



## FROM THE OFFICE OF THE CITY MANAGER

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May 13, 2011

To: The Honorable Mayor and City Council Members  
From: John Szerlag, City Manager  
Subject: Responses to Inquiries Made at Budget Wrap-up Session

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Attached are responses to inquiries made by Council at our budget wrap-up session. Specifically, you will find responses in the following areas:

- Explanation of methodology for assessment projections
- Summary budget comparison of police department from FY 2010/11 to FY 2011/12
- City of Troy's vehicle replacement program
- Fire station one and three pumper replacement
- Vehicle allowance and city vehicle use between home and duty station
- Status of longevity benefit by employee group

c: John M. Lamerato, Assistant City Manager/Finance & Administrative Services  
Mark F. Miller, Director of Economic and Community Development  
Samuel P. Lamerato, Superintendent of Fleet Maintenance  
Nino Licari, City Assessor  
Gary Mayer, Chief of Police  
William S. Nelson, Fire Chief  
Tim Richnak, Public Works Director  
Peggy Sears, Human Resources Director

JS/bt\Szerlag\2011\To M&CC – Responses to Inquiries Made at Budget Wrap-up Session



# CITY COUNCIL REPORT & COMMUNICATION

May 10, 2011

TO: John Szerlag, City Manager 

FROM: John Lamerato, Assistant City Manager –Finance/Administrative Services   
Nino Licari, City Assessor 

SUBJECT: Explanation of Methodology for Assessment Projections

In an effort to clarify the 3 year projections of assessments by class, upon which so many of the 3 year budget projections are made, a more detailed explanation of the methodology is needed.

For the current budget year (2011/2012) that you are contemplating, the numbers are actual for all classes. This estimate was initially estimated to be a 10% reduction, and came in at slightly higher than 8%. This was mainly due to the Consumer Price Index (CPI) factor of 1.017. This was much higher than was anticipated by both the County and State. It resulted in Taxable Value being picked up on any of the neighborhoods where assessments were increased, and on any property that had a transfer of ownership. I would add that the Assessment reductions were closer to the 10% estimate.

The Residential Class is the easiest to project, based on the sheer volume of data available. For the 2012/2013 year, the 5% estimated reduction is calculated by taking the available sales from October 1, 2010 through the day of the estimate, and dividing the 2011 total assessments of those properties by the total value of the sales for those same properties. This product shows a 52.39 ratio of assessment to sales. That number dictates a 4.78% reduction, rounded to 5%. The trending in this class from 2009/2010 through 2011/2012 shows a flattening of the changes necessary, and an estimate of 4% reductions for 2013/2014 and 2014/2015 is used.

The Commercial Class is dominated by the over 18,000,000 square feet of Office space in Troy. This sub class has and continues to take enormous reductions in value, both from its high vacancy rate, and the dramatically reduced rental rates these properties can command with a limited tenant base to attract. Of the over 400 appeals of commercial/industrial property currently active in Troy, almost ½ are Office properties. Appeals that have been settled before the Tribunal range from average reductions in 2008 in the high teens, peaking at close to 30% reductions in 2010, and leveling off in the mid 20% range for those 2011 appeals that are already settled. While adjustments and reductions have been made in this class on a continual basis, and while the reductions are not as dramatic as the last 3 years, the sheer volume of these appeals dictates that reductions in this class are not finished. As so many have been settled, I estimated a continued reduction of 10% for 2012/2013, a reduction of 7.5% for 2013/2014, and a further reduction of 5% for 2014/2015. I should

add that the County thought these reductions a bit excessive, until I showed them a history of the Tribunal appeals that are settled, and those still outstanding. *Bear in mind that any existing appeal information may only be discussed in closed session.*

