

City of Providence

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

RESOLUTION OF THE CITY COUNCIL

No. 11

Approved January 12, 2017

RESOLVED, That the accompanying copy of the Collective Bargaining Agreement by and between the City of Providence, Rhode Island and I.A.F.F. Local 799 for the period of July 1, 2017 to June 30, 2022, is hereby approved and ratified by the Providence City Council.

IN CITY COUNCIL

JAN 05 2017

READ AND PASSED

PRES.

CLERK

I HEREBY APPROVE.

Mayor

Date:

1/12/17



Mayor of Providence

Jorge O. Elorza

October 24, 2016

HAND-DELIVERED

Honorable Council President
Luis A. Aponte
City Council Office
Providence City Hall
25 Dorrance Street
Providence, RI 02903

Re: Tentative Agreement between I.A.F.F. Local 799 and the City of Providence

Dear Council President Aponte:

Enclosed with this correspondence please find a copy of the tentative agreement by and between the City of Providence, Rhode Island and I.A.F.F. Local 799 for the period from July 1, 2017 to June 30, 2022 which was signed on October 17, 2016.

I hereby submit the enclosed tentative agreement to the Providence City Council for ratification.

Sincerely,

Jorge O. Elorza
Mayor

Enclosure

City Hall, 25 Dorrance Street, Providence, RI 02903
Phone (401) 421-7740 Fax (401) 274-8240

TENTATIVE AGREEMENT

Pursuant to the provisions of Chapter 28-9.1 of the General Laws of the State of Rhode Island, 1956, as amended, entitled, "An Act to Provide for Settlement of Dispute Concerning Wages or Rates of Pay and Other Terms and Conditions of Employment of Fire Department", this Agreement is made and entered into this 17th day of October 2016 ~~28th day of June, 2011~~ by and between the CITY OF PROVIDENCE (hereinafter referred to as the "City") and LOCAL 799, INTERNATIONAL ASSOCIATION OF FIREFIGHTERS, AFL-CIO, (hereinafter referred to as the "Union" or "bargaining unit"). When used in this agreement, the term the "parties" shall mean The CITY OF PROVIDENCE and LOCAL 799, INTERNATIONAL ASSOCIATION OF FIREFIGHTERS, AFL-CIO.

WHEREAS, the parties have conducted good faith negotiations pursuant to R.I.G.L. § 28-7, et seq. and § 28-9.1, et seq; and

WHEREAS, the parties' negotiations have resulted in this Tentative Amendment which shall form the basis for a Collective Bargaining Agreement effective from July 1, 2017 through June 30, 2022, and thereafter, as provided, and which Tentative Agreement shall result in the Settlement of various ongoing litigation, rights arbitration and interest arbitration; and

WHEREAS, the Collective Bargaining Agreement resulting from this Tentative Agreement shall be expressly subject to ratification by both the Providence City Council and the membership of the Union pursuant to its bylaws; and

WHEREAS, the parties hereto desire to codify their Tentative Agreement and be bound by the same;

NOW, therefore, the parties agree as follows:

The document entitled "Collective Bargaining Agreement between the City of Providence, Rhode Island and Local 799 of the International Association of Firefighters,

AFL-CIO, effective from July 1, 2016 through June 30, 2017, along with all prior amendments and revisions, shall be incorporated by reference herein as if fully reproduced. The terms and conditions of this agreement, and of all prior amendments and revisions, shall remain in full force and effect, except as expressly modified herein.

ARTICLE XIII

Section 1 - SALARY FOR THE FIREFIGHTERS

Salaries for all uniformed members of the City of Providence Fire Department shall be as follows:

Effective 7/01/17 two percent (2.00%)*

Effective 7/01/18 two and one quarter percent (2.25%)*

Effective 7/01/19 two and one quarter percent (2.25%)*

Effective 7/01/20 two and three quarter percent (2.75%)*

Effective 7/01/21 three and one quarter percent (3.25%)*

*The foregoing base salary increases shall not apply to FF/2's and FF/3's.

Effective July 1, 2017, the rate of pay for a FF/3 shall be eight hundred ten dollars (\$810.00) per week (\$20.25/hr) and a FF/2 shall be nine hundred ten dollars (\$910.00) per week (\$22.75/hr).**

Effective July 1, 2018 the rate of pay for a FF/3 shall be eight hundred twenty dollars (\$820.00) per week (\$20.50/hr) and a FF/2 shall be nine hundred twenty dollars (\$920.00) per week (\$23.00/hr).**

Effective July 1, 2019 the rate of pay for a FF/3 shall be eight hundred thirty dollars (\$830.00) per week (\$20.75/hr) and a FF/2 shall be nine hundred thirty dollars (\$930.00) per week (\$23.25/hr).**

Effective July 1, 2020 the rate of pay for a FF/3 shall be eight hundred forty dollars (\$840.00) per week (\$21.00/hr) and a FF/2 shall be nine hundred forty dollars (\$940.00) per week (\$23.50/hr).**

Effective July 1, 2021, the rate of pay for a FF/3 shall be eight hundred fifty dollars (\$850.00) per week (\$21.25/hr) and a FF/2 shall be nine hundred fifty dollars (\$950.00) per week (\$23.75/hr).**

**The parenthetical references to a rate of pay for a FF/3 and a FF/2 in this section shall be references to the calculation of one-fortieth (1/40th) of such employees' weekly salaries for the purpose of calculating their hourly overtime rate of pay under Article VI, Section 5 of this Agreement.

