

COALITION OF THE CITY OF DETROIT UNIONS

COST SAVINGS PROJECTIONS FOR 2012

(Heavily Utilizing Ernst & Young Data)

Coalition would have saved \$68 million – pay and benefits cuts alone

Coalition initiatives, annually Citywide overall cuts plus revenue = \$180.2 million

Layoffs/Retirements:	\$55 million annually (City wide)	
Wage Cuts		\$21 million annually (Coalition only)
Healthcare:	\$52 million (City wide)	\$13 million (Coalition only)
Pension Changes:	\$9.7 million (City wide)	\$2.5 million (Coalition only)
Pre-Tax Savings Plan (125K):	\$1.3 million (City wide)	
Contractor mandatory 10% cuts:		\$26.2 million annually
Amnesty Program (current fiscal year):		\$3.5 million

OUTSTANDING REVENUES in 2012

Parking Fees	\$ 40 million
Code Violations	\$ 70 million
Property Taxes	\$135 million
Income Taxes	\$212 million

CONSENT AGREEMENT COSTS (BORNE BY CITY)

- Pay for (9) Members of FAB \$225,000 + travel, hotel, meals, etc...
- Chief Financial Officer salary \$220,000
- Program Manager salary \$220,000

CITY SHOULD IMPLEMENT BELOW ANNUAL SAVINGS ...

Contractor 10% cuts	<u>\$26.2 million</u> – contractors not mandated to contribute as laid out in Coalition Tentative Agreement (TA). <u>\$13.1 million</u> lost since 7/1/12.
Health care (drugs)	<u>\$28.5 million</u> with carve out of HMOs (City has not done).
Health care (medical)	<u>\$52 million</u> . City rejected TA and failed to achieve healthcare savings on 7/1/12. <u>\$26 million</u> lost since 7/12. City now using multiple, confusing plans.
Amnesty (all bills)	<u>\$3.5 million</u> . City agreed to in TA, not been implemented.
End daily overtime	<u>\$1.5 million</u> . Appears City not fully eliminated daily OT.
Blue Cross fee cut	<u>\$1.2 million</u> . City agreed Blue Cross would take 10% cut as well in admin fee.
Pre-Tax Savings (125K)	<u>\$1.3 million</u> . Savings of payroll taxes due to pre-tax savings.
Corporations tax hike	<u>\$6 million</u> . Increase C-corporation taxes to 2% (from 1%)
86 revenue collectors	City agreed to hire 86 revenue-collecting workers for a 6 month trial period, permanently hired if they collected 150% of what they earn (with fringes).
Non-resident wagering	City agreed to push for non-residents to pay City taxes on Detroit wagering.
Early out plan	City agreed to early out plan (encouraging retirement) in TA, saving millions.