

## MEMORANDUM OF UNDERSTANDING

**WHEREAS** the Mechanical Contractors Association of Detroit, Inc. and Journeymen Plumbers Local No. 98 of Detroit, Michigan are parties to a collective bargaining agreement (CBA) effective June 28, 2008, through May 31, 2011 (CBA);

**WHEREAS**, the parties desire to amend the CBA;

**WHEREAS**, hourly contributions have dropped causing cash flow deficiencies in several fringe funds;

**WHEREAS**, the parties have agreed to reallocate current contributions and wages to such fringe funds, in addition to the new monies available for unilateral Union allocation (i.e. \$1.90 per hour);

### **NOW THEREFORE THE PARTIES AGREE TO THE FOLLOWING ALLOCATION CHANGES EFFECTIVE JUNE 1, 2009:**

1. The following changes have been made to the hourly wages and contributions which were in effect May 31, 2009, for Unrestricted Journeyman:
  - (a) Wages – reduced (\$3.05)
  - (b) Defined Contribution Pension Fund – reduced (\$0.50),
  - (c) Retiree Benefit Fund – reduced (\$0.40)
  - (d) Insurance Fund – increased \$3.00
  - (e) Training Fund – increased \$0.60 (which includes a \$0.25 reallocation from wages and a \$0.25 reallocation from the IARF Fund)
  - (f) Defined Benefit Pension Fund – increased \$1.25
  - (g) SUB Fund – increased \$1.25

The net effect of these changes is reflected in the wage sheet attached as Exhibit A.

2. The following changes have been made to the hourly wages and contributions which were in effect May 31, 2009, for Light Commercial Journeyman, Service and Repair Journeyman:
  - (a) Wages – reduced (\$2.65)
  - (b) Defined Contribution Pension Fund – reduced (\$0.50),
  - (c) Retiree Benefit Fund – reduced (\$0.10)
  - (d) Insurance Fund – increased \$1.50
  - (e) Training Fund – increased \$0.50 (which includes a \$0.25 reallocation from wages and a \$0.25 reallocation from the IARF Fund)
  - (f) Defined Benefit Pension Fund – increased \$1.00
  - (g) SUB Fund – increased \$0.50

The net effect of these changes is reflected in the wage sheet attached as Exhibit B. Benefits for these classifications will be prorated based on contribution amount.

3. The following changes have been made to the hourly wages and contributions which were in effect May 31, 2009, for Apprentices 3 – 10:

- (a) Wages – reduced (\$1.83)
- (b) Defined Contribution Pension Fund – reduced (\$0.50)
- (c) Retiree Benefit Fund – reduced (\$0.17)
- (d) Insurance Fund – increased \$2.20
- (e) Training Fund – increased \$0.50 (which includes a \$0.25 reallocation from wages and a \$0.25 reallocation from the IARF Fund)
- (f) Defined Benefit Pension Fund – increased \$0.50
- (g) SUB Fund – increased \$0.50

The net effect of these changes is reflected in the wage sheet attached as Exhibit C.

4. The following changes have been made to the hourly wages and contributions which were in effect May 31, 2009, for Metal Trades:

- (a) Wages – reduced (\$1.50)
- (b) Insurance Fund – increased \$1.25
- (c) Training Fund – increased \$0.25

The net effect of these changes is reflected in the wage sheet attached as Exhibit D.

5. The following changes have been made to the hourly wages and contributions which were in effect May 31, 2009, for Residential Pipe Tradesman:

- (a) Wages – reduced (\$1.50)
- (g) Insurance Fund – increased \$1.25
- (c) Training Fund – increased \$0.50 (which includes a \$0.25 reallocation from wages and a \$0.25 reallocation from the IARF Fund)

The net effect of these changes is reflected in the wage sheet attached as Exhibit E.

6. After the second COBRA reimbursement is received by the Insurance Fund from the Federal Government, the parties will review the financial stability of the Insurance Fund and if agreeable to both sides, up to half of the increases in the hourly contributions to the Insurance Fund listed above may be reallocated as an hourly contribution to the SUB Fund.
7. All increases in the hourly contributions listed above to the SUB Fund will revert to the wages of the respective categories as of the June 2010 allocation date in the CBA unless the parties agree to allocate the contributions elsewhere.
8. The \$0.25 contribution to the Training Fund which was made via a reduction of Wages will be reallocated back to Wages upon 3 months notice from the Union to MCA. The \$0.25 contribution to the Training Fund which was made via a reduction of the contribution to the IARF will be reallocated back to IARF upon 3 months notice from MCA to the Union.

