

**Financial Impact – 20 Officers
3-year Agreement with FOP, Lodge 27
July 1, 2012 – June 30, 2015**

Expenses

Wages:	Year 1	Year 2	Year 3
COLA:	\$21,125	\$17,245	\$29,165
Major:	\$4,346	\$0	\$0
Clothing Allowance:	\$2,000	\$0	\$0

Reductions

Holiday pay:	\$4,786	\$165	\$145
1 Personal Day:	*	*	*
Health – Buy-out:	\$0	\$0	\$6,000

* 4 hours: no impact

* 7.5 hours: no overtime \$0 – overtime \$338 per day

**Retired Health Insurance, per employee
Using today's rates**

Plans	Total Cost	Savings
Current: (4 years)	\$52,692	
New: (5 years)	\$38,730	
Savings:		\$13,962 per employee
Buy-out – New: (elective)	\$18,000	
Savings:		\$20,730 per employee

Savings Summary, Retired Benefits, today's rates

- 1) \$13,962 X 20 employees = \$279,240 maximum savings, all employees
- 2) \$300 per month buy-out (60 months) \$20,730, per employee (elective)

Note: savings increase when retirees elect the buy-out

Co-Pay (1) Employees hired after 7/1/2005

\$80 per month X 12 X 5 years = \$4,800, per employee

Co-Pay (2) Employees hired after 1/1/2010

15% individual \$97 X 12 X 5 years = \$5,820, per employee

15% family \$220 X 12 X 5 years = \$13,200, per employee

Meaningful Retiree and Language Changes

- 1) We are primarily self-insured. OPEB liability and actual out of pocket costs will be significantly less for retiree health insurance because we now only support single coverage and eliminate the exposure of a family plan. Also, there is no longer an option to purchase a family plan which will mean less out of pocket and OPEB exposure.
- 2) Retiree insurance plans will be the same as active employees. We eliminate a potential “legal” argument that health benefits for retirees cannot change from what was offered at the time a retiree left active service. This is part of the basis for union lawsuits on behalf of retired officers. Note: co-pay obligations are not affected.
- 3) Probationary Police Officers, until they graduate the police Academy and become sworn officers, will only receive individual health insurance plans. We limit our financial exposures while an employee is being trained to only the officer, not the probationary officer’s entire family.
- 4) Removed the potential for a retired employee to opt in to insurance coverage a few years after retirement but prior to age 65. This was a potential issue in the current contract, although it has not happened during my tenure.
- 5) 4.11 Leaving the Department savings should be realized by creating a disincentive not to use (or abuse) sick leave in the last year of employment. Employees receive accrued vacation time upon retirement or leaving Town service. Up to 28 days payment is possible depending on the date of hire of the officer. At current average hourly rates, the Town saves \$225 per day for each day deducted.

$$\$30 \times 7.5 = \$225 \times 28 = \$6,300 \text{ (maximum payout upon retirement)}$$

Note: New schedules max out at 25 days vacation accrual.

$$\$30 \times 7.5 = \$225 \times 25 = \$5,625 \text{ (maximum payout upon retirement)}$$

- 6) After the two (2) existing officers who have health coverage plus a buy-out payment leave the Department, no one will be allowed to carry insurance or receive a buy-out if their spouse works for the Town and also has coverage.

$$\$300 \text{ per month} \times 2 \times 12 = \$7,200 \text{ (budget reduction)}$$

- 7) FTO pay \$150 additional (\$450 total) for each probationary officer. (300 hours)

Manning

We tried very hard to modify manning requirements so that the Town had flexibility to address short shift situations and/or to have the option to assign specialty officers, such as a resource officer, and not create mandatory overtime.

Our proposal was to modify minimum manning to two (2) officers from Monday through Friday, first shift only. This challenges the Union's argument that we have a sufficient number of officers available on the first shift and can free up officers for special duties such as a resource officer. If the Union's argument was valid, this proposal should have been acceptable. The second issue our proposal addressed was the Major's need to be on the "road" to fill manning requirements when staffing levels dictate. With our proposal, the Major could have been "off the road" but still available to respond from the station if a back up officer was required.

Bottom line, minimum manning creates overtime. The Union uses safety as its rationale for keeping the existing manning levels and there may be some merit to that argument depending on shift and circumstances in the community. However, manning on the first shift (Monday through Friday) as we presented could have accommodated everyone's concerns and objectives. We did not include weekends in our manning proposal. So, as is usually the case, it really comes down to overtime opportunities and pay with safety as a consideration. That's not necessarily the wrong thing from the Union's perspective, but it is, in my opinion, the reality.

Primary Union Bargaining Team:

Lt. John Connors

Sgt. Albert Carlow, Jr.

Ptl. David Beauchemin

The above were the Union members we bargained with. I believe we reached an equitable, well rounded, 3-year deal that is affordable in the short term and has more than reasonable long term savings.