



CITY COUNCIL AGENDA ITEM

Date: January 24, 2011

To: Honorable Mayor and Troy City Council

From: John Szerlag, City Manager
John M. Lamerato, Assistant City Manager/Finance and Administration
Mark F. Miller, Acting Assistant City Manager/Economic Development Services
Peggy E. Sears, Human Resources Director

Subject: Update on Employee Concessions – Classified and Exempt Employees

In order to address the current budget situation, City Council directed that City management pursue a 10% cost savings from each employee group. This 10% is calculated on payroll costs which include base pay, pension, workers compensation and FICA. On November 22, 2010, City Council ratified a contract extension for the Troy Fire Staff Officers Association (TFSOA) that achieved these cost savings.

Consistent with the direction of City Council, we have met with the Classified and Exempt employees to discuss further concessions beyond the furlough days that had been implemented. (Since February, 2010, the Classified and Exempt employees have been contributing furlough days which represent a 5% savings.) These meetings resulted in achieving a 10% reduction in payroll costs, approximately \$919,000. This cost savings is comprised of a combination of furlough days and pay reductions, as well as the same changes to health insurance that were agreed to by the TFSOA.

We have now met our objective with three employee groups representing 32% of our full-time workforce.

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