ARTICLE XIV

Section 1 –HEALTH INSURANCE

H. Effective July 1, 2017, all active members shall contribute \$1347.00 annually to the premium for an individual health insurance plan and \$2726.00 annually for a family plan, on a pre-tax basis.

Effective July 1, 2018, all active members shall contribute \$1387.00 annually to the premium for an individual health insurance plan and \$3182.00 annually for a family plan, on a pre-tax basis.

Effective July 1, 2019, all active members shall contribute \$1429.00 annually to the premium for an individual health insurance plan and \$3642.00 annually for a family plan, on a pre-tax basis.

Effective July 1, 2020, all active members shall contribute \$1530.00 annually to the premium for an individual health insurance plan and \$3899.00 annually for a family plan, on a pre-tax basis.

Effective July 1, 2021, all active members shall contribute \$1591.00 annually to the premium for an individual health insurance plan and \$4055.00 annually for a family plan, on a pre-tax basis.

The above annual health insurance premium co-share contribution owed shall be divided into twenty-six (26) equal payments and deducted in each member's bi-weekly paycheck.

Retiree Health Insurance Premium Co-Share Contribution

All members retiring on or after July 1, 2017 shall contribute toward the cost of their health insurance in retirement in an amount equal to one-half (1/2) of the active member annual health insurance premium co-share contribution in effect at the time of the retiree's retirement, family or individual depending upon eligibility requirements. The amount of such retiree's annual health insurance premium co-share contribution shall not change unless a member hired on or

before June 30, 1996 elects and, is eligible, to convert from family health coverage to individual health coverage (or vice versa), or as otherwise provided below.

- For example, if a member who was hired on or before June 30, 1996, retires on January 1, 2020, and that member elects family health coverage in retirement, he/she would pay 50% (or one-half) of \$3642.00, or \$1821.00 annually in retirement.
- As another example, if a member was hired after June 30, 1996, or if a member hired on or before June 30, 1996 elects individual health coverage in retirement, and that member retires on January 1, 2020, he/she would pay 50% (or one-half) of \$1429.00, or \$714.50 annually in retirement.

If a retiree who was hired on or before June 30, 1996 and who retires on or after July 1, 2017 elects and is eligible to convert from family health coverage to individual health coverage (or vice versa) after making the initial election at the commencement of his/her retirement, then the retiree's health insurance premium co-share contribution shall change to an amount equal to one-half (1/2) of the active member health insurance premium co-share contribution in effect at the time of the retiree's retirement for such coverage. For the purposes of the foregoing, if the City is responsible for paying any portion of the costs of health coverage to a retiree and at least one other individual (e.g., spouse, domestic partner), then the retiree will be considered to be receiving family health coverage.

A retiree who was hired after June 30, 1996 and who retires on or after July 1, 2017 shall not be able to convert from individual health coverage to family health coverage, unless the retiree purchases, at the retired employee's expense, spousal coverage at the City's rate, as set forth in Article XIV, Section 1. D of this Agreement. As a result, for retirees who were hired after June

30, 1996 and who retire on or after July 1, 2017, their annual health insurance premium co-share contribution shall not increase during retirement, except as provided in Article XIV, Section 1.D of this Agreement.

When a retiree reaches Medicare eligible age and enrolls in a Medicare supplement plan as provided by the Pension Consent Decree (PC 2012-5190), the retiree's annual health insurance premium co-share contribution shall be reduced by the retiree's Medicare Part B premium payment. Any Medicare Part B premium paid for the retiree's spouse (or domestic partner) shall not be used to reduce the retiree's annual health insurance premium co-share contribution.

- For example, if a retiree's annual health insurance premium co-share contribution is \$1821.00 and the retiree's Medicare Part B premium payment is \$1461.60 annually, then the retiree's annual health insurance premium co-share contribution shall be \$359.40 (or \$1821.00 minus \$1461.60).
- As another example, if a retiree's annual health insurance premium co-share contribution is \$714.50 and the retiree's Medicare Part B premium payment is \$1461.60 annually, then the retiree's annual health insurance premium co-share contribution shall be \$0.00.
- For further examples, see attached *Exhibit A*.

The city shall deduct the amount of the retiree's annual health insurance premium co-share contribution in equal amounts from the retiree's monthly pension payments. Such deduction shall be made pre-tax.

Section 3 - DELTA DENTAL

The City shall furnish Delta Dental Family Plan Benefits Level IV annual coverage for all members of the bargaining unit. The coverage and benefits in effect on July 1, 2016 shall remain in effect until and unless modified by written agreement between the parties.

Effective July 1, 2017, all active members shall contribute \$ 43.16 annually to the premium for an individual Delta Dental co-share plan and \$133.05 annually for a family plan, on a pre-tax basis.

Effective July 1, 2018, all active members shall contribute \$ 44.88 annually to the premium for an individual Delta Dental co-share plan and \$138.37 annually for a family plan, on a pre-tax basis.

Effective July 1, 2019, all active members shall contribute \$ 46.68 annually to the premium for an individual Delta Dental co-share plan and \$143.91 annually for a family plan, on a pre-tax basis.

Effective July 1, 2020, all active members shall contribute \$ 48.54 annually to the premium for an individual Delta Dental co-share plan and \$149.66 annually for a family plan, on a pre-tax basis.