The Industrial Class is suffering the most, and does not show a lot of promise for recovery. The Light Industrial sub class makes up over 75% of the class, and the vacancy rate for these structures is almost 30%, and will probably end up higher than that, unless we are able to attract alternative businesses to these buildings with the changes to our Master Plan, just adopted. The majority of the Tribunal appeals are now industrial properties, virtually unheard of just 4 short years ago. This is the effect of the downturn in the auto industry, outsourcing of manufacturing work overseas, and the inequity in the pay scales of American union workers and their counterparts abroad. Appeals of these properties show 2008 reductions near 20%, peaking at over 30% in 2010, and hovering in the mid 20% range for those 2011 appeals already settled. Rental rates on some properties are at \$2.00 per square foot, only enough to cover expenses. Tenants are requesting gross leases, which dictate fixed expenses for them, and leave the landlord to absorb all increases in expenses. These combine to make this type of property a poor investment, which reduces the Market Value. Many of these buildings are being given back to the banks, which forces even lower sales of these properties for their competition. While the reductions in value are not as dramatic as in the past, they do indicate that this class has not hit bottom. For these reasons, I estimated an additional 20% reduction for 2012/2013, and 10% reductions for both 2013/2014 and 2014/2015. *Once again, any open appeals may only be discussed in Closed Session.*

Personal Property tends to follow the reductions in its real property counterparts, at a slightly reduced rate of decline or increase, as the property itself usually outlives the lease. This is the reason for the projected decreases being below the real property changes.

Please bear in mind that these are estimates, albeit historically fairly accurate estimates. Even with an upswing in the market, the Taxable Value is still capped by the CPI, and in no instance would increase by more than 5%. As the City's tax revenue is predicated on Taxable Value, any Market driven recovery will not be realized for many years based on the Taxable Value cap.

I am, of course, available to answer any questions you may have.



INTEGRITY \* RESPECT \* LAWS AND THE CONSTITUTION \* ACCOUNTABILITY \* PROBLEM SOLVING \* PROFESSIONALISM

### MEMORANDUM

DATE: May 12, 2011
TO: John Szerlag, City Manager
FROM: Gary G. Mayer, Chief of Police
RE: Summary Budget Comparison Fiscal Year 11/12 to 10/11

As requested, this report provides analysis as to why the 2011/2012 Police Department Budget experienced an increase over the 2010/2011 Budget. The following is an outline of the budget accounts where increases in cost have been experienced, as well as accounts where significant decreases have been achieved.

#### Account Increases

Table with 2 columns: Account Name, Amount. Rows include Retirement (\$1,182,922), Equipment Rental/Motor Pool (\$130,890), Hospital/Life Insurance (\$120,185), Computer Services (\$70,150), Miscellaneous (6 accounts) (\$52,380), and Total (\$1,556,527).

This chart depicts the budget accounts where we have seen the most significant increases in cost over last year. The costs associated with these accounts are generally dictated by outside economic forces.

Under the miscellaneous heading we combined six accounts including such items as contractual services, physicals, etc.

#### Account Decreases

This chart depicts savings over last year. They generally reflect areas of managed reduction, such as cuts in overtime, as well as the elimination of staff and associated costs. The grants that the Police Department have passed through to community organizations such as the Troy Coalition, Boys and Girls Club, Haven, and Common Ground were completely eliminated this year.

Table with 2 columns: Savings through, Amount. Rows include Staff Reduction, Community Organization Grants, and Maint., Utilities & OP. Supplies (\$732,837).

The above realities have resulted in a total increase in the Police Department budget over last year, as depicted in the following chart.

**Increases minus Decreases**

Account Increases	<b>\$1,556,527</b>
Account Decreases	<b>\$732,837</b>
<b>Total Increase</b>	<b>\$823,690</b>

While the proposed budget results in an increase over last year, it is important to note that we have recently achieved

concessions from two employee groups, with two more in progress. These concessions, along with a significant number of anticipated staff reductions through attrition, will impact this budget. Similar decreases in costs due to the implementation of Option I over the next three years, in conjunction with a leveling of pension fund costs should achieve similar overall Police Budget decreases.

**Overtime**

This chart reinforces the fact that the Police Department has achieved a significant decrease in costs in areas other than just eliminating staff, specifically in the area of overtime. The overtime chart illustrates the cuts that have occurred over the last several years due to aggressive management efforts in this area.

07/08	36,228 hours	
08/09	29,041 hours	<b>-19.8%</b>
09/10	22,723 hours	<b>-21.8%</b>
10/11	21,300 hours	<b>-6.3%</b>
07/08 – now		<b>-41.2%</b>

The proposed budget provides anticipated funds to conduct police operations for the year. Due to proper management and continued re-evaluation of the resources that we have been allocated, the Police Department has an established record of completing each budget cycle under budget. The following chart depicts this pattern. It is anticipated that budget year 2011/2012 will follow the same pattern.

