

The Cost of a Pay Cut

In an effort to save money the politicians decided they needed to cut the salaries of Police and Firefighters. This move ended costing the city more money than it saved them. Here are the basic acts and figures. Based on 1000 employees; median salary of \$5000.00/month and employee contributions.

5000	4800 (after 2% paycut)	5000
<u>x .07</u>	<u>x.07</u>	<u>x.07</u>
350/mth	336/mth	450/mth

The pay cut decreased employee contributions by \$14.00/mth/emp or \$14,000.00/ month. This amount is part of the unfunded liability the city has to make up. If instead the pension board and employees had been asked to increase contributions to 9% there would have been an increase of 100/mth/emp or \$100,000.00/mth or 1.2 million/year. The pay cut is for 5 years for a total of 6 million. Reality is there about 3000 employees so the losses as well as what could have been saved can be multiplied by 3. A total of over 18 million could have been saved.

total of 2000 employees will be provided

from 1980 employees in the region as well as from other parts of the region and from other parts of the region. The total of 2000 employees will be provided from 1980 employees in the region as well as from other parts of the region and from other parts of the region. The total of 2000 employees will be provided from 1980 employees in the region as well as from other parts of the region and from other parts of the region.

1980	1981	1982
2000	2000	2000

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