



## Human Resources Department

DATE: June 10, 2005

TO: John Szerlag, City Manager

FROM: John M. Lamerato, Assistant City Manager/Finance and Administration  
 Brian Murphy, Assistant City Manager/Services  
 Peggy E. Clifton, Human Resources Director

SUBJECT: **Agenda Item** - 2005 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 2005 Classification and Pay Plans for Classified and Exempt employees, and proposed benefit changes for employees hired after July 1, 2005.

The proposed Pay Plan adjustment results in an average salary increase of 2.78%. 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 Plans are indicated on both Plans.

### **BACKGROUND**

#### Pay Plan

By way of background, from 1999 to 2002 the Hay Group was retained to update the Classification and Pay Plans for Classified and Exempt employees. On April 11, 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 9, 2005 the Personnel Board reviewed the proposed plans. These Plans are recommended to City Council for approval.

Once again, our goal is to advance high performance employees through the range, within budgetary constraints.

### Proposed Changes to Benefit Package

Changes proposed for the benefit package for new employees hired on or after July 1, 2005 address two areas: health insurance and pension. In health insurance, it is recommended that a \$10/\$20 drug rider be implemented for generic/brand name drugs (increased from the \$5/\$10 drug rider in place for current employees.) In the pension plan, it is recommended that the employer contribution to the Defined Contribution (DC) plan be reduced from 11% to 10%.

For all Classified and Exempt employees, it is recommended that the tuition reimbursement program be adjusted to allow for an Associates or Bachelors degree or a certificate program that is organizationally related (as opposed to related to the employee's present position), and to institute a maximum amount of \$4,000, with a \$2,000 maximum amount for employees hired on or after 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, tuition reimbursement and pension discussed above.

The Personnel Board reviewed the proposed changes and recommends City Council approval.

PEC/bjm/PC05M.030

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

**PAY PLAN**  
**CLASSIFIED AND EXEMPT EMPLOYEES**  
**JULY 2, 2005 \***

<b>Grade</b>	<b>Minimum</b>	<b>Mid-Point</b>	<b>Maximum</b>
1	\$23,590	\$29,488	\$35,385
2	\$27,631	\$34,540	\$41,448
3	\$32,285	\$40,357	\$48,429
4	\$37,920	\$47,399	\$56,878
5	\$44,532	\$55,666	\$66,799
6	\$52,984	\$66,230	\$79,475
7	\$62,781	\$78,477	\$94,173
8	\$77,621	\$97,027	\$116,433
9	\$79,698	\$99,623	\$119,547
10	\$82,148	\$102,685	\$123,221
11	\$85,074	\$106,344	\$127,613
12	\$88,536	\$110,670	\$132,804
15	\$103,514	\$129,393	\$155,272

*\*Pay Plan represents a 2% increase over 2004 Pay Plan*

Personnel Board Approved: 6/09/05  
City Council Approved:

**CLASSIFICATION PLAN**  
**CLASSIFIED EMPLOYEES**  
**July 1, 2004 July 1, 2005**

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: 6/09/05  
Council Approved:

N = ~~33~~ - 35

G: C&E/ClassifiedClassPlan~~2004~~ 2005

**CLASSIFICATION PLAN**

**EXEMPT EMPLOYEES**

**July 1, 2004 July 1, 2005**

Pay Grade 3

Assistant to the City Manager  
~~Legal Secretary~~

Pay Grade 4

Aquatics Coordinator  
Associate Buyer  
Fitness and Gym Coordinator  
Naturalist  
~~PC Specialist/Help Desk Technician~~

Pay Grade 5

Application Support Specialist  
Buyer  
Community Center Facility Manager  
Data Processing Analyst/Programmer  
Director of Golf Operations  
Greens Superintendent  
Land Surveyor  
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  
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  
Superintendent of Building Operations  
Superintendent of Motor Pool  
Superintendent of Recreation  
Superintendent of Streets and Drains  
Water and Sewer Maintenance Superintendent

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

To view the Personnel Board minutes, please visit Section J-1 of the agenda (“Minutes: Boards and Committees”).

## 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 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 65337-001 with Master Medical Option 1. (~~12/03~~**7/05**)
- 2) Dental Insurance, including Class I and Class II benefits, with a 10% employee co-payment of claims and a maximum benefit of \$1,000 per person per year (benefit year depends on date of hire) and Orthodontic coverage, with 50% employee co-payment up to a maximum of \$2,000 lifetime benefit (for dependents 19 years and under). (8/02)
- 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 ~~must be either related to the employee's present position or be a required course in a degree program which is related to the employee's present position.~~ **included in this program must be required for an Associates degree, Bachelors degree, or a certificate program that is organizationally related. (7/05)**
- 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 \$4000 under this program in any fiscal year. Employees hired on or after 7/1/05 shall not receive more than \$2000 in any fiscal year. (7/05)**
- 6)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.

### XXX. RETIREMENT

Employees hired before 1/1/98 who chose to remain in the Defined Benefit plan continue to participate in the Defined Benefit (DB) Pension Program, as explained in Chapter 10 of the Troy City Code.

City of Troy employees hired on or after 1/1/98 participate in the Defined Contribution (DC) pension program which is administered by the ICMA Retirement Corporation.

1. Contributions: The contribution rates for this plan are (as a % of earnings):

Employer: 12% (for employees hired before 1/1/04)

11% (for employees hired on or after 1/1/04) (1/04)

**10% (for employees hired on or after 7/1/05) (7/05)**

Employees: 4%

2. Vesting: Employees are 50% vested at three years, 75% vested at four years and 100% vested at five years.

- 19 -

Upon normal retirement, early retirement, or disability retirement, employees may be eligible for medical and hospitalization insurance. For employees retiring after January 1, 2000, the City will pay for medical and hospitalization coverage at the rate of 4% per complete year of service, or the first \$400.00 per month of the cost of coverage for retirees, whichever is greater. Employees who participate in the Defined Contribution Pension Plan must meet the age and service requirement specified in the retir