**Budget Savings Trend**

Fiscal Year	Budget	Expenditures	Under Budget
08/09	\$25,092,630	\$24,482,160	<b>\$610,470</b>
09/10	\$25,230,580	\$24,756,765	<b>\$473,815</b>
10/11	\$27,049,630	\$26,260,940	<b>\$788,690 (estimated)</b>
11/12	\$27,873,319		

Experienced police department staff allocates funds for incidents that have historically occurred but not on an annual basis as well as community events that are attracted to Troy because we have a history as a destination city. Some examples are:

- Extreme weather conditions
- Major crime events that may shock the community conscience and require significant police resources to solve such as a robbery homicide
- Significant events that require police response such as labor unrest, political rallies, sporting events that have national significance, and visits by dignitaries

In conclusion, the budget process is complex. It is a strategic planning process for the fiscal year that requires careful consideration be given to both known, as well as unknown forces that can impact overall expenditures. This budget reflects that planning, but anticipates consistency with past performance wherein the Police Department will come in under budget. While we have taken steps to reduce costs, and are in the process of implementing additional aggressive reductions, several of the costs responsible for the overall increase in this budget are dictated by outside factors and must be responded to in the planning process. As concessions are finalized and additional positions eliminated this year as a result of anticipated attrition, this budget should result in an overall reduction over last year. As we continue to reduce the number of police officers who provide community service the Police Department costs will decrease.



# Memo

**To:** John Szerlag, City Manager  
**From:** Timothy L. Richnak, Public Works Director *(TR)*  
Samuel P. Lamerato, CPFP, Superintendent of Fleet Maintenance *S.P.L.*  
**Date:** 5/13/2011  
**Re:** City of Troy's Vehicle Replacement Program – Fleet Division

The City of Troy's Fleet Division utilizes fleet management software that reports vehicles due for replacement on or before the ending replacement date entered. The report uses a 15-point system to determine whether the vehicle should be replaced. Points are accrued as follows: current life compared to life expectancy; life to date meter compared to life expectancy of the meter; repair dollars compared to original cost.

Using the APWA Vehicle Replacement Guide, we also developed a Vehicle Replacement Scorecard to assist in the replacement of vehicles and equipment. Due to our proactive vehicle maintenance and replacement schedule we have reduced our operating cost and increased our vehicle availability.

The following are examples of vehicle replacement life expectancies:

Marked and unmarked patrol vehicles	90,000 miles
Sedans	8 – 10 years
Pick-up trucks and vans (non-police use)	8 – 10 years
Large dump trucks	12 – 15 years
Backhoes (rubber tired)	8 years
Street sweepers & Vactors	6 years
Front end loaders (rubber tired)	20 years

Delaying capital equipment purchases will increase future maintenance and capital equipment costs. It will result in increased down time, fuel usage, parts, labor and unavailability to service the community.

Item #	Quantity	Requested By	Description	Unit Cost	Estimated Cost
1	10	A	Police Patrol Cars	\$24,500	\$245,000
2	5	B	Detective Cars	\$23,000	\$115,000
3	1	C	Police Command 4X4	\$28,000	\$28,000
4	2	D	Fire Department 4X4	\$28,000	\$56,000
5	2	F	Cargo Vans	\$18,000	\$36,000
6	3	G	Pickup Trucks	\$17,000	\$51,000
7	2	H	Pickup Trucks 4X4 W/Plows	\$26,000	\$52,000
8	2	I	2 1/2Yd. Dump Trucks 4X4 W/Plows	\$30,000	\$60,000
9	1	J	Catch Basin Cleaner/Sewer Jet	\$325,000	\$325,000
10	1	K	Crew Truck W/Air Compressor	\$100,000	\$100,000
11	1	L	5-7 Yard Dump Truck Stainless W-Snow Plow, Salt Spreader & Float	\$140,000	\$140,000
12	1	M	10-12 Yard Dump Truck Stainless W-Snow Plow, Salt Spreader & Float	\$170,000	\$170,000
13	1	N	Skid Steer Loader	\$32,000	\$32,000
14					

**Total Section A - Replacement Units**

**\$1,410,000**

• **Section B - Additional Units**

Item #	Quantity	Requested By	Description	Unit Cost	Estimated Cost
1	1	Fleet	Tractor W/Snow blower (sidewalks)		\$18,000

**Total Section B – Additional Units**

**\$18,000**

The highlighted vehicles and equipment were scheduled for replacement in the 2010/11 budget. Due to the reorganization of the City operations and services these items were not purchased, but were carried forwarded to the proposed 2011-12 budget. All vehicles and equipment due for replacement will be evaluated before bid specifications are developed.



