



## Human Resources Department

DATE: June 6, 2006

TO: John M. Lamerato, Acting City Manager

FROM: Brian Murphy, Assistant City Manager/Services  
Peggy E. Clifton, Human Resources Director

SUBJECT: **Agenda Item** - 2006 Annual Salary Update for Classified and Exempt Employees and Proposed Changes to Benefit Package and Personnel Rules & Regulations

### **RECOMMENDATION**

City Administration recommends approval of the 2006 Classification and Pay Plans for Classified and Exempt employees, and proposed benefit changes for current employees hired before July 1, 2005.

The proposed Pay Plan adjustment results in an average salary increase of 2.84%. This is comprised of a 2% across the board increase to the pay range, plus a merit increase depending on performance of up to 1.0%. This year 3.0% was budgeted for these wage increases. The proposed changes to the Classification Plan for Exempt employees are indicated on that Plan.

The cost of the proposed salary increases will be partially offset by a cost savings measure in health insurance. The prescription drug rider for Classified and Exempt employees is going to change from the current \$5/\$5 (for generic/brand name drugs) to \$5/\$10. This will result in an annualized cost savings of .42% of payroll. Thus, the total cost of these recommendations is 2.42%.

### **BACKGROUND**

#### Pay Plan

Since 2002, City Council approved the city administration's recommendation not to contract with an outside consultant due to cost and service concerns, and approved a proposed Pay Plan pursuant to a survey conducted internally. Due to continued budget constraints again this year, it was determined not to contract with an outside consultant for the purpose of updating the Classification and Pay Plans. A survey was conducted internally, and on June 5,

2006 the Personnel Board reviewed the proposed plans. These Plans are recommended to City Council for approval.

Our goal continues to be to advance high performance employees through the range, within budgetary constraints.

#### Proposed Changes to Benefit Package

Changes proposed for the benefit package for Classified and Exempt employees hired prior to July 1, 2005 address two areas: health insurance and tuition reimbursement. In health insurance it is recommended that a \$5/\$10 drug rider be implemented for generic/brand name drugs (increased from the \$5/\$5 drug rider currently in place for these employees.) With this modification, all employees will participate in a drug rider plan that helps reduce the cost of health insurance by encouraging the use of generic drugs.

It is recommended that the tuition reimbursement program be adjusted to allow for a Masters degree for employees hired prior to July 1, 2005 who were enrolled in a Masters program as of July 1, 2005.

#### Revision to Personnel Rules & Regulations

The proposed revisions to the Personnel Rules and Regulations reflect the recommended changes in the provisions for health insurance and tuition reimbursement discussed above.

The Personnel Board reviewed the proposed changes on June 5, 2006 and recommends City Council approval.

Attachments: a) Recommended Pay Plan  
b) Recommended Classification Plans  
c) Personnel Board Minutes & Rules Changes

**PAY PLAN**  
**CLASSIFIED AND EXEMPT EMPLOYEES**  
**JULY 1, 2006 \***

<b>Grade</b>	<b>Minimum</b>	<b>Mid-Point</b>	<b>Maximum</b>
1	\$24,062	\$30,078	\$36,093
2	\$28,184	\$35,231	\$42,277
3	\$32,931	\$41,164	\$49,398
4	\$38,678	\$48,347	\$58,016
5	\$45,423	\$56,779	\$68,135
6	\$54,044	\$67,555	\$81,065
7	\$64,037	\$80,047	\$96,056
8	\$79,173	\$98,968	\$118,762
9	\$81,292	\$101,615	\$121,938
10	\$83,791	\$104,739	\$125,685
11	\$86,775	\$108,471	\$130,165
12	\$90,307	\$112,883	\$135,460
15	\$105,584	\$131,981	\$158,377

*\*Pay Plan represents a 2% increase over 2005 Pay Plan*

CLASSIFICATION PLAN  
EXEMPT EMPLOYEES

July 1, 2005 July 1, 2006

Pay Grade 3

Assistant to the City Manager

Pay Grade 4

Aquatics Coordinator  
Associate Buyer  
Fitness and Gym Coordinator  
Naturalist

Pay Grade 5

Application Support Specialist  
Buyer  
Community Center Facility Manager  
Data Processing Analyst/Programmer  
Director of Golf Operations  
Greens Superintendent  
Land Surveyor  
**Lead PC Specialist**  
Librarian II  
Nature Center Manager  
Planner  
Police Records Supervisor  
Recreation Supervisor  
Solid Waste Coordinator

Pay Grade 6

Civil Engineer  
Communications Manager  
Deputy City Clerk  
GIS Administrator  
Human Resources Specialist  
Museum Manager  
Network Administrator  
~~Operations Coordinator~~ **Asst. Library Director**  
Project Construction Manager  
Purchasing Systems Administrator  
Research and Technology Administrator