Effective July 1, 2021, all active members shall contribute \$ 50.49 annually to the premium for an individual Delta Dental co-share plan and \$155.65 annually for a family plan, on a pre-tax basis.

The above annual Delta Dental dental insurance premium co-share contribution shall be divided into twenty-six (26) equal payments and deducted in each member's bi-weekly paycheck.

ARTICLE XXX

DURATION

This Agreement shall be for the term beginning July 1, ~~2013~~ 2017 and ending June 30, ~~2016~~ 2022. The parties agree that the terms and conditions of this July 1, 2017 to June 30, 2022 Tentative Agreement shall, upon ratification by the appropriate authorities of each party, remain in full force and effect until such time as the parties enter into, and have ratified or arbitrated, a successor agreement.

[Intentionally left blank – Signature lines to follow on next page]

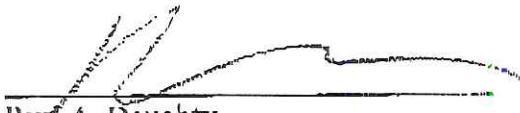
WHEREFORE, the parties hereto, having read the foregoing and being duly authorized, do hereby agree to all the terms and conditions contained herein and so signify by affixing their signatures on this 17th day of OCTOBER, 2016.

For the City of Providence:

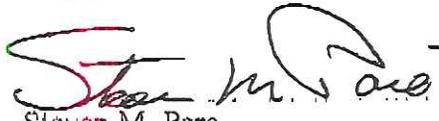
For the Union:



Jorge Elorza
Mayor



Paul A. Doughty
President, Local 799, IAFF, AFL-CIO



Steven M. Paro
Public Safety Commissioner



Derek Silva
Vice-President, Local 799, IAFF, AFL-CIO

Approved as to form and correctness



Jeffrey Dana
City Solicitor
Date:

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PROVIDENCE
OCT 18 10 53 35
MAILED



Mayor of Providence

Jorge O. Elorza

September 15, 2016

Ms. Lori Hagen
City Clerk
Providence City Hall
25 Dorrance Street
Providence, RI 02903

Re: Tentative Agreement between I.A.F.F. Local 799 and the City of Providence

Dear Ms. Hagen:

On September 12, 2016, the Administration and I.A.F.F. Local 799 announced that they had reached a Tentative Agreement on contract amendments which cover FY2017 through FY2022, with certain provisions retroactive to August 2, 2015. These amendments to the July 1, 2016 to June 30, 2017 Tentative Agreement include issues related to minimum staffing, four-platoon schedule, health care, salary, clothing, retiree health care, holidays, compensatory time, and other matters. The Tentative Agreement will shortly be the subject of a vote by the union membership. I hereby submit the attached Tentative Agreement to the Providence City Council for Ratification.

We are requesting that this matter be taken off docket at today's City Council meeting, so that it can be referred to committee and the process of review and oversight can proceed.

Respectfully,

A handwritten signature in black ink, appearing to be "J. Elorza", written over a red line.

Jorge O. Elorza
Mayor

City Hall, 25 Dorrance Street, Providence, RI 02903
Phone (401) 421-7740 Fax (401) 274-8240

Tentative AgreementReference

1. **Minimum Staffing** Art. XIX
- a. Reduce to 88 effective October 29, 2016, or as soon as practical thereafter.
 - b. Eliminate \$100,000 annual overtime expense language beginning in FY2018.
2. **4-Platoon Schedule**
- a. Return to 10-10-14-14 schedule effective on or before October 29, 2016, or as soon as practical thereafter.
 - b. If the City reverts to a 3-platoon / 56-hour workweek during the course of this agreement, then, in consideration for the changes set forth in this agreement, the City agrees to compensate each member affected by the change one year's salary within fourteen (14) days of the change.
 - c. The City will pay overtime in accordance with Article VI of the CBA. *as it was paid prior to August 2, 2015 without prejudice to the claim of the parties as to such payment subsequent to August 2, 2015*
3. **Health Care** Art. XIV
- a. Health Co-Share rates to change as follows effective July 1st of each Fiscal Year:
 - i. FY 2018: \$1,347 (individual) / \$2,746 (family)
 - ii. FY 2019: \$1,387 (individual) / \$3,182 (family)
 - iii. FY 2020: \$1,429 (individual) / \$3,642 (family)
 - iv. FY 2021: \$1,530 (individual) / \$3,899 (family)
 - v. FY 2022: \$1,591 (individual) / \$4,055 (family)
 - b. Dental Co-Share Rates to Change as follows effective July 1st of each Fiscal Year:
 - i. FY 2018: \$43.16 (individual); \$133.05 (family)
 - ii. FY 2019: \$44.88 (individual); \$138.37 (family)
 - iii. FY 2020: \$46.68 (individual); \$143.91 (family)
 - iv. FY 2021: \$48.54 (individual); \$149.66 (family)
 - v. FY 2022: \$50.49 (individual); \$155.65 (family)
4. **Salary for the Firefighters** Article XIII, Sec. 1
- a. Effective July 1, 2015: 3% base salary increase remains in effect.
 - b. Effective August 2, 2015: 8% base salary increase remains in effect until conversion to 4-platoon / 42-hour workweek schedule takes effect, at which time the 8% base salary increase shall no longer be of any force or effect.
 - c. FY2017 Wage Re-opener: Effective January 1, 2017, 2% base salary increase.
 - d. Effective July 1, 2017: 2.00 % base salary increase.
 - e. Effective July 1, 2018: 2.25 % base salary increase.
 - f. Effective July 1, 2019: 2.25 % base salary increase.
 - g. Effective July 1, 2020: 2.75 % base salary increase.
 - h. Effective July 1, 2021: 3.25 % base salary increase.