# Fire Department

## Memorandum

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DATE: May 11, 2011  
TO: John Szerlag, City Manager  
FROM: William S. Nelson, Fire Chief   
SUBJECT: Fire Station 1 and 3 Rescue Pumper Replacement

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### **Background**

The fire department operates 16 specialized firefighting/rescue apparatus and 13 reserve and specialized support apparatus. The 16 primary firefighting/rescue vehicles consist of nine pumping engines (6 of which are rescue pumpers-Rescue pumpers carry all vehicle rescue and extrication equipment as well as fire suppression and related equipment.), three 65 ft. pumper ladders, three 100 ft. aerial platforms and one heavy rescue truck. The number and distribution of fire apparatus in Troy is based on several criteria: 1) equipment requirements to support fire department missions; 2) response time to all areas of the city; 3) the ability of the fire department to respond to multiple incidents at the same time; and 4) Insurance Service Office grading standards which impact fire insurance rates for residential and non-residential structures.

The apparatus replacement schedule assigns an expected service life to each apparatus based on past experience. The anticipated service life based on type of apparatus is: pumping engines- 18-20 years; pumper ladders- 21-23 years; and aerial platforms/heavy rescue- 23-25 years. The projected service life for each apparatus is periodically evaluated using the following criteria: conditions affecting personnel safety, functionality, maintenance history, engine/pumping use, conformance with safety standards, and general mechanical condition. In addition to the primary fire/rescue apparatus, support vehicles are also evaluated according to the aforementioned criteria and incorporated into the replacement schedule.

Based on a survey of area fire departments, the range of front line service life of pumpers/rescue pumpers is from 10-20 years with the average being 15.7 years.

### **2010-2011 budget year apparatus replacement**

Funds were allocated in the 2010-2011 capital budget to replace Engine 3-2 the rescue pumper assigned to station 3. Engine 3-2 was purchased in 1991 and incorporated safety and performance capabilities required at that time. Local modifications were made to this engine as rescue tool (Jaws of Life) technology evolved, primarily due to the changes in automotive safety design which required heavier tools requiring more hydraulic power. These changes have taxed the electrical systems on the truck.

Although this engine has been well maintained, it failed the annual pump performance test in 2006 which required additional maintenance. Annual pump tests from 2007-2010 have reported deficiencies with various aspects of the pumping capability of the apparatus. The noted deficiencies have been addressed through maintenance; however, these repairs have increased in frequency and the out of service time for the truck has increased. Also, spontaneous failures of subsystems have occurred which require the dispatch of additional apparatus. Past experience indicates that fire pumps over 20 years old typically require major overhaul in order to maintain the rated capabilities. The replacement apparatus was not purchased earlier in the budget year for several reasons: 1) the replacement pumper is planned to be similar to the two replacement rescue pumpers (Station 5 and 6) that were purchased in 2009 and have been in service for almost one year which has permitted design features to be evaluated; and 2) a consortium of fire departments is assembling a group bid for approximately \$5 million of fire apparatus to achieve maximum cost savings and the fire department is planning on participating in this group bid. The consortium has actually delayed the deadline for submission of specifications until the Troy budget is adopted to permit the potential inclusion of the two Troy rescue pumpers in the group bid.

### **Proposed 2011-2012 budget year apparatus replacement**

Funds were requested in the 2011-2012 capital budget to replace Engine 1-2 the rescue pumper assigned to station 1. Engine 1-2 was purchased in 1992 and incorporated safety and performance capabilities similar to Engine 3-2. This engine also received modifications similar to Engine 3-2 and has experienced similar issues. This engine failed the annual pump performance test in 2010 which required additional maintenance to pass the performance test. Past experience indicates that while the diesel engines and transmissions in fire apparatus are very reliable, the pump and associated control and power transfer components develop problems after 18-20 years of continuous service. Major pump overhaul/rebuilds are time consuming and costly and take the unit out of service for extended periods of time.

