



500 West Big Beaver  
Troy, MI 48084  
troymt.gov

# CITY COUNCIL AGENDA ITEM



Date: July 20, 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 – Additional Unions (TCOA & TCSA)

## 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 practice in place and applied through 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.

Two groups agreed to changes and were approved by City Council on July 11, 2022. The remaining groups needed additional time to consider and present to their membership/union leadership. For groups who choose not to receive the payment and retain the current contract language, the City will have to strictly enforce the IRS guidelines for approved non-taxable uniform purchases. No purchases can be made if the clothing is “suitable for everyday wear” or “suitable to taking the place of regular clothing.”

## 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	(previously approved)
TFSOA	\$ 3,000.00	(previously approved)
<b>TCOA</b>	<b>\$ 8,740.00</b>	
<b>TCSA</b>	<b>\$ 2,700.00</b>	
TPOA	\$ 29,620.00	
<b>Total</b>	<b>\$ 56,360.00</b>	

The Troy Command Officers Association (TCOA) and Troy Communication Supervisors Association (TCSA) have agreed to the language changes for their agreements and the Letter of Understanding for each group is attached.

## 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 TCOA

June 15, 2022

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

**34. CLOTHING AND CLEANING ALLOWANCE**

- A. Each fiscal year, every officer shall be allotted a basic clothing allowance of ~~\$600.00~~ **\$800.00**. ~~Said clothing allowance shall be placed in an account in the officer's name and shall be disbursed to the officer upon submittal of receipts for approved clothing and personal equipment purchases. Such receipts must be original receipts which will be returned to the officer after being duplicated. The allowance shall be issued to each active officer, less applicable payroll tax deductions, via direct deposit during the month of July of each year.~~

It is clearly understood that 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 such reasons as retirement, or leave of absence or injury leave in excess of six (6) months, the City shall have the right to adjust such payments on a prorated basis and make adjustments in payments for the following fiscal year based on overpayments in the current year.~~

- B. Any command officer assigned to or from a non-uniform investigative assignment for a period in excess of six consecutive months shall receive an additional ~~\$150.00~~ **\$200.00** in his clothing allowance. ~~A command officer assigned to a non-uniform investigative assignment shall be allowed to charge purchases of civilian clothing up to \$150 as soon as he is assigned to a non-uniform investigative assignment, provided that if the officer's assignment is insufficient in duration to qualify him for the additional \$150 allowance, his clothing allowance for the following year will be reduced by the amount of purchases of civilian clothing. The additional allowance will be issued, less applicable payroll tax deductions, via direct deposit.~~
- C. Any Police Sergeant promoted to the rank of Police Lieutenant shall be provided the following uniform items, at no cost to the officer: Two trousers, two long-sleeved shirts, two short-sleeved shirts, and one winter coat.
- D. ~~\$25 of unused funds from the basic clothing allowance may be carried forward each fiscal year.~~



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E-D. The amount and type of uniforms and equipment shall be as determined by the Police Chief. Changes in uniforms and/or personal equipment will be discussed with the officers of the Association, and all officers will be notified of any mandatory change at least 30 days in advance of the fiscal year.

F-E. Each officer shall receive an annual cleaning allowance of up to ~~\$500~~ **\$660.00** on or before May 20th of each year which shall be comprised of twelve (12) monthly payments prorated for each full month that the officer was actively working in the previous twelve-month period. **The allowance shall be issued to each active officer, less applicable payroll tax deductions, via direct deposit.**

*Note: Due to timing of pay periods, for year 2022 the payment will be made on the first pay in August; in subsequent years it will be in July of each year.*

FOR THE UNION:

[Signature] TCOA

Date: 7/13/22

FOR THE CITY:

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

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



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LETTER OF UNDERSTANDING  
City of Troy and TCSA

June 15, 2022

The City and the Union agree to modify **Article 31 – Clothing and Cleaning Allowance** as follows:

31. CLOTHING AND CLEANING ALLOWANCE

- A. Each fiscal year, every employee shall be allotted a basic clothing allowance of ~~\$500~~ **\$650**. Said ~~clothing allowance shall be placed in an account in the employee's name and shall be disbursed to the employee upon submittal of receipts for approved clothing and personal equipment purchases.~~ **The allowance shall be issued to each active employee, less any applicable payroll tax deductions, via direct deposit during the month of July of each year.**

It is clearly understood that 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 such reasons as retirement, or leave of absence or injury leave in excess of six (6) months, the City shall have the right to adjust such payments on a prorated basis and make adjustments in payments for the following fiscal year based on overpayments in the current year.~~

- B. ~~\$25 of unused funds from the basic clothing allowance may be carried forward into the following fiscal year.~~
- C. The amount and type of uniforms and equipment shall be as determined by the Police Chief.
- D. Each employee shall receive an annual cleaning allowance of up to ~~\$450~~ **\$600** on or before May 20th of each year. **The allowance shall be issued to each active employee, less any applicable payroll tax deductions, via direct deposit.**

FOR THE UNION:

FOR THE CITY:

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

Date: 7.30.22

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

Note: Due to the timing of pay periods for year 2022 the payment will be made on the first pay in August; in subsequent years it will be in July of each year.