5. Salary for the Firefighters

Article XIII, Sec. 1

- a. The base salary increases set forth in § 4 above shall not apply to FF/2's and FF/3's.
- b. The weekly salaries for FF/3's shall be as follows:
 - i. FY2017: \$800
 - ii. FY2018: \$810
 - iii. FY2019: \$820
 - iv. FY2020: \$830
 - v. FY2021: \$840
 - vi. FY2022: \$850
- c. The weekly salaries for FF/2's shall be as follows:
 - i. FY2017: \$900
 - ii. FY2018: \$910
 - iii. FY2019: \$920
 - iv. FY2020: \$930
 - v. FY2021: \$940
 - vi. FY2022: \$950

6. Clothing Provision

Art. VIII, (C)

- a. Eliminate "clothing issue" beginning FY2017.

7. Retiree Health Care

Art. XIV

- a. Employees shall pay a health co-share in retirement equivalent to 1/2 of their health co-share in effect at the time of retirement.
- b. This retiree health co-share shall continue for life, including post-Medicare, net of Medicare Part B costs.

For example, if a retiree is paying ½ of \$4,055 (or \$2,027.50) as a health co-share in retirement, then upon becoming Medicare eligible, the retiree's \$2,027.50 health co-share shall be reduced by the retiree's annual payment for Medicare Part B.

Therefore, for illustrative purposes only, if such retiree's Medicare Part B payment is \$121.80 per month (or \$1,461.60 per year), then such retiree's Post-Medicare Co-Share to the City will be \$565.90.

As another example, if a retiree is paying ½ of \$1,591 (or \$795.50) as a health co-share in retirement, then upon becoming Medicare eligible, the retiree's \$795.50 health co-share shall be reduced by the retiree's annual payment for Medicare Part B. Therefore, for illustrative purposes only, if such retiree's Medicare Part B payment is \$121.80 per month (or \$1,461.60 per year), then such retiree's Post-Medicare Co-Share to the City will be \$0.

8. Item H Proposal (effective for all new hires)

Art. IX, Sec. 2(h)

- a. All firefighters hired after the effective date of this agreement will accrue Item H days in accordance with the following schedule:
 - i. Date of appointment: 0 Item H days
 - ii. Completion of first year: 1 Item H day
 - iii. Completion of second year: 2 Item H days
 - iv. Completion of third year: 3 Item H days
 - v. Completion of fourth year: 4 Item H days
 - vi. Completion of fifth year: 5 Item H days
 - vii. Completion of sixth year: 6 Item H days
 - viii. Completion of seventh year: 7 Item H days

9. Holiday – Eliminate 1-paid holiday (Rhode Island Independence Day) effective FY2017.

10. Compensation Time (Effective January 1, 2017, or as soon as practicable thereafter):

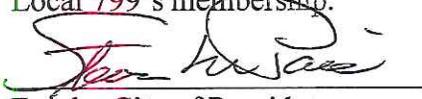
- a. Firefighters can accrue up to a total of 72 hours of compensation time (i.e., 48 hours of overtime banked as compensation time);
- b. Firefighters cannot use their accrued compensation time if it results in the City making any payment of overtime through a callback. The parties will agree in writing that the use of compensation time under such circumstances would unduly disrupt the operations of the Department, and they will commit to advancing this argument in any action filed pursuant to the federal Fair Labor Standards Act.
- c. If a member utilizes compensation time and such use results in any payment of overtime, the City shall discharge the equivalent amount of that member's sick/vacation/other paid time off (e.g., if a firefighter's use of compensation time results the City calling back a firefighter on overtime for 10 hours, the City shall discharge 15 hours of other paid time off of the firefighter using the compensation time).
- d. The City has absolute discretion to require firefighters to use all or some of their compensation time, upon providing the firefighter with 24-hours' advance notice
- e. The City retains the exclusive right to cease the compensation time program at any time.

11. Miscellaneous

- a. One year probationary period
- b. Light duty cap raised to 25 – Item A's excluded
- c. Item H capped at twenty
- d. Consideration of a 24-hour shift within a 4-platoon / 42-hour workweek construct for a test period of up to 12 months.
- e. No elevation to FF/2 without EMT-C certification.
- f. New hires shall obtain a CDL and maintain their CDL as a condition of employment. Firefighters must obtain their CDL certification within one year of appointment. Training and testing for the CDL will be provided during the academy.
- g. Require all communications between promotional testing agency and Fire Department to be in writing only when ordering and administering a promotional test.

- h. City cannot use the contracted physician that is uses for annual physicals for an IME.
- i. Light duty assignment by mutual agreement between the Fire Department and the Union.
- j. Extend length of light duty to 24 months.

The foregoing Tentative Agreement (1) was negotiated by the City and the Union in good faith (2) is subject to ratification by the Providence City Council and (3) is subject to the approval of Local 799's membership.