9. The parties agree to review Apprentice pay package changes before the end of this year that will increase Apprentice employability.
10. All other terms and conditions of the CBA remain unchanged.

**WHEREFORE**, the parties have executed this Memorandum of Understanding on \_\_\_\_\_, 2009.

**JOURNEYMEN PLUMBERS  
LOCAL NO. 98 OF DETROIT,  
MICHIGAN**

**MECHANICAL CONTRACTORS  
ASSOCIATION OF DETROIT, INC.**

By: Tom Delchant

By: [Signature]

W0766180



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June 1, 2009

Unrestricted Journeyman **EXHIBIT A**

**Effective First shift Monday morning, June 1, 2009**

Wages: *New fringes take effect as shown below*

TAXABLE WAGE STRAIGHT TIME	\$33.36
Basic Hourly Wage (Net of taxable withholding)	\$29.73

Fringes:

Vac. & Hol. (deduct from wage)(taxable)	\$2.00
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General Dues (deduct from wage)(taxable)	\$0.35
Working Dues (deduct from wage)(taxable)	\$1.03
Union Hall Fund Dues (deduct from wage)(taxable)	\$0.25
Insurance	\$12.50
Pension Defined Benefit	\$8.75
Pension Defined Contribution	\$0.00
S. U. B. Fund	\$2.64
Retiree Benefit Fund	\$0.00
Piping Education Council	\$0.40
Training Fund	\$1.46
International Training Fund	\$0.10
Industry Apprenticeship Reimbursement Fund	\$0.25
<b>TOTAL to be included with fringe payment</b>	<b>\$27.73</b>

Tom Delehant  
 Tom Delehant  
 Business Manager, Local 98  
 Date

Carl Evans  
 Carl Evans  
 Director, MCA Detroit  
 Date 6-03-2009



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Lt. Commercial/Service

**EXHIBIT B**

**Effective First shift Monday morning, June 1, 2009**

TAXABLE WAGE STRAIGHT TIME	\$24.31
Basic Hourly Wage (Net of taxable withholding)	\$22.15

Fringes:

Vac. & Hol. (deduct from wage)(taxable) include V&H in check	\$1.25
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General Dues (deduct from wage)(taxable)	\$0.20
Working Dues (deduct from wage)(taxable)	\$0.56
Union Hall Fund Dues (deduct from wage)(taxable)	\$0.15
Insurance	\$7.06
Pension Defined Benefit	\$8.50
Pension Defined Contribution	\$0.00
S. U. B. Fund	\$0.75
Retiree Benefit Fund	\$0.00
Piping Education Council	\$0.25
Training Fund	\$0.91
International Training Fund	\$0.05
Industry Apprenticeship Reimbursement Fund	\$0.25
<b>TOTAL to be included with fringe payment</b>	<b>\$18.68</b>

Tom Delehant  
 Tom Delehant  
 Business Manager, Local 98  
 Date \_\_\_\_\_

Carl Evans  
 Carl Evans  
 Director, MCA Detroit  
 Date 6-03-2009



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Apprentice

Effective First shift Monday morning, June 1, 2009

**EXHIBIT C**

Wages: New fringes take effect as shown below

Apprentice to be paid for school day

TAXABLE WAGE STRAIGHT TIME

1st Period	\$13.10	6th Period	\$20.11
2nd Period	\$13.10	7th Period	\$21.26
3rd Period	\$17.17	8th Period	\$22.43
4th Period	\$17.80	9th Period	\$23.58
5th Period	\$18.96	10th Period	\$24.73

Apprentice Fringe:

1st to 2nd	Working Dues (deduct from wage)(taxable)	\$0.50
	Insurance	\$2.33
	Pension Defined Benefit	\$1.83
	Piping Education Council	\$0.15
	International Training Fund	\$0.05
	Industry Apprenticeship Reimbursement Fund	\$0.30
	<b>TOTAL to be included with fringe payment</b>	<b>\$5.16</b>

