

Mary F Redden

From: Mary F Redden
Sent: Monday, May 10, 2010 4:00 PM
To: Lori G Bluhm; John M Lamerato; Mark F Miller; John Szerlag; 000schilling@ameritech.net; Dane Slater (djlkslater@aol.com); Mary Kerwin (marykerwin5@hotmail.com); Maureen M. McGinnis (mmcginis@dmcginnis.com); mfhowryl@umich.edu; rbeltram@wideopenwest.com; Wade Fleming; wade.fleming@proforma.com
Cc: William S Nelson; Gary G Mayer; Cynthia A Stewart
Subject: Response to Budget Questions from Council Member Martin Howrylak

Good afternoon:

Below are City Management's responses to 6 questions regarding the budget that were posed by Council Member Martin Howrylak.

1) What is the monetary effect of reducing the PEG contribution from a half percent to a quarter percent and what will that money be used for in the City?

Answer by John Szerlag: PEG contributions will be reduced from \$90,000 to \$45,000. The extra \$45,000 the City now has will be used to defray the cost of Community Affairs Director Cindy Stewart. Although the Community Affairs Department is expunged, Mrs. Stewart will work out of the City Manager's Office and still perform many of her previous functions.

2) What is the cost of Mrs. Stewart?

Answer by John Lamerato: The figure is \$166,251, including wages and fringe benefits.

3) Did the City consider bidding out Community Affairs functions with CMN?

Answer by Cindy Stewart: CMN is not qualified to do everything the Community Affairs Director does. The Community Affairs Department duties include the City website (daily updates); quarterly newsletter - Troy Today (writing, layout, etc.); weekly newsletter sent to the Troy schools for TSD families; compiling monthly events listing; compiling e-newsletters; social media updates; daily news releases for all facilities & departments; ombudsman (daily contact with residents to answer questions and concerns including concerns with utility companies); preparing new resident packets for dissemination; working with Economic Development Specialist to assist with business retention; communication internally and externally with employees, residents, business community, and the media; writing proclamations; designing and writing content for departmental brochures; coordination of advertisements for facilities and programs; implementation of special events and programs for residents and employees; coordination of the Government Cable Television Channel including meeting coverage as well as special programs, bulletin board and public service announcements; City liaison for various boards and committees, along with the ICCA.

4) Did the City Manager take bids, or is going to take bids, for having the Sheriff's Department police the City of Troy?

Answer by John Szerlag: No. It's my understanding that Option 1 was developed to keep the Police Department in place as a community department instead of a regional department. That said, should the governing body wish to take bids from the Sheriff's Department to patrol the City of Troy, they will need to formally instruct the City Manager to do so.

5) Does Council have the most recent actuarial valuation for the pension systems?

Answer by John Lamerato: We are using the 12/31/2008 Actuarial Study and an updated projected contribution table as of 8/10/09 provided by Gabriel, Roeder, Smith & Company to compute our Defined Benefit employer contribution. Upon receipt of the 12/31/2009 Actuarial Study we will compare the budgeted and actual contribution amounts and make any necessary adjustments. We use a 5-year smoothing method to allocate investment earnings from year to year.

6) Are the volunteer firefighters still receiving a 10% increase in their pensions?

Answer by John Szerlag, John Lamerato and Bill Nelson: We currently have a tentative agreement in place with the volunteer firefighters freezing contribution rates for the next 2 fiscal years.

Regards,

Mary Redden
Administrative Assistant to the City Manager