### **Summary**

The fire department apparatus replacement schedule is based on a long term strategic plan projecting a minimum of 15 years into the future based on a stable level of funding. The current financial situation projects no funding for apparatus replacement in the 2012-2013 budget. If these two apparatus (2010-2011 and 2011-12) are not replaced per the schedule, and no funding is provided in 2012-2013, the current apparatus (1991 and 1992) will be required to remain in service beyond 2014. Attempting to extend the front line service life of these rescue pumpers beyond 20 years will result in increased failure of components, increased maintenance costs, and increased downtime which will negatively impact the level fire and vehicle rescue service to the public.

If you have any questions or comments, please contact me.



## CITY COUNCIL REPORT

Date May 12, 2011

TO: John Szerlag, City Manager

FROM: Timothy Richnak, Public Works Director 

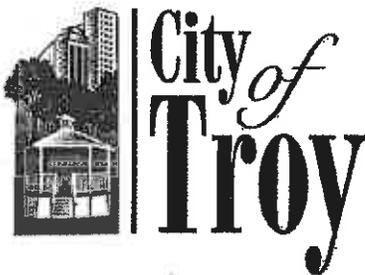
SUBJECT: Vehicle Allowance and City Vehicles Use between Home and Duty Station

### Background:

- In 1996, the City of Troy reviewed its vehicle policy. The City determined that it was more cost effective to provide car allowances rather than provide pool vehicles for certain staff members. Attached is Administrative Memorandum 1-P-80 which provides details of the vehicle allowance.
- Use of City-owned vehicles are governed in the attached Administrative Memorandum 1-P-65

### Financial Considerations:

- Current financial considerations in comparison are as follows for the Vehicle Allowance.
  - Sixteen of the qualifying positions receive the vehicle allowance, with an annual budget cost of \$69,600. The average allowance paid annually per eligible position is \$4,350.
  - The fully burdened cost to provide a vehicle are as follows: The current cost for a green vehicle is \$11,211 annually with a corresponding hourly rate of \$5.39/hr and a traditional vehicle current cost of \$9,045 annually with a corresponding hourly rate of \$4.35/hr.
  - The City of Troy currently has no nonemergency City Vehicle Use between Home and Duty Station.



# ADMINISTRATIVE MEMORANDUM

<b>SUBJECT:</b> Vehicle Allowance for the use of Personal Vehicles on City Business		
<b>DATE OF ORIGINAL ISSUE:</b> October 4, 1996	<b>EFFECTIVE DATE:</b> March 3, 2003	<b>NUMBER:</b> 1-P-80
<b>RE-EVALUATION DATE:</b> October 1, 2000	<b>RESCINDS:</b>	<b>LAST REVISION DATE:</b> October 1, 1999
<b>DISTRIBUTION:</b> Department Directors and Employees who have Assigned Vehicles		

An evaluation of staff vehicle costs resulted in a unique opportunity for savings by the City and employees who now are allowed to take City cars home. Both the City and employees will benefit from a choice in how City-related automotive transportation is conducted.

Employees who are assigned vehicles are eligible to choose between the present method of providing them as outlined in Administrative Memorandum 1-P-65 or a vehicle allowance for the use of their personal vehicle on City Business.

Positions eligible for this program:

- Assistant City Manager
- City Assessor
- City Attorney
- City Engineer
- City Manager
- Community Affairs Director
- Deputy City Engineer
- Director of Building & Zoning
- Human Resources Director
- Parks and Recreation Director
- Planning Director
- Public Works Director
- Real Estate & Development Director
- Director of Building Operations
- Superintendent of Fleet Maintenance
- Superintendent of Parks & Recreation
- Superintendent of Public Grounds
- Superintendent of Streets & Drains
- Superintendent of Water & Sewer

Those employees who choose this alternative will be required to use their personal vehicles for all normal daily City business. More clearly, driving your personal vehicle to work while receiving a stipend and then utilizing a City-owned vehicle during the day is not permitted.

