit implemented employment terms ("City Employment Terms" or "CET") for employees in certain unions including the Detroit Water and Sewerage Department.

Indicated below are benefit changes and implementation dates.

Vacation Accrual/Carryover Cap – Vacation hours are capped at 240 hours and accrual over this amount must be used before September 30, 2013. Going forward the cap on accrual /carryover of vacation hours will be reduced to 160 on October 1, 2014.

Elimination of Swing Holiday and Election Day as Holiday – Effective July 1, 2013, Swing Holidays are eliminated, including the proration of swing holidays for new hires. Election Days formerly treated as an Excused Time Holiday will be considered a work day.

Elimination of Bonus Vacation Days - Effective July 1, 2013, employees will no longer receive bonus vacation days.

Sick Time Banks – Award of Reserve and Seniority Sick Banks will be discontinued. No more accruals to these banks will be made after July 1, 2012, however they will be available for use.

If there are any questions or concerns, please contact Labor Relations at 313-224-3860.

LDS/lbw



CITY OF DETROIT  
HUMAN RESOURCES DEPARTMENT  
LABOR RELATIONS DIVISION

COLEMAN A. YOUNG  
MUNICIPAL CENTER  
2 WOODWARD AVENUE, SUITE 332  
DETROIT, MICHIGAN 48226  
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FAX 313-224-0738  
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## INTER-DEPARTMENTAL COMMUNICATION

To: City of Detroit Employees

From: Lamont D. Satchel, Esq.  
Director of Labor Relations

Date: November 28, 2012

RE: Implementation of Pension Changes for Non-Uniform Employees subject to CETs (Clarification)

In response to employees' feedback, this communication updates and clarifies the prior communication on the specific pension items and related qualifications for the City Employment Terms listed below.

**Retirement Multiplier** – The multiplier is reduced to 1.5% for all service time rendered on or after December 1, 2012.

**Escalator** – The 2.25% annual escalator is eliminated effective December 1, 2012.

**Unused Sick Leave on Retirement** – Eligible employees shall continue to receive payment of sixty percent (60%) of their unused sick leave banks accrued prior to July 17, 2012. Any sick leave accumulated after July 17, 2012 will not be paid out.

**Sick Time Inclusion in Final Average Compensation** – Effective December 1, 2012, the provision which allowed employees to roll 25% of the unused sick leave balances into their Average Final Compensation (AFC) will be discontinued.

### Qualifications for the pre-CET retirement provisions:

- (a) Must be eligible for a service retirement (30 years of service) or Early Actuarially Reduced Pension (25 years of credited service but less than 30) on or before November 30, 2012.
- (b) The Notice of Intent of Retirement, Pre-Retirement Information and/or Notice of Retirement forms must be signed, dated and received by the Payroll Division on or before November 30, 2012.
- (c) The Employee's Last Day Worked must be no later than December 31, 2012.



To: All City of Detroit Employees

From: Joseph P. Martinico, Labor Relations Director



**Subject: Elimination of the Paid Lunch Period**

Date: November 7, 2011

This notice is to inform you that pursuant to recently negotiated changes to the labor agreements, the regular full working day for City employees shall consist of eight (8) hours of work in the service day, exclusive of the lunch break. Employees must work forty hours to be paid for forty hours; there are no paid lunch periods. Each department will be responsible for monitoring the implementation of the 40 hour work week and the timekeeping thereafter, in either Workbrain or on a manual timesheet, effective 12/12/11.

In order to implement the elimination of the paid lunch period in Workbrain, a new shift pattern will be assigned to employees who currently are assigned a paid lunch. Employee's belonging to a union where there is no settled or imposed contract will not be included in the implementation process at this time.

Any questions regarding the assignment of new shift patterns should be directed to your department management team.

Sick Leave Days Used  
In Previous Fiscal Year

Bonus Vacation Days  
To Be Credited on July 1st

0 to 2	5
3	4-1/2
4	4
5	3-1/2
6	3
7	2-1/2
8	2
9	1-1/2
10	1
11	1/2
12 or more	0

This section shall otherwise be in accordance with Chapter 13-5-1 of the Municipal Code.

F. Employees will have access to Departmental Leave Days in accordance with the Municipal Code and the Manual of Standard Personnel Practices. Permission will not be unreasonably withheld.

G. The above shall be in accordance with Chapter 13, Article 5, Section 2 of the Municipal Code of the City of Detroit except as modified by this article.