3rd to 10th	Vac. & Hol. (deduct from wage)(taxable)	\$1.00
	include V&H in check	

General Dues (deduct from wage)(taxable)	\$0.17
Working Dues (deduct from wage)(taxable)	\$0.51
Union Hall Fund Dues (deduct from wage)(taxable)	\$0.13
Insurance	\$6.26
Pension Defined Benefit	\$3.50
Pension Defined Contribution	\$0.25
S. U. B. Fund	\$1.00
Retiree Benefit Fund	\$0.00
Piping Education Council	\$0.25
Training Fund	\$1.26
International Training Fund	\$0.05
Industry Apprenticeship Reimbursement Fund	\$0.05
<b>TOTAL to be included with fringe payment</b>	<b>\$13.43</b>

Tom Delehant  
 Tom Delehant  
 Business Manager, Local 98  
 Date

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 Carl Evans  
 Director, MCA Detroit  
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NO change in total package for MTRP, 2nd and 3rd Period.  
Helper classification EXACTLY the same as in 2008.

June 1, 2009

Metal Trades Division Plumber **EXHIBIT D**

**Effective First shift Monday morning, June 1, 2009**

**TAXABLE WAGE STRAIGHT TIME**

Helper	\$13.33
Second Period	\$15.41
Third Period	\$18.11
MTRP Plumber	\$20.48

Fringes:

Helper	Working Dues (deduct from wage)(taxable)	\$0.58
	Insurance	\$3.37
	Piping Education Council	\$0.15
	Training Fund	\$0.10
	International Training Fund	\$0.05
	<b>TOTAL to be included with fringe payment</b>	<b>\$4.25</b>

2nd, 3rd and MTRP

Vac. & Hol. (deduct from wage)(taxable)	\$1.25
V&H to be included in pay check	

Working Dues (deduct from wage)(taxable)	\$0.75
Insurance	\$6.57
Pension Defined Contribution	\$1.75
Piping Education Council	\$0.15
Training Fund	\$0.61
International Training Fund	\$0.05
<b>TOTAL to be included with fringe payment</b>	<b>\$9.88</b>

NON LICENSED WORKERS. DEPENDING ON YEARS OF EXPERIENCE  
 IS YOUR CLASSIFICATION.

Note: Metal trades upgrading frozen until training program and upgrading standards are in place

\* During the initial probationary period of 90 days DC not paid. After probationary period ends, contributions to DC begin.

Tom Delehant  
 Tom Delehant  
 Business Manager, Local 98  
 Date \_\_\_\_\_

Carl Evans  
 Carl Evans  
 Director, MCA Detroit  
 Date 6-03-2009



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## Residential Pipe Tradesman

Effective First shift Monday morning, June 1, 2009

June 1, 2009

**EXHIBIT E**

**TAXABLE WAGE STRAIGHT TIME**

First Period	\$13.91
Second Period	\$16.32
Third Period	\$18.72
Residential Plumber Journeyman	\$24.31

**Fringes:**

1st, 2nd and 3rd Period	Working Dues (deduct from wage)(taxable)	\$0.53
	Insurance	\$5.37
	Pension Defined Contribution	\$1.00
	Piping Education Council	\$0.25
	Training Fund	\$0.35
	International Training Fund	\$0.05
	<b>TOTAL to be included with fringe payment</b>	<b>\$7.55</b>

NON LICENSED WORKERS. DEPENDING ON YEARS OF EXPERIENCE  
 IS YOUR CLASSIFICATION.

Residential Journeyman

Vac. & Hol. (deduct from wage)(taxable)	\$1.25
V&H to be included in pay check	

General Dues (deduct from wage)(taxable)	\$0.20
Working Dues (deduct from wage)(taxable)	\$0.56
Union Hall Fund Dues (deduct from wage)(taxable)	\$0.15
Insurance	\$7.06
Pension Defined Benefit	\$8.50
Pension Defined Contribution	\$0.00
S. U. B. Fund	\$0.75
Retiree Benefit Fund	\$0.00
Piping Education Council	\$0.25
Training Fund	\$0.91
International Training Fund	\$0.05
Industry Apprenticeship Reimbursement Fund	\$0.25
<b>TOTAL to be included with fringe payment</b>	<b>\$18.68</b>

Note: RPT upgrading frozen until training program and upgrading standards are in place.

\* During the initial probationary period of 90 days DC not paid. After probationary period ends, contributions to DC begin.

Tom Delehant  
 Tom Delehant  
 Business Manager, Local 98  
 Date \_\_\_\_\_

Carl Evans  
 Carl Evans  
 Director, MCA Detroit  
 Date 6-03-2009