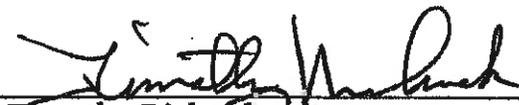
Radios, cell phones, additional communication devices or tools may be required by the City to be carried in a personal vehicle. Items requiring installation will be at City expense but are the responsibility of the employee.

Annual mileage reports will be made to meet IRS requirements. The employee is responsible for any tax liability, and all other IRS requirements for reporting and record keeping.

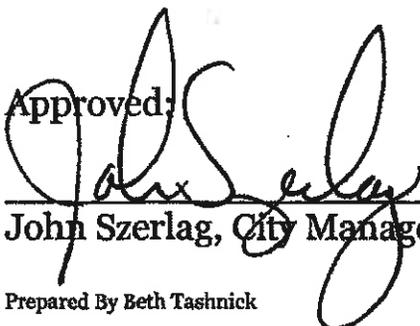
The employee will be required to utilize a personal vehicle that is in reliable working order and presentable condition. The City Manager has final discretion in approving the condition of personal vehicles used for City business.

A monthly direct stipend payment to an eligible employee will be made the first day of each month. Those eligible, living in the City as well as the Assistant City Managers, will receive \$425; those eligible, living outside the City, will receive \$325. Annually, the Fleet Maintenance Superintendent will review the stipend based from nationally published and recognized automotive operating costs. The City Manager will review the Fleet Maintenance Superintendents evaluation and establish new rates at his discretion.

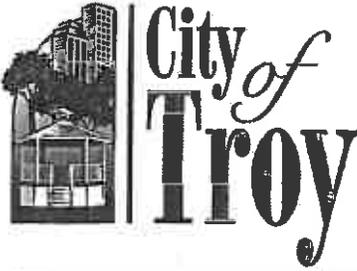
It is the policy of the City of Troy to minimize the number of administrative vehicles in its fleet without adversely affecting service capabilities.

  
\_\_\_\_\_  
Timothy Richnak,  
Public Works Director

  
\_\_\_\_\_  
Gary Shripka,  
Assistant City Manager/Services

Approved:   
\_\_\_\_\_  
John Szerlag, City Manager

Prepared By Beth Tashnick



# ADMINISTRATIVE MEMORANDUM

<b>SUBJECT:</b> Use of City-owned Vehicles		
<b>DATE OF ORIGINAL ISSUE:</b> November 25, 1986	<b>EFFECTIVE DATE:</b> March 22, 2006	<b>NUMBER:</b> 1-P-65
<b>RE-EVALUATION DATE:</b>	<b>RESCINDS:</b>	<b>LAST REVISION DATE:</b> January 26, 2006
<b>DISTRIBUTION:</b> All Employees		

City-owned vehicles are provided for use in City business and may not be used otherwise except as follows:

- 1) When authorized by City Council resolution.
- 2) To commute between home and duty station by occupants of the following positions, which require having a vehicle available for after hours duty use on a frequent or emergency call-out basis, or reasons which otherwise justify such use:

Employees authorized to use City-owned vehicles over night

**SENIOR MANAGEMENT:**

- City Assessor
- City Manager
- Director of Building/Zoning
- Director of Public Works Operations
- Fire Chief
- Human Resources Director
- Parks and Recreation Director
- Planning Director
- Police Chief
- Director of Building Operations
- Transportation Engineer

**POLICE DEPARTMENT:**

- K-9 Unit Officers
- On-Call Investigators
- Personnel Required to Report Directly to a Work Station Other Than a City-owned or Operated Facility

OTHER:

- Parks and Recreation Department Foreman
  - Streets Department Foremen
  - Superintendent of Golf Course Greens
  - Superintendent of Streets and Drains
  - Superintendent of Water and Sewer
  - Water and Sewer Department Foreman
- 3) For infrequent personal stops of minimal duration not involving significant deviation from the most direct travel route between work stations and also, in the case of those with commuting privileges, between work station and home, prior to or at the end of duty shift.
- 4) The Chief of the Police, Police Captains, and Fire Chief, whose responsibilities for these emergency services require their having vehicles equipped with radios and other specialized equipment for monitoring activities in their respective departments, being in communication with them and in a position to take appropriate directive measures at any time, may use their City-owned vehicles for personal use within the metropolitan area.
- 5) Fire Department Division Assistant Chiefs and Staff Lieutenants, whose responsibilities for emergency response require having specialized equipment available at all times, may use their vehicles for personal use under the following conditions:
- They reside in Troy or within three miles of Troy
  - Use is within three miles of Troy city borders
  - Staff member is available to respond to incidents