For the City of Providence
Date: 12 Sept. 2016
00021386.DOCX



For Local 799, IAFF, AFL-CIO
Date: 12 SEP 2016



Office of the Internal Auditor

Memorandum

To: Councilman John J. Igliazzi, Chairman Finance Committee
Finance Committee Members

CC: City Council Members; Cyd McKenna, Chief of Staff – City Council;
James Lombardi, Treasurer/Senior Advisor City Council;

From: Matthew M. Clarkin, Jr., Internal Auditor *MMC*

Date: November 22, 2016

Attached you will find my office's financial analysis of the proposed Tentative Agreement and Tentative Amendment (TA) with Local 799, the International Association of Firefighters. Based upon our review of the terms of the TA, it projected that total, net savings will be between a range of \$6.8 to \$9.0 million for the period of fiscal years 2017-2022.

If you have any questions or would like additional information concerning our analysis or the TA in general, please let me know.

INTRODUCTION

The Administration submitted two fiscal notes with reference to the financial impact of the proposed Tentative Agreement and Tentative Amendment (TA) with Local 799, the International Association of Firefighters. In its revised fiscal note, which was submitted to the City Council's Finance Committee on November 10th, the Administration projected that the total, net savings of the proposed Tentative Agreement will be approximately \$20.1 million. Based upon my review of the terms of the Tentative Agreement, it projected that total, net savings will be between a range of \$6.8 to \$9.0 million for the period of fiscal years 2017-2022.

Below is a review of the various items where there is a variance between the Internal Auditor's findings and the Administration's revised fiscal note regarding the cost/savings of the TA.

STAFFING

Table of Organization (Projected)

The financial impact of the proposed TA has been calculated using the staffing plan/projections submitted by the Administration in its revised fiscal note, as shown below in Table 1. It is an important note, however, that based upon this staffing plan the fire department will continue to experience large annual expenditures for fire callback. In the attached Appendix 1, one can find a chart that reflects the number of firefighters available per shift based upon the Administration's staffing plan.

Table 1						
Administration's Staffing Plan/Projections: Fiscal Years 2017 - 2022¹						
	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Starting # of Firefighters	340	366	391	446	431	416
Additional FF - January 2017	40					
Additional FF - July 2017		40				
Additional FF - July 2018			70			
Projected # of Retirements ²	(14)	(15)	(15)	(15)	(15)	(17)
Ending # of Firefighters	366	391	446	431	416	399
¹ Per the Administration's Fiscal Note and Narrative						
² Per the testimony of Commissioner Pare on November 10, 2016						

Minimum Manning & Staffing Changes

Projected Savings:

Administration	\$16,410,709
Internal Auditor	\$9,947,759
Variance	(\$6,462,950)

The reduction of minimum manning to 88 from 94 will result in a net of 24 fewer positions (6 per platoon x 4 platoons). When one applies the staffing factor of 1.29 determined recently by MMA Consulting, the fire department will actually avoid hiring 31 positions (24 x 1.29 = 30.96) to meet the new minimum manning requirement. In an attempt to reduce confusion for those comparing our findings to that of the Administration, we employed the identical approach of the Administration and applied the 1.29 staffing factor to the net savings of salary and benefits generated from 24 fewer positions.

The terms of the TA actually results in the reduction of 36 firefighter positions as shown in Table 2 from trucks as a result of the decommissioning of Engine 4, Engine 5, and Ladder 4. The net total of reduced positions, however, is offset by a provision in the TA that calls for the addition of 12 battalion chief positions.

Table 2				
Reduction of Personnel on Apparatus ¹				
	Engine 4	Engine 5	Ladder 4	Total
Captain	-1	-1	-1	-3
Lieutenant	-3	-3	-3	-9
Firefighter	-8	-8	-8	-24
	Total Reduction on Apparatus			-36
Additional Personnel Required by TA ²				
Battalion Chief				12
	Total Reduction to Table of Organization			-24
¹ Reduction due to Minimum Manning Reduction to 88				
² Currently 4 BC required by contract. The TA increases number of BC to 16				

Our analysis of the staffing changes projects total net savings of \$6.5 million less than shown in the Administration’s revised fiscal note. The Administration does account for \$2.6 million of this variance in Section 1(b) “Personnel Realignment Costs” of its revised fiscal note.

Reasons for Variance (Staffing):

1. Average Salaries of Firefighters: The Administration determined the savings from the reduction of the minimum manning requirement to 88 from 94 based upon the average of salaries of firefighters currently on the apparatus being taken out of service (Engines 4 & 5, and Ladder 4). This approach overstates the savings from this change to minimum manning because the firefighters on the decommissioned apparatus are not being laid off. Instead, these firefighters will simply be moved to other apparatus in the department. Therefore, instead of calculating the savings using the salary of a Firefighter Grade 1 (\$58,472) who also receive longevity payments, the calculation should be based upon savings from the department avoiding the hiring of new firefighters at the entry Grade 3 Level (\$41,600).
2. Health Care – According to the city’s Manager of Employee Benefits, 75% of firefighters currently in the fire department have family health plans. The Administration based its projected savings on health care from 24 fewer firefighters on the assumption that 100% will have family health plans. The assumption that 100% of firefighters will have family plans results in an overstatement of the savings from health care.