## 28. UNUSED SICK LEAVE ON RETIREMENT

A. Employees shall be entitled to payment for unused sick leave on retirement as follows:

Upon retirement, or death with twenty (20) years of service, an employee shall be entitled to payment of one-half (1/2) of their unused sick leave.

B. The payments will be made as part of the Employee's Pension Program, or the Employee's Benefit Plan, or through the Finance Department.

C. At the employee's option, he/she can elect to have up to the amount permitted by law of his/her unused sick leave payment deposited in his/her deferred compensation account with the balance paid to the employee.

## 27. FUNERAL LEAVE

A. If a death occurs among members of the employee's immediate family or household, the employee, provided he/she attends the funeral or memorial service, will be granted three (3) days leave not to be charged to sick leave; provided that such leave will be extended to five (5) days if the funeral or memorial service which the employee attends is more than 300 miles from the City of Detroit. When an employee is entitled to three (3) days leave under this provision, and the funeral or memorial service is within 300 miles of Detroit, he/she shall be granted two (2) days to be charged against current sick leave and then reserve sick leave upon his/her request.

B. **Definition of Immediate Family:** The immediate family is defined as wife, husband, son, daughter, brother, sister, father, mother, step-father, and step-mother.

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 sick leave provided he/she attends the funeral. If the funeral which the employee attends is more than 300 miles from the City of Detroit, the employee may extend the leave by two (2) days to be charged against current sick leave and then reserve sick leave upon his/her request.

D. **Definition of Relatives:** Relatives are defined as grandson, granddaughter, grandmother, grandfather, brother-in-law, sister-in-law, uncle, aunt, mother-in-law, and father-in-law.

E. The Association President or his/her designated representative, with proper notification to the department head, shall be allowed one (1) funeral day, not to be charged to sick leave, in order to attend the funeral of a City employee who was a member of his/her Association on the day prior to his/her death.

## 28. LONGEVITY PAY

A. Employees shall qualify for longevity pay as follows:

1. Employees may qualify for the first step of longevity pay, provided they have served as City employees for an accumulated period of five (5) years.

2. Employees may qualify for the second step of longevity pay, inclusive of the first step provided they have served as City employees for an accumulated period of eleven (11) years.

3. Employees may qualify for the third step of longevity pay, inclusive of the first and second steps, provided they have served as City employees for an accumulated period of sixteen (16) years.

4. Employees may qualify for the fourth step of longevity pay, inclusive of the first, second and third steps, provided they have served as City employees for an accumulated period of twenty-one (21) years.
5. Employees may qualify for the fifth step of longevity pay, inclusive of the first, second, third and fourth steps, provided they have served as City employees for an accumulated period of twenty-six (26) years.
6. The first step of longevity increment shall be one-hundred and fifty dollars (\$150). The second step of longevity increment inclusive of the first step, shall be three-hundred dollars (\$300). The third step of longevity increment, inclusive of the first and second steps, shall be four-hundred and fifty dollars (\$450). The fourth step of longevity increment, inclusive of the first, second and third steps, shall be six-hundred dollars (\$600). The fifth step of longevity increment, inclusive of the first, second, third and fourth steps, shall be seven-hundred and fifty dollars (\$750).
- B. Employees who have qualified for longevity pay and have accumulated at least eighteen hundred (1,800) hours of straight time regular payroll hours of paid time during the year immediately preceding any December 1 date or other day of payment will qualify for a full longevity payment provided they are on the payroll on the December 1 date or any other date of qualification. Except for employees first qualifying for increments, the payment will be made in a lump sum annually on the first pay date after December 1st.
- No employee will be denied a full longevity payment on December 1st because of a temporary unpaid absence of twenty (20) continuous days or less extending through the December 1st date in question.
- C. Employees who first qualify for longevity pay increments in any month after any December 1st date shall be paid such increment on a pro-rata basis upon attaining such qualification in the amount of a full increment less one-twelfth (1/12) thereof for each calendar month or fraction thereof from the previous December 1st date to date of such qualification.
- D. Pro-rated longevity payments may be made between December 1 dates to qualified employees and officers who separate or take leave from City service, excluding those who are discharged, those who resign and those who resign with a vested pension. Such pro-rated longevity increments shall be paid for time served on a full calendar month basis since the date of their last longevity payment; provided, that each month shall contain at least 160 straight time Regular Payroll hours of service.
- E. All of the above provisions except as modified herein shall be in accordance with Chapter 13, Article 7 of the Municipal Code of the City of Detroit.

