

EXECUTIVE ORDER NO. 2005-1

TO: ALL BOARDS, COMMISSIONS, DEPARTMENT DIRECTORS, CITY COUNCIL MEMBERS, AND THE CITY CLERK

SUBJECT: REDUCTION OF PAY AND HOURS FOR NON-UNION EXECUTIVE BRANCH APPOINTEES AND EMPLOYEES

DATE: May 25, 2005

Pursuant to the powers vested in me by the 1963 Michigan Constitution, the 1997 Detroit City Charter, and Section 13-2-18 of the 1984 Detroit City Code, I, Kwame M. Kilpatrick, Mayor of the City of Detroit, do hereby establish a temporary reduction in hours and resulting pay for Executive Branch appointees and nonunion employees.

1. Necessity.

Due to the economic crisis facing the City of Detroit, it has become necessary to take immediate drastic steps in order to reduce personnel and payroll expenses. As an initial step, I am voluntarily foregoing ten percent (10%) of my annual salary as Mayor.

2. Implementation.

Administrative and Administrator Roster Employees.

For the A, B, and C payrolls, all Executive Branch employees on the Administrative or Administrator Rosters shall have their annual salaries reduced by ten percent (10%) for the duration of this Executive Order. Scheduling of the employee's weekly work hours shall continue to be in accordance with established Administrative and Administrator Roster practices.

Administrative and Administrator Roster employees should be advised that during the effective period of this Executive Order, the payment of unused sick leave on retirement, lump sum payment of off-time banks upon termination of employment, and other entitlements that consider the employee's salary, shall be made based upon the salary the employee would otherwise have been paid had the ten percent (10%) reductions not been made. Furthermore, for purposes of computing an employee's Average Final Compensation, a factor shall be applied to his or her earnings so as to undo the effects of this ten percent (10%) pay reduction.



Non-union Executive Branch Employees Not on Administrative or Administrator Rosters.

For the A, B, and C payrolls, annual salaries, wages and hours in effect on July 1, 2004 for Executive Branch appointees not on the Administrative or Administrator Rosters whose salary or wage is at least ten percent (10%) above the minimum set forth in the Official Compensation Schedule, shall be reduced by ten percent (10%).

For the A, B, and C payrolls, annual salaries and wages in effect on July 1, 2004 for non-union Executive Branch employees not on the Administrative or Administrator Rosters shall be reduced by ten percent (10%) or to the minimum applicable salary or wage for such employee set forth in the 2004-2005 Official Compensation Schedule, as the same may be amended, whichever salary or wage is higher. Said reduction of pay shall be achieved by way of reduction of the applicable number of hours of work a) in direct proportion to equal the minimum salary or wage set forth in the Official Compensation Schedule, as the same may be amended, or b) by ten percent (10%) whichever hours are higher.

Executive Branch non-union employees who, on July 1, 2004, received forty (40) hours of pay per week, including those who were scheduled to work less than forty (40) hours per week, shall be scheduled to work thirty-six (36) hours per week and shall be regularly paid thirty-six (36) hours per week. However, the scheduled number of hours of work per week shall not be greater than the number of hours such employees were scheduled to work on July 1, 2004.

All hours worked by a non-union Executive Branch employee not on the Administrative or Administrator Rosters that would have qualified him or her for daily overtime in accordance with Section 13-2-8 of the 1984 Detroit City Code prior to the reduction in work hours provided for in this Executive Order, shall be paid at the overtime rate. Also, a non-union Executive Branch employee not on the Administrative or Administrator Rosters shall be paid straight time for all hours over thirty-six (36.0) and up to forty (40.0) hours worked on a furlough day. Further, all time during the work week in excess of forty (40) hours worked by a non-union Executive Branch employee not on the Administrative or Administrator Rosters shall be paid at the overtime rate.

3. Leave Time.

Executive Branch appointees and non-union employees shall continue to accrue vacation and sick time in 8-hour days. When employees use their off-time banks, the number of hours deducted from their off-time banks, and the number of hours for which they are paid, shall equal the number of hours they were scheduled to work on that day. Similarly, non-banked time such as holiday, excused time days, funeral leave, and jury duty shall be compensated based on the scheduled work hours on the day of occurrence.



4. No Impact on Pension Calculations.

Pursuant to Section 13-2-18(l) of the 1984 Detroit City Code, as amended, the implementation of this Executive Order does not, and shall not, change, modify, or otherwise affect the compensation, wage, hourly rate, or salary rate of any non-union employee for purposes of determining pension calculations.

5. Application.

This reduction in pay and hours shall apply to **all** Executive Branch appointees and non-union employees, including those subject to Civil Service, whose salary or wage is at least ten percent (10%) above the minimum set forth in the Official Compensation Schedule, and to all other non-union Executive Branch employees as indicated in Section 2 of this Executive Order.

6. Further Directives.

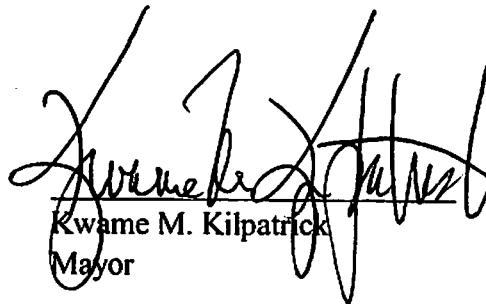
As necessary, further departmental directives may be issued to assist in the implementation and on-going management of this reduction of compensation and hours.

7. Expiration.

This Executive Order shall expire on December 31, 2005, unless extended by further Order.

8. Effective Date.

With respect to the Department of Transportation only, this Executive Order is effective Saturday, May 28, 2005. With respect to all other departments and agencies, this Executive order is effective Monday, May 30, 2005.



Kwame M. Kilpatrick
Mayor