For the purposes of our analysis, we determined savings from both health and dental care based upon the current composition of individual (25%) versus family (75%) plans. One could argue that this is a conservative approach based on the fact that new firefighters are likely to be younger and therefore a larger than average percentage are likely to have individual plans. We believe that using the current composition is an appropriate approach.

3. Longevity - The Administration included longevity payments in their savings calculations for the positions Firefighters Grade 1, Lieutenants and Captains who are on the apparatus that will be taken out of service due to the reduction in minimum manning. Because none of the individuals currently assigned to Engines 4, 5 and Ladder 4 will be losing their jobs and new hires are not be eligible for longevity, we did not include longevity into our savings calculation.

New firefighters are eligible for longevity payments on their 5th anniversary. Therefore, the Administration’s inclusion of savings from longevity payments is not appropriate.

4. Additional Battalion Chiefs – The Administration did not incorporate the cost associated with hiring an additional 12 Battalion Chief positions in its original fiscal note. In its revised fiscal note, the Administration included a “Personnel Realignment Cost” to include the cost of the additional Battalion Chiefs. The Administration, however, calculated the additional cost using base salary only and did not include fringe benefits or the staffing factor of 1.29. For its savings calculation on the elimination of positions, however, the Administration included fringe benefits and the staffing factor. The result of this approach is the total cost of adding 12 Battalion Chief positions is greatly understated in the Administration’s revised fiscal note.

Elimination of Winter Overtime

Projected Savings:

Administration	\$500,000
Internal Auditor	\$600,000
Variance	\$100,000

In order to properly capture all of the savings associated with the TA, we have included FY2017 in our analysis. Therefore, we have included a 6th year of savings from the elimination of Winter Overtime.

Health and Dental Co-Shares:

Projected Savings:

Administration	\$2,612,928
Internal Auditor	\$2,105,192
Variance	(\$507,736)

In order to determine the savings associated with the increase to medical and dental co-shares, one must project the anticipated number of new hires and retirees to arrive at the appropriate Table of Organization for the department. For our analysis, we used the Administration's staffing plan presented in its revised fiscal note (See Table 1). For the purposes of our calculation, we determined savings from both health and dental care based upon the fire department's current composition of individual (25%) versus family (75%) plans as provided to us by the city's Manager of Employee Benefits.

Table 3						
Medical Co-Share Savings						
	2018	2019	2020	2021	2022	2018-2022
FY2018 Increases	\$127,643	\$127,643	\$127,643	\$127,643	\$127,643	\$638,213
FY2019 Increases		\$131,767	\$131,767	\$131,767	\$131,767	\$527,068
FY2020 Increases			\$158,553	\$158,553	\$158,553	\$475,659
FY2021 Increases				\$93,958	\$93,958	\$187,916
FY2022 Increases					\$54,752	\$54,752
						Total Medical Co-Share Savings
						\$1,883,607

Table 4						
Dental Co-Share Savings						
	2018	2019	2020	2021	2022	2018-2022
FY2018 Increases	\$40,471	\$40,471	\$40,471	\$40,471	\$40,471	\$202,355
FY2019 Increases		\$1,728	\$1,728	\$1,728	\$1,728	\$6,912
FY2020 Increases			\$2,020	\$2,020	\$2,020	\$6,060
FY2021 Increases				\$2,091	\$2,091	\$4,182
FY2022 Increases					\$0	\$0
Total Medical Co-Share Savings						\$219,509

Elimination of 8%, 3-platoon Stipend

Projected Savings:

Administration	\$9,085,425
Internal Auditor	\$0
Variance	(\$9,085,425)

The Administration's in its revised fiscal note included savings of approximately \$9.1 million from the discontinuation of the 8.0% salary stipend that was provided to firefighters as compensation for moving to a 3-platoon structure.

A contractual fiscal note should be a representation of the financial impact of changes to the current contract made in a TA. The 8.0% salary stipend was unilaterally provided by the Administration and is not a part of the current firefighter's contract. Therefore, the savings from the discontinuation of the stipend should not be included in the fiscal note.

The inclusion of the savings from the stipend would represent a comparison of the TA versus how the Administration is currently managing the fire department, rather than a comparison of the TA versus the current contract. Currently, the Administration is managing the department under a 3-platoon structure with a minimum manning requirement of 94 firefighters per shift. The TA calls for a 4-platoon structure with a minimum manning requirement of 88 firefighters per shift. As shown below in Table 5, if one compares the current management of the fire department with the TA, then the cost of hiring an additional 90 firefighters will need to be added to the findings of that fiscal note as well as the savings from the discontinuation of the 8.0% stipend. The cost of an additional 90 firefighters would far outweigh the savings from the salary stipend.

Table 5				
Staffing Requirement: Current versus TA				
	# of Platoons	Manning Per Shift	Total FF Required	Total FF Required (+ SF 1.29)
Currently Structure	3	94	282	364
Tentative Agreement	4	88	352	454
			Variance	90

¹ Includes staffing factor of 1.29 per MMA Consulting

Salary for Firefighters

Projected Cost:

Administration	\$12,000,100
Internal Auditor	\$9,167,509
Variance	\$2,832,591

Based upon the fire department's current Table of Organization and the Administration's projections for new hires and retirements (See Table 1), it is projected that the across-the-board salary increases included in the TA will cost a total of approximately \$9.2 million between fiscal years 2017-2022.

