

Date Posted: May 12, 2011

Financial Impact Statement in Connection with the Fire Fighter Contract

to be Discussed and Voted Upon at the

May 17, 2011, City of East Providence Council Meeting,

Council Chambers, 145 Taunton Avenue, East Providence, RI 02914

at 7:30PM

This Financial Impact Statement sets forth the cost and benefits to the City of East Providence in connection with the proposed fire fighter contract between the City of East Providence and Local 850, International Association of Fire Fighters, AFL-CIO from November 1, 2009 through October 31, 2014. Copies of the tentative contract agreements and memoranda of Agreement in connection therewith are available for inspection at City Hall during its hours of operation. Questions concerning the Financial Impact Statement may be directed to the City Finance Department at 401-435-7550.

TO: City Council

FROM: Finance Department

DATE: May 5, 2011

SUBJECT: IAFF 50 MOA plus contract changes with financial impact

The following analysis has been completed based on calculations developed by former Interim Finance Director Donald Gray, prepared

during the negotiations period.

FY 2010-2011

COST

SAVINGS

3% salary increase effective 4/1/2011

\$ 96,800.

Waiver of past clothing allowances

\$ 410,000.

Waiver of 1 week vacation by all members

161,000.

Implementation of 25% health ins co-pay

147,000.

Cap of compensory time @ 96 hours

236,500.

New employees increase of step time

6,000.

1/2 % of OPEB cost

47,800.

\$ 96,800.

\$ 1,008,300.

Net Savings

\$ 911,500.

FY 2011-2012

3% salary increase 4/1/2012 **196,400.**

Implementation of HSA health care plan
478,000.

Waiver of 2 days vacation
120,800.

Waiver of 2 personal days
90,500.

96 hours comp time cap continued
243,600.

1/2 % OPEB cost continued
49,200.

Step increase continued
6,000.

196,400.

988,100.

Net savings

\$791,700

FY 2012-2013

3% salary increase 4/1/2013 **202,300.**

Continuation of HSA healthcare
501,000.

Waiver of 2 days vacation
124,500.

Waiver of 2 personal days
93,200.

96 hour comp time cap continued
250,900.

1/2 % of OPEB cost continued
50,700.

Step increase continued _____
2,000.

202,300

1,022,300.

Net Savings **820,000.**

FY 2013-2014

3% salary increase 4/1/2014 **202,400.**

Continuation of HSA plan

527,000.

96 hour comp time cap

258,400.

1% OPEB cost continued

101,400.

Step increase

2,000.

202,400.

888,800.

Net Savings

686,400.

TOTAL NET SAVINGS OVER 4 YEARS

\$3,209,600.

CONCLUSION:

The savings in each year will more than offset the salary increases proposed.

Cc: Orlando Andreoni

Mary Scanlon

Michael Ursillo