Pay Grade 7

Attorney I  
Attorney II  
City Treasurer  
Community Affairs Director  
Deputy City Assessor

Pay Grade 7 (continued)

Deputy City Engineer  
Parks Superintendent  
Plans Examiner/Coordinator  
Principal Planner  
Risk Manager  
Senior Right-of-Way Representative  
Supt. of Building Operations  
Supt. of Motor Pool  
Supt. of Recreation  
Supt. of Streets and Drains  
~~Water and Sewer Maintenance Superintendent~~  
**Supt. of Water & Sewer Maintenance**

Pay Grade 8

Assistant City Attorney  
City Clerk  
Director of Building Operations  
Director of Purchasing

Pay Grade 9

City Assessor  
City Engineer  
Director of Building and Zoning  
Financial Services Director  
Fire Chief  
Human Resources Director  
Information Technology Director  
Library Director  
Parks and Recreation Director  
Planning Director  
Real Estate and Development Director

Pay Grade 10

Police Chief  
Public Works Director

Pay Grade 11

City Attorney

Pay Grade 12

Assistant City Manager/Finance  
Assistant City Manager/Services

Pay Grade 15

City Manager

**CLASSIFICATION PLAN  
CLASSIFIED EMPLOYEES**

**July 1, 2006**

Pay Grade 1

Pay Grade 2

Inventory Control Assistant  
Museum Archivist

Pay Grade 3

Administrative Aide  
Assistant Naturalist  
Education Coordinator  
Engineering Technician  
Legal Secretary  
Library Aide  
Manager's Office Secretary  
Secretary II

Pay Grade 4

Building Maintenance Specialist  
Engineering Assistant  
GIS Data Analyst  
Inspector  
Insurance & Safety Coordinator  
Landscape Analyst  
Legal Assistant  
Librarian I  
Office Coordinator  
PC Specialist/Help Desk Technician  
Planning Technician  
Survey Supervisor

Pay Grade 5

Accountant  
Administrative Assistant to the City Manager  
Appraiser  
Building Inspector  
Civilian Communications Supervisor  
Community Affairs Officer  
Cross Connection Inspector  
Environmental Specialist  
Field Supervisor  
Project Manager (Engrg.)  
Right-of-Way Representative

Pay Grade 6

Inspector Supervisor

Pay Grade 7

Plan Analyst

Personnel Board Approved:6/06/06  
Council Approved:

N =35

G: C&E/ClassifiedClassPlan2006

A Regular Meeting of the Troy Personnel Board was held Monday, June 5, 2006, at City Hall, 500 W. Big Beaver Road. Clerk Bartholomew called the meeting to order at 6:45 PM.

**ROLL CALL:**

**PRESENT:** Member Baughman  
Member Shaw  
Member Tschirhart

**ABSENT:** Member Nelson

**ALSO PRESENT:** John M. Lamerato, Acting City Manager  
Brian Murphy, Assistant City Manager, Services  
Peggy Clifton, Human Resources Director  
Tonni L. Bartholomew, City Clerk

**APPOINTMENT OF PERSONNEL BOARD CHAIRPERSON:**

PB-#2006-06-001  
Moved by Baughman  
Seconded by Shah

RESOLVED, That Members of the Troy Personnel Board hereby **APPOINT** Tschirhart to serve as Chairperson.

Yes: All-3  
Absent: Nelson

**APPROVAL OF MINUTES:**

PB-2006-06-002  
Moved by Tschirhart  
Seconded by Baughman

RESOLVED, That the Personnel Board hereby **APPROVES** the minutes of the Personnel Board meeting of Tuesday, June 8, 2004 as corrected and the minutes of Tuesday, December 20, 2005 as presented.

Yes: All-3  
Absent: Nelson

**OLD BUSINESS: None**

**NEW BUSINESS:****A. Recommendations for Classification Plan and Pay Plan:**

Peggy Clifton, Human Resources Director advised the Board that HR staff surveyed 4 surrounding communities to determine the average pay increase. The budgeted amount for increases was set at 3%. Staff recommends the following:

Range adjustment: 2%

Across-the-board salary increases: 2% (with satisfactory performance evaluation)

Merit (based on performance evaluation score): up to 1%

PB-2006-06-003

Moved by Baughman

Seconded by Shah

RESOLVED, That the Personnel Board hereby **APPROVES** the proposed recommendations for the *Classification Plan and Plan* (FY 2006-2007) as submitted.

Yes: All-3

Absent: Nelson

**B. Recommended Changes in Prescription Drug Rider and Tuition Reimbursement Program**

Peggy Clifton, Human Resources Director advised the Board that management is proposing a change in Prescription Drug Riders. She reference the proposed Section XXVI distributed with the agenda packet.