Firefighter Grade 2 & Grade 3 Rate Change

Projected Savings:

Administration	\$1,783,173
Internal Auditor	\$2,031,988
Variance	\$248,815

Firefighters at a Grade 2 or Grade 3 will receive annual salary increases of \$10 per week for each year of the contract, as opposed to the across-the-board salary increases that will be received by all other grade and rank firefighters. It is projected that department will save approximately \$2.0 million over the period of the Agreement from paying these firefighters an additional \$10 per week rather than the scheduled across-the-board salary percentage increases.

Health Care: Retiree Co-Share Rates

Projected Savings:

Administration	\$524,000
Internal Auditor	\$348,112
Variance	(\$175,888)

The TA calls for firefighters to continue paying medical co-shares during retirement at a rate of 50% of the amount they were paying at the time of their retirement. In order to calculate the savings from this new provision, we utilized the Administration’s staffing plan presented in its revised fiscal note (See Table 1). For the purposes of our calculation, we determined savings from both health and dental care based upon the current composition of individual (25%) versus family (75%) plans as provided to us by the city’s Manager of Employee Benefits.

Table 6						
Retiree Medical Co-Share Savings						
	2018	2019	2020	2021	2022	2018-2022
FY2018 Increases	\$16,774	\$16,774	\$16,774	\$16,774	\$16,774	\$83,870
FY2019 Increases		\$22,858	\$22,858	\$22,858	\$22,858	\$91,432
FY2020 Increases			\$27,293	\$27,293	\$27,293	\$81,879
FY2021 Increases				\$29,149	\$29,149	\$58,298
FY2022 Increases					\$32,633	\$32,633
						Total Medical Co-Share Savings \$348,112

Item H Proposal for New Hires

Projected Savings:

	Range	
Administration	\$1,205,558	\$1,205,558
Internal Auditor	\$0	\$1,100,913
Variance	(\$1,205,558)	(\$104,645)

The number of sick days provided to new firefighters will not be reduced per the terms of the TA. Each newly hired firefighter will still receive 15 sick days per year. The number of “Item H” days, which are sick days that can be utilized as personal days, is reduced via the terms of the TA. The Administration’s projected savings from the reduction of Item H days is based upon an assumption that firefighters will not use any of the sick days that are no longer eligible for consideration as personal days. The Administration’s assumption maximizes the total savings the department will realize from the reduction to Item H days.

Because this is a new provision and such there is no data available to determine how many of the non-Item H sick days firefighters will actually utilize, we have provided a range of zero savings to the maximum savings of \$1,100,913.

Elimination of Rhode Island Independence Day

Projected Savings:

Administration	\$569,874
Internal Auditor	\$653,914
Variance	\$84,040

Based upon the Administration's staffing plan presented in its revised fiscal note (See Table 1), it is projected that the elimination of Rhode Island Independence Day as a paid holiday will save the department approximately \$559,000 for the period of fiscal year 2017 through 2022.

Compensatory Time

Projected Savings:	Range	
Administration	\$1,618,640	\$1,618,640
Internal Auditor	\$0	\$1,051,236
Variance	(\$1,618,640)	(\$567,404)

Firefighters have the option of earning up to a maximum of 72 hours (48 hours at 1.5x) of overtime as compensatory time. The TA states that firefighters must be paid earned compensatory time within three years of earning the time or upon separation from the City. The department will experience a reduction of its expenditure on fire callback when firefighters earn compensatory time. However, because the Administration's staffing projections (See Table 1) will keep the department below the level that will allow for firefighters to utilize their compensatory time and thus firefighters will be paid under the 36 month deadline, it is projected that the department will not realize any true savings from this new provision.

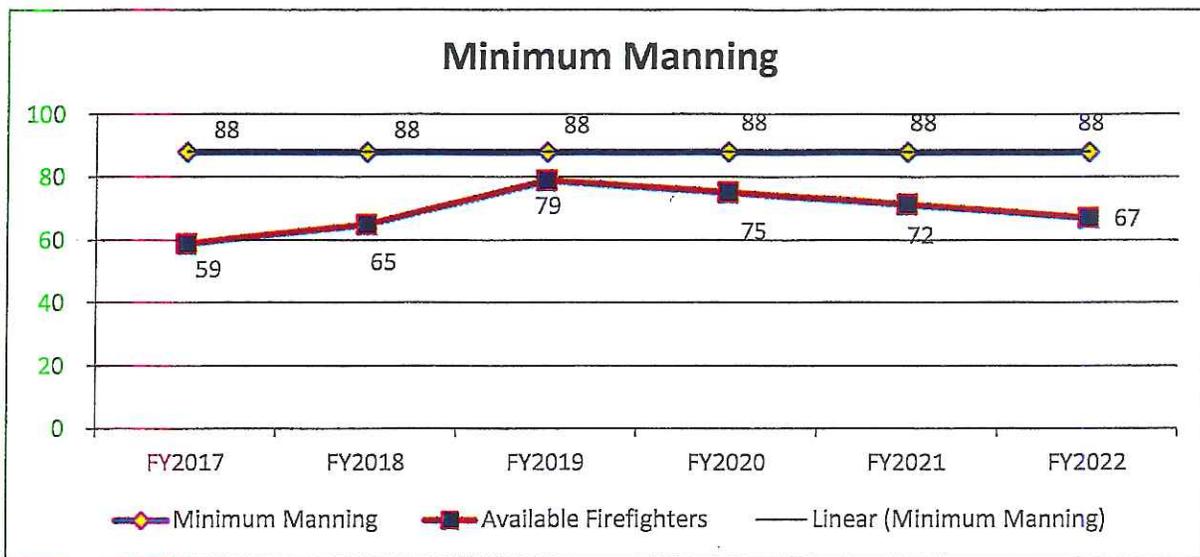
Should the Administration adjust its staffing plan so firefighters can utilize compensatory hours earned without creating a callback situation, it is estimated that this provision could result in as much as approximately \$1.05 million in savings between fiscal years 2017-2022. It is unlikely that the available savings will be realized between fiscal years 2017-2022, but this is the result of the department being understaffed, not the terms of the TA. Therefore, we have included a range for the savings associated with the compensatory time provision.

