

## Economic Vitality Incentive Program Certification of Employee Compensation

Issued under authority of Public Act 278 of 2011. Filing is mandatory to qualify for payments.

Each city/village/township applying for Employee Compensation payments must:

1. Certify to the Michigan Department of Treasury (Treasury) that the local unit listed below has developed an employee compensation plan that the local unit intends to implement with any new, modified, or extended contract or employment agreements for employees not covered under contract or employment agreement. The plan shall be made available for public viewing in the clerk's office or posted on a publicly accessible Internet site.
2. Submit to Treasury an employee compensation plan.

This certification, along with the employee compensation plan, **must be received by May 1, 2012** (or the first day of a payment month) in order to qualify for that month's payment. Post mark dates will not be considered. For questions, call (517) 373-2697.

### PART 1: LOCAL UNIT INFORMATION

Local Unit Name City of Wyoming	
Local Unit Code 412090	Local Unit County Kent
Contact Name Timothy Smith	Contact Telephone Number (616) 530-3170

### PART 2: CERTIFICATION

<i>In accordance with Public Act 278 of 2011, the undersigned hereby certifies to Treasury that by May 1, 2012, the above mentioned local unit has developed an employee compensation plan and has made the plan available for public viewing in the clerk's office or posted on a publicly accessible Internet site. The employee compensation plan is attached to this signed certification.</i>	
Chief Administrative Officer Signature (as defined in MCL 141.422b) 	
Title Curtis Holt, City Manager	Date April 26, 2012

Completed and signed forms (including required attachments) should be e-mailed to: [TreasORTA@michigan.gov](mailto:TreasORTA@michigan.gov)

If you are unable to submit via e-mail, mail the completed form and required attachments to:

Michigan Department of Treasury  
Office of Revenue and Tax Analysis  
PO Box 30722  
Lansing MI 48909

Treasury Use Only		
EVIP Eligible	Certification Received	EVIP Notes
Y      N	Plan Received	
Final Certification		



# City of Wyoming

## EVIP Report 3: Employee Compensation Plan

May 1, 2012

Prepared By:

Kim Oostindie, Director of Human Resources

## Introduction

As a local government, the Wyoming City Council and employees have an impact on the quality of life of the citizens of Wyoming. Over the past decade, the City of Wyoming has faced many challenges and opportunities and will continue to as the public sector is tasked with providing service delivery to the public with fewer employees and fewer resources. Because the City primarily provides services, not products, a majority of the City's expenses are related to employee expenses. The City has continued to see its workforce shrink and projects further reductions in the coming years. The Council and employees are actively engaged in working on solutions to financial concerns.

The City has five different bargaining units: the Administrative and Supervisory Association, the Wyoming City Employees Union, the Wyoming Fire Fighters Association, the Police Officer Labor Council – Wyoming Division, and the Police Officer Labor Council – Wyoming Command Division. The City also has eleven contract employees. Prior to January of 2011, the City had a Police Officer Labor Council – Emergency Operators bargaining unit. This unit was eliminated as a result of the consolidation in Kent County to two communications centers, with the Grand Rapids Dispatch Center now handling dispatch services for Wyoming.

## Historical Efforts in Reduction of Employee Expenses

The primary source for reducing expenditures in the City has come from reducing the size of the work force and reducing compensation and benefits of employees. The City has worked diligently with employees over the past decade to make significant changes to employee compensation and benefits, some of which include:

### Downsizing of Workforce

- The City's workforce has shrunk by 28% over ten years. In 2001 the City had 460 full time employees; today there are 331 full time employees.
- The City has consolidated jobs, outsourced work and collaborated with other municipalities.

- The City has and continues to evaluate how the organization is structured and how it delivers service. Last year, the City entered into an agreement with the Police Officers that set the stage for development of a Public Safety Department in Wyoming. The City also entered into agreements with the General City and Administrative and Supervisory bargaining units to train employees in those units as Reserve Firefighters.

#### Benefit Restructuring

- Employees are contributing more to their health care benefit and have been contributing 10% to their premium. In 2011, effective with new collective bargaining agreements, contributions increased to 20%. In addition, there have been increases in co-pays for both prescriptions and medical services.
- The City replaced its Defined Benefit (DB) Pension Plan for new hires with a Defined Contribution (DC) Plan that caps annual employer contributions at 8% of base pay. Included in several bargaining unit's agreements has been the option for members of those units to switch from the DB Plan to the DC Plan.

#### Wages

- Employees have had wage freezes and wage reductions over the past three years. More pay steps have been added to the pay grades to slow the rate at which an employee reaches the top of the pay grade.

#### Current Efforts in Employee Compensation and Benefits

The City is currently in negotiations with three of the five bargaining units (General City, Police Command and Fire), for which bargaining agreements expire on June 30, 2012. The City is once again asking for employee concessions and will continue to address issues, including the following, as existing collective bargaining agreements expire.

#### Pension

- As noted in the historical section of this Compensation Plan, the City has closed the DB Plan. All qualifying new hires are eligible to participate in a DC Plan that is capped at 8% of base pay.

- The City intends to implement and has proposed a maximum multiplier of 1.5% for those employees in the DB Plan. The City's existing DB Plan is calculated using a minimum of three years compensation and does not include more than a total of 240 hours of paid leave. The City intends to implement and has proposed that overtime hours not be used in computing the final average compensation for an employee.
- The City has also proposed extending the option of switching from a DB Plan to a DC Plan and proposed freezing the DB Plan for current participants, with them transferring to a DC Plan for the remainder of their employment with the City.

#### Health Insurance

- As noted in the historical section of this Compensation Plan, the City has agreements in place with the Administrative and Supervisory Association, the POLC Non-Supervisory Unit and the contract employees that include a 20% contribution to health insurance premiums.
- The City intends to implement (as existing bargaining agreements expire) a 20% contribution to health insurance premiums for the three bargaining units that are currently at a 10% contribution. The City Council has affirmed this by adopting a Resolution stating as such.
- The City intends to implement and has proposed increased co-pays for prescriptions.

#### Wages

- The City is currently in discussions with the Administrative and Supervisory Association to develop a pay for performance compensation system.
- The City continues to complete market analysis of positions, including reviewing internal and external comparables.

#### Other

- The City is working with the Police Command unit and the Fire Fighters Association to continue to set the stage for a Public Safety Department, should the City determine it is in the best interest to transition to Public Safety.

- The City is in discussions with several bargaining units to explore transitioning to a paid time off system, as opposed to the traditional leave time system that includes separate leave banks for sick, personal and vacation days.

### Conclusion

The Wyoming City Council and employees are committed to providing the best possible service at the best possible value. Significant budget limitations in the public sector are the new normal and have, and will continue to affect collective bargaining at the City. Employees have made significant concessions over the past several years and continue to work with the City to address many issues, including employee wages and benefits, to ensure the sustainability of the City.