PB-2006-06-004

Moved by Baughman

Seconded by Shah

RESOLVED, That the Personnel Board hereby **APPROVES** the proposed recommendations in the Personnel Rules, Section XXVI. Hospitalization and Medical Insurance, subsection 1), and in the Personnel Rules, Section XXVIII. Tuition Reimbursement, subsection 2), as submitted.

Yes: All-3

Absent: Nelson

**C. Approval of Revisions to Personnel Rules to Reflect Appropriate Changes in Benefit Package**

PB-2006-06-005

Moved by Shaw  
Seconded by Baughman

RESOLVED, That the Personnel Board hereby **APPROVES** the revisions in the Personnel Rules, to reflect the appropriate changes in the benefit package as submitted.

Yes: All-3

**ADJOURNMENT:**

PB-06-06-006: Moved by Baughman, Seconded by Tschirhart, CARRIED  
UNANIMOUSLY: That there being nothing else to come before the Board, the meeting be **ADJOURNED**.

Yes: Baughman, Tschirhart, Shah  
No: None  
Absent: Nelson

Meeting adjourned at 7:12 PM.

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Ronald Tschirhart, Chairman

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Tonni L. Bartholomew, City Clerk

## XXVI. HOSPITALIZATION AND MEDICAL INSURANCE

The City shall provide hospitalization and medical insurance for the employee and dependents equal to the following:

- 1) Blue Cross/Blue Shield, MVF I, Master Medical Option III, with the following riders: ~~\$5.00~~ **\$5/\$10** deductible prescription (PD-CR) ~~(for employees hired on or after 1/01/04, \$5/\$10 prescription drug rider for generic/brand name drugs;~~ \$10/\$20 for employees hired on or after 7/1/05), D45NM, FC, SD, G65, Optical, ML, FAE-RC, V-ST, Reciprocity, PCES-1, PCES-2, SAT-2, COB, GLE, RM. Employees hired on or after 1/01/04 will receive the Blue Cross Blue Shield PPO insurance under Group Suffix 65337-002 with Master Medical Option 1. ~~(7/05)~~(7/06)
- 2) Dental Insurance, including Class I and Class II benefits, with a 10% employee co-payment for claims and a maximum benefit of \$1,000 per person per calendar year, and Orthodontic coverage with 50% employee co-payment up to a maximum of \$2,000 lifetime benefit (for dependents 19 years and under). (7/05)
- 3) Effective July 1, 2001, the City's unilateral responsibility of paying premiums for medical insurance shall be frozen at \$700.00 per month. Any increase in the cost of medical insurance in excess of \$700.00 per month will be paid by deducting 50% of the premium increase from the employee's paycheck, but not more than \$85 per month. Should an employee choose to elect like coverage (i.e. family coverage to family coverage) through a less expensive carrier, the City will pay to the employee 50% of the money saved by such conversion. Should an employee elect not to be provided with medical insurance through the City of Troy, the City will pay to the employee \$250 per month. (12/03)

The City pays 50% of the cost of family continuation coverage for eligible children between the ages of 19 and 25 years. The remaining cost is deducted from the employee's paycheck on a monthly basis.

## XXVIII. TUITION REIMBURSEMENT

The City will reimburse an employee for up to 100% of the cost of tuition for work-related college courses or degrees subject to the following conditions:

- 1) Tuition will be reimbursed, not including books, supplies, or other fees or expenses, and cannot duplicate any other financial aid such as scholarships, grants, GI Bill, etc., to which the employee may be entitled or apply for.
- 2) Courses included in this program must be required for an Associates Degree, Bachelors Degree, or a Certificate program, that is organizationally related. **(Employees who were enrolled in a Masters Degree program and receiving tuition reimbursement as of July 1, 2005 shall be eligible for tuition reimbursement for Masters degree classes taken on or after July 1, 2006 until attainment of the Masters Degree, but subject to the annual maximum noted in item #6 below.)**  
(7/05)(7/06)
- 3) Payment must be approved by the Department Director and the Human Resources Director before enrolling in the class.
- 4) The course must be taken at an accredited school or university, but need not be a credit course.
- 5) The employee must submit verification of having paid for the course and passed the course with a grade of “C” (2.0) or better.
- 6) No employee shall receive more than \$4,000 under this program in any fiscal year. Employees hired on or after 7/1/05 shall not receive more than \$2,000 in any fiscal year.  
(7/05)
- 7) Prior to receiving payment, the employee must sign an agreement to reimburse the City if the employee terminates his employment or is terminated by the City within one (1) year of the completion of the course.