32

**29. HOSPITALIZATION, MEDICAL INSURANCE, DENTAL INSURANCE AND OPTICAL CARE**

- A. The City shall continue to provide hospitalization and medical insurance based on the Blue Cross/Blue Shield ward service under the Michigan Variable Fee coverage (MVF-2) and the Prescription Drug Group Benefit Certificate with two dollar (\$2.00) co-pay (Certificate #87), known as the two-dollar (\$2.00) deductible Drug Rider for employees and their legal dependents, city disability retirees and their legal dependents, city death beneficiaries and their legal dependents, as provided by Chapter 13, Article 11 of the Municipal Code of the City of Detroit; until such time during this Agreement that the cost containment/reduction modifications are implemented pursuant to the Memorandum of Understanding Re: Lowered Health Care Costs. Such modifications may impact all or part of the provisions herein contained, including but not limited to medical, dental and optical care coverages.
- B. The City will pay up to the following amounts per month for hospitalization:
- |               |          |
|---------------|----------|
| Single person | \$100.06 |
| Two person    | \$238.29 |
| Family        | \$253.54 |
- Fifty percent (50%) of any premium charges that exceed the above amounts shall be paid by the employees and fifty percent (50%) shall be paid by the employer.
- C. Employees who wish to insure sponsored dependents shall pay the premium cost of this coverage.
- D. The City will provide regular retirees and their spouses for hospitalization and medical insurance based on the Blue Cross/Blue Shield ward service under the Michigan Variable Fee coverage (MVF-2) and the Prescription Drug Group Benefit Certificate with two dollar (\$2.00) co-pay (Certificate #87) known as the two dollar (\$2.00) deductible Drug Rider as provided by City Council in the 1977-78 Closing Resolution. The City will pay this premium for regular retirees and their spouses for only as long as they receive a pension from the City.

For persons who retire on or after July 1, 1986, the City will pay up to the following amounts per month for hospitalization and medical insurance:

Single person	\$100.06
Two person	\$238.29

Fifty percent (50%) of any increase over these amounts will be paid by the retiree and fifty percent (50%) shall be paid by the City. The City will pay this premium for regular retirees and their spouses only for as long as they receive a pension from the City.

33



CITY OF DETROIT  
FINANCE DEPARTMENT

1200 COLEMAN A. YOUNG  
MUNICIPAL CENTER  
DETROIT, MICHIGAN 48226  
PHONE 313 • 224 • 3491  
FAX 313 • 224 • 4466

# Memo

**To:** ALL CITY EMPLOYEES  
**From:** Norman L. White, Chief Financial Officer *NLW*  
**Date:** November 13, 2009  
**Re:** Longevity – supplemental wages

In order to comply with IRS Publication #15 item 7 and IRS tax code §31.3402(g)-1(a)(1)(i), the City of Detroit is required to apply a Supplemental tax rate to wages defined under the Tax code as Supplemental wages.

For IRS tax purposes the City's Longevity payment is a bonus. Per the applicable IRS codes cited above, and confirmation by an independent IRS consultant, the City's Longevity payment must be taxed at the supplemental rate in order to comply with the federal requirements.

Effective with the Longevity payment payable on December 4, 2009 longevity will be taxed at the federal rate of 25% for all city employees. Per IRS requirements, this rate will be applied regardless to the number of exemptions you have on the W-4 form you filed with the City.

Depending on your current pay rate, your longevity tax rate may be more or less than a regular payroll. Please contact your tax preparer for how the change will affect your individual situation.

NLW/ML/ec

FINANCE & PAYROLL ADMIN  
NOV 23 AM 8:42

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

In re:

Bankruptcy Case No. 13-53846

City of Detroit, Michigan

Honorable Thomas J. Tucker

Debtor.

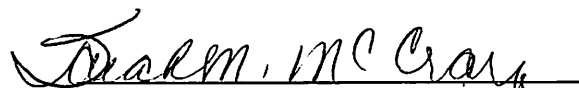
Chapter 9

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PROOF OF SERVICE

STATE OF MICHIGAN     )  
  )ss.  
COUNTY OF WAYNE     )

Sarah McCrary, being first duly sworn, deposes that on April 6, 2016, she served a copy of the following: **Claimant's Objection to Debtor City of Detroit's Thirty-Seventh Omnibus Objection to Certain Claims** upon: MILLER, CANFIELD, PADDOCK AND STONE, P.L.C., Marc N. Swanson (P71149), 150 West Jefferson, Suite 2500, Detroit, Michigan 48226 via Hand Delivery.

  
Sarah McCrary

FILED (1)  
2016 APR -6 P 12:58  
U.S. BANKRUPTCY COURT  
D. MICHIGAN-DETROIT