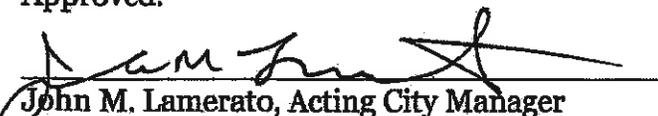
The Fire Department Duty Officer may use his vehicle to commute between home and duty station during his assigned duty week provided his residence is within twenty miles of the closest Troy city border.

Except as otherwise authorized, City-owned vehicles may not be driven outside of the city limits of Troy without approval of the employee's supervisor for valid reasons.

When a City-owned vehicle is used for authorized personal use as per above, to the extent practicable, a record shall be kept of the mileage of such personal use and same will be entered by the employee on his or her bi-weekly time report as provided for by Administrative Memorandum P-1-64.

  
\_\_\_\_\_  
Brian P. Murphy,  
Assistant City Manager/Services

Approved:

  
\_\_\_\_\_  
John M. Lamerato, Acting City Manager

BPM/mr



# CITY COUNCIL AGENDA ITEM

Date: May 11, 2011

To: John Szerlag, City Manager 

From: John M. Lamerato, Assistant City Manager/Finance & Administration   
James A. Nash, Financial Services Director

Subject: Vehicle Allowances

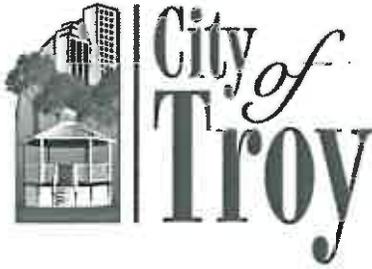
## Background

Administrative Memorandum 1-P-80, effective date March 3, 2003, provides for a monthly vehicle allowance payable to certain employees.

## Information

The total number of employees and ones receiving vehicle allowances since 2005 are as follows:

Fiscal Year	FT Employees	# Receiving Vehicle Allowance
2005/06	472	20
2006/07	461	19
2007/08	449	19
2008/09	447	19
2009/10	421	18
2010/11	369	16



## CITY COUNCIL AGENDA ITEM

Date: May 11, 2011

TO: John Szerlag, City Manager

FROM: John M. Lamerato, Assistant City Manager/Finance & Administration  
Peggy Sears, Human Resources Director

SUBJECT: Status of Longevity Benefit by Employee Group

Longevity payment is a benefit that has been paid to full-time employees based for the most part on years of service. Approximately 18 years ago, the City of Troy was one of the pioneers that began reducing the cost of the longevity benefit by eliminating it for new employees. Very few communities in Michigan have elected to discontinue this benefit for new hires and thus continue to pay it to all of their full-time employees. Since the time that we began eliminating it, the number of employees receiving longevity payments has been reduced by over 70%.

Detailed below by employee group is the year in which the benefit was discontinued for new hires, and the number of remaining incumbents currently receiving the benefit. Currently, only 38% of the full-time workforce receive longevity payments, and it is anticipated that with the upcoming early retirements, this number will further decrease.

<u>Employee Group</u>	<u>Discontinued for New Hires</u>	<u>No. of Employees Currently Receiving Benefit</u>	<u>Value</u>
Classified employees	1993	14	\$ 45,430
Exempt employees	1993	16	\$ 53,375
AFSCME	1993	18	\$ 38,640
MAP	1995	0 <sup>(1)</sup>	
TFSOA	1997	0 <sup>(2)</sup>	
TCOA	2001	25	\$ 78,603
TPOA	2000	58	\$154,414
TCSA	1993	<u>3</u>	<u>\$ 10,500</u>
Total		134	\$380,962

(1) Eliminated through negotiations as part of the 10% concession upon ratification of 2010-2013 MAP contract (10 incumbents)

(2) Eliminated through negotiations as part of the 10% concession (4 incumbents)