



500 West Big Beaver
Troy, MI 48084
troymi.gov



CITY COUNCIL AGENDA ITEM

Date: August 5, 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 Union (TPOA)

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.

Four groups agreed to contract language changes and those changes were approved at two prior City Council meetings. This agreement completes the changes sought on clothing and cleaning allowances.

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)
TCOA	\$ 8,740.00	(previously approved)
TCSA	\$ 2,700.00	(previously approved)
TPOA	\$ 29,620.00	
Total	\$ 56,360.00	

The Troy Police Officers Association (TPOA) has agreed to the language changes for their agreement and the Letter of Understanding 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 TPOA

June 15, 2022

The City and the Union agree to modify **Section 39. Clothing and Cleaning Allowance** as follows:

39. 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 legible receipts for approved clothing and personal equipment purchases. 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 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 such reason 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 or, in the case of retirement, from the employee's final pay check.

Any mandatory changes in uniform and/or personal equipment over \$75.00 per item shall not be deducted from the officer's clothing allowance; be provided by the City.

- B. Any officer assigned to or from the Non-Uniform Divisions or Bureaus for an assignment in excess of six (6) months shall receive an additional ~~\$150.00~~ \$200.00 in his clothing allowance. The additional allowance will be issued, less applicable payroll tax deductions, via direct deposit.
- C. ~~\$25.00 of unused funds from the basic clothing allowance may be carried over each fiscal year. The amount and type of uniform and equipment shall be determined by the Police Chief. Changes in uniform and/or personal equipment will be discussed with the officers of the Union, and all Police Officers will be notified of any mandatory change at least thirty (30) days in advance of the fiscal year.~~



- D. All new officers shall be supplied with a full set of uniforms and equipment as determined by the Chief.

- ^{2023 Jan}
E D. Effective May 1, ~~2021~~, each officer shall receive an annual cleaning allowance of up to five hundred dollars (~~\$500.00~~) \$660.00 during the month of May. It shall be comprised of 1/12th of the total amount for any month or portion thereof the officer worked in the previous twelve (12) months. In the event that employment is interrupted for such reasons as 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. 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 in August; in subsequent years it will be in July of each year.

FOR THE UNION:


 M. GROSSO

Date: 08/03/2022

FOR THE CITY:

Date: _____