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**INTERNATIONAL UNION OF OPERATING ENGINEERS AGREES TO MODIFY BENEFITS
TO HELP IMPROVE FINANCIAL HEALTH OF WAYNE COUNTY GOVERNMENT**

DETROIT – Wayne County Executive Warren C. Evans announced today that his administration has reached an agreement with the International Union of Operating Engineers (IUOE) Local 324 to reduce pension and healthcare liabilities. The deal with the skilled trades union was ratified on Monday, July 27, 2015.

Looking to reduce its significant pension and healthcare liabilities, the County negotiated modifications that are consistent with its Recovery Plan. In the agreement, members of IUOE Local 324 have agreed to changes relating to the manner in which pensions are determined, eligibility requirements for retirement and other concessions.

“The agreement reached is proof that collective bargaining works, it also shows that IUOE Local 324 members are committed to being a part of the solution to the problems Wayne County faces,” said Tom Scott, Recording Corresponding Secretary and Business Representative for International Union of Operating Engineers Local 324.

The deal Wayne County reached with IUOE Local 324 is part of a new four-year contract, which still requires the approval of the Wayne County Commission. The cost savings modifications in the new contract include:

- Five percent salary reduction for the 2015-2016 and the 2016-2017 contract years.
- The County will no longer provide retiree healthcare. Members who have 20-plus years of County employment will receive the same retiree healthcare options as those in the MacDonald settlement announced in June.

- Overtime, sick, vacation and leave time will no longer be used to calculate Average Final Compensation. As a result of this agreement, Average Compensation will only include an employee's base wage.
- The Average Final Compensation will now be multiplied using the calculation of 1.25%. Prior to the agreement, the multiplier calculations, depending on the employees retirement plan, was either 2.0% or 2.5%.
- Now members must be 62 years old to retire and receive any benefits accrued after October 1, 2015.
- Annual employee contributions to the pension system have been increased.
 - The employee contribution in defined benefit plans will be 7% on the first \$52,155.00 of base wages annually. Those who have accrued the maximum retirement service credits shall contribute 2% of this amount.
 - Employees in defined benefit plans shall contribute 8% of base wages exceeding \$52,155.00 annually. Those who have accrued the maximum retirement service credits shall contribute 3% on this amount.

The IUOE Local 324 agreement is the first the County has reached with its unions, nine more remain.

County Executive Evans says the deal with the operating engineers union is a major step in the right direction, but reiterated there is still plenty of work to be done.

“The spirit of compromise and shared sacrifice shown by the IUOE membership speaks volumes to what can be accomplished when we all work toward a common goal, which in this case is creating long-term financial stability for Wayne County,” said Wayne County Executive Evans. “This agreement is an important milestone in our road to recovery, but we still have many more miles to travel before we eliminate the County's \$52 million structural deficit.”

To date, the Evans Administration has held 42 formal bargaining sessions with its 10 unions, and spent more than 1,500 hours preparing, developing and negotiating collective bargaining agreements.

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