
CITY OF ROCHESTER HILLS

Fiscal

Julie Jenuwine, Finance Director

DATE: September 2, 2005

TO: City Council

RE: 2006 Budget Workshop

This memo is in regard to the outstanding issues made at the 2006 Budget Workshops.

The cost difference between the Fire Department hiring six Firefighter/Paramedics in 2006 as opposed to three in 2006 and three in 2007 is briefly illustrated in **Attachment A**. Each year, with the exception of 2006, it is estimated that there will be a cost savings for hiring six firefighters in 2006 based on the net effect of the following:

1. A reduction in estimated overtime
2. Not having a 2% wage increase in 2005 to extrapolate future years wage increases upon (over the entire 3472 Bargaining Unit)
3. A one year lag time for three Firefighters reaching their higher "step" wage

Also, please note that the Headlee "ceiling" for the Fire Department is projected to drop below 1.9 mills in year 2010.

The Salaries & Wages (and corresponding benefits) for the Planning & Development Department have been requested to be adjusted to the original Directors Requested amounts, due to reinstating the additional overtime hours.

The Salaries & Wages (and corresponding benefits) for the Parks Department have been requested to be adjusted to the original Directors Requested amounts, due to reinstating the additional overtime hours.

The opinion of the City Attorney is requested regarding the funding of the Non-motorized Pathway study out of the Pathway Fund.

Should you have further questions, please do not hesitate to contact me.

Cc: Mayor Somerville
Directors

ESTIMATED FIRE DEPARTMENT PERSONNEL COSTS

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
3FF 2006/3 FF2007	\$ 4,560,550	\$ 4,716,360	\$ 5,173,110	\$ 5,419,870	\$ 5,687,100	\$ 5,947,670	\$ 6,189,450	\$ 6,448,370	\$ 6,726,160	\$ 7,024,770	\$ 7,346,360
6 FF 2006	\$ 4,515,430	\$ 4,790,090	\$ 5,161,210	\$ 5,382,380	\$ 5,670,230	\$ 5,895,400	\$ 6,136,160	\$ 6,394,070	\$ 6,670,870	\$ 6,968,510	\$ 7,289,160
Variance	\$ 45,120	\$ (73,730)	\$ 11,900	\$ 37,490	\$ 16,870	\$ 52,270	\$ 53,290	\$ 54,300	\$ 55,290	\$ 56,260	\$ 57,200