



500 West Big Beaver  
Troy, MI 48084  
troymi.gov

# CITY COUNCIL AGENDA ITEM



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Date: July 6, 2022

To: Mark F. Miller, City Manager

From: Robert J. Bruner, Assistant City Manager  
Jeanette Menig, Human Resources Director

Subject: Changes to Union Clothing and Cleaning Allowances

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## **History**

Collective bargaining agreements detail the methods for clothing and cleaning allowances to be issued to employees. For all but one of our unions, the process identified in the collective bargaining agreement has been found to be non-compliant with the requirements for taxable earnings.

The City has contacted each affected union and offered new language. The letters of understanding drafted for each union includes an increase to the allowances, because the benefit to each employee would have been decreased if the amount stayed the same and payroll taxes were deducted.

## **Financial**

Clothing and cleaning allowances vary with each union, therefore the increases vary, too. Based on current staffing, the estimated cost for implementing the recommended changes for all affected groups for fiscal year 2022-2023 is \$56,360.

<u>Group</u>	<u>Additional Cost</u>
MAP	\$ 12,300.00
TFSOA	\$ 3,000.00
TCOA	\$ 8,740.00
TCSA	\$ 2,700.00
TPOA	\$ 29,620.00
<b>Total</b>	<b>\$ 56,360.00</b>

Attached are the agreements received from unions who have accepted the proposed changes as of date of this memo. Currently the Michigan Association of Police (MAP) and Troy Fire Staff Officers Association (TFSOA) have agreed to the language changes for their agreements. As agreements are reached with the subsequent groups we will bring the additional changes to you for approval.

## **Recommendation**

City Management recommends that City Council approves the collective bargaining agreement changes necessary to be compliant with IRS payroll taxes on clothing and cleaning allowances.



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LETTER OF UNDERSTANDING  
City of Troy and MAP

June 15, 2022

The City and the Union agree to modify **Article 33. Uniforms** and **Article 34. Cleaning Allowance** as follows:

**ARTICLE 33. UNIFORMS**


- § 1. Each fiscal year, employees in the Police Service Aide and Animal Control Officer classifications shall **receive a clothing allowance of \$650.** ~~have a uniform account established and shall have \$500 allotted to such account. The allowance shall be issued to each active Police Service Aide and Animal Control Officer, less applicable payroll tax deductions, via direct deposit during the month of July of each year.~~
- § 2. ~~Twenty-five dollars (\$25.00) of the unused clothing allowance provided above may be carried forward to the following fiscal year.~~
- § 3. ~~The type of uniform and equipment to be purchased and used shall be determined by the Employer; the employee may use money credited to his account as provided above to purchase clothing and equipment as specified and approved in advance by the Chief of the Police Department and for no other purpose.~~

The amount of any mandatory changes in uniform which exceeds \$50 per year shall ~~not be deducted from the employee's clothing allowance.~~ **shall be provided by the Employer.**

**ARTICLE 34. CLEANING ALLOWANCE**

The Employer will provide a cleaning allowance to all Police Service Aides and Animal Control Officers of ~~\$300~~ **\$450** per year. Such allowance shall be paid on or about May 1. In order to receive this allowance, the employee must be employed by the Employer on January 1 of the applicable year in which the allowance is paid and on the date it is paid. **The allowance shall be issued, less applicable payroll tax deductions, via direct deposit.**

FOR THE UNION:

 7-6-22

Date: \_\_\_\_\_

FOR THE CITY:

\_\_\_\_\_  
\_\_\_\_\_

Date: \_\_\_\_\_



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LETTER OF UNDERSTANDING  
City of Troy and TFSOA

June 15, 2022

The City and the Union agree to modify **Article 28 Uniforms** as follows:

ARTICLE 28. UNIFORMS

- 28.1 Each employee shall receive an original issue of uniforms and equipment as specified by the City of Troy Fire Department Chief.
- 28.2 Each fiscal year, after the first (1<sup>st</sup>) anniversary date of the employee, each employee shall be allotted a basic clothing allowance of **\$1300**. ~~one thousand dollars (\$1000). Said allowance shall be placed in an account in the employee's name and shall be disbursed upon submittal of original receipts or invoices for approved clothing and personal equipment purchasing.~~ The allowance shall be issued to each active employee, less applicable payroll tax deductions, via direct deposit during the month of July of each year.
- 28.3 It is clearly understood that the clothing allowance has a prospective application and is intended to cover purchases for the entire fiscal year. ~~In the event that employment is interrupted for any reason in excess of six (6) months, the Employer shall adjust such payments on a prorated basis and make adjustments in payments for the following fiscal year based upon overpayments in the current year.~~

FOR THE UNION:

A handwritten signature in black ink, appearing to be 'D. H. [unclear]', is written over a horizontal line.

Date:

6/29/2022

FOR THE CITY:

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Date:

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