LOCAL 799 IAFF FY2017 - FY2022 CONTRACT FISCAL NOTE COMPARISON

Description	Administration 11/10/2016	Auditor's Range FY2017 - FY2022
Minimum Staffing - Reduction of minimum manning from 94 to 88	16,410,709	9,947,759
Personnel Realignment Costs Due to Staffing Restructure	(2,552,207)	0
Minimum Staffing - Elimination of Winter Overtime	500,000	600,000
Healthcare - Medical CoShares	2,402,928	1,883,607
Healthcare - Dental CoShares	210,000	221,585
Salary for Firefighters		
Effective Jan 1, 2017 (2.00%)		(1,834,116)
Effective July 1, 2017 (2.00%)	(4,991,160)	(1,998,663)
Effective July 1, 2018 (2.25%)	(2,609,752)	(1,950,991)
Effective July 1, 2019 (2.25%)	(1,933,899)	(1,532,065)
Effective July 1, 2020 (2.75%)	(1,555,106)	(1,185,008)
Effective July 1, 2021 (3.25%)	(910,183)	(666,665)
Total Salaries	(12,000,100)	(9,167,509)
Elimination of 8% Over Base Salary	9,085,425	0
Salary for Firefighters - FF2 & FF3	1,783,173	2,031,988
Clothing Provision	319,175	319,175
Retiree Health Care	524,000	348,112
Item H Proposal - for New Hires	1,205,558	0 - 1,100,913
Holidays - Elimination of RI Independence Day	569,874	653,914
Compensation Time (Effective 1/1/17)	1,618,640	0 - 1,051,236
Total Savings (Costs)	20,077,175	6,838,631 - 8,990,780

Appendix 1.

Administration's Staffing Plan/Projections: Fiscal Years 2017 - 2022



	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Current Table of Organization	340	366	391	446	431	416
Retirements	(14)	(13)	(10)	(8)	(2)	(1)
Mandatory Retirement	0	(2)	(5)	(7)	(13)	(16)
New Firefighters	40	40	70	0	0	0
Total at fiscal year end:	366	391	446	431	416	399
Non Minimum Manning	25	25	25	25	25	25
	341	366	421	406	391	374
Staffing per platoon (4)	85	92	105	102	98	94
Minimum manning level	88	88	88	88	88	88
Above (below) minimum manning	(3)	4	17	14	10	6
Vacation (Average)	(8)	(8)	(8)	(8)	(8)	(8)
Sick (Average)	(3)	(3)	(3)	(3)	(3)	(3)
Personal (Average)	(3)	(3)	(3)	(3)	(3)	(3)
IOD (based on 32)	(8)	(8)	(8)	(8)	(8)	(8)
Assigned to FPB	(4)	(4)	(4)	(4)	(4)	(4)
Per Shift/4 Platoons	59	65	79	75	72	67

*Number of retirements and new firefighters are based upon the Administration's staffing plan.

*Absences are based upon projections by the Office of the Internal Auditor using historical data under a four-platoon structure.

Appendix 2.

PERSONNEL CHANGES (PER POSITION)

	2017	2018	2019	2020	2021	2022
8 FFs						
Salary	\$41,600	\$42,120	\$42,640	\$43,160	\$48,880	\$49,400
Certs	\$4,420	\$4,420	\$4,420	\$4,420	\$4,420	\$4,420
Holiday	\$2,257	\$2,282	\$2,308	\$2,333	\$2,614	\$2,639
FICA (1.45%)	\$700	\$708	\$716	\$724	\$811	\$819
Pension (11.25%)	\$5,177	\$5,236	\$5,294	\$5,353	\$5,996	\$6,055
Medical	\$14,130	\$14,130	\$14,695	\$15,282	\$15,894	\$16,530
Co-Share	(\$2,367)	(\$2,367)	(\$2,695)	(\$3,042)	(\$3,257)	(\$3,387)
Dental	\$1,063	\$1,063	\$1,095	\$1,128	\$1,162	\$1,197
Dental Co Share	(\$109)	(\$109)	(\$113)	(\$118)	(\$122)	(\$127)
Clothing	\$0	\$0	\$800	\$800	\$800	\$800
Staffing Factor	\$66,871	\$67,483	\$69,159	\$70,041	\$77,197	\$78,345
	1.29	1.29	1.29	1.29	1.29	1.29
	\$86,264	\$87,053	\$89,215	\$90,352	\$99,585	\$101,065
	-8	-8	-8	-8	-8	-8
(6 months for 2017)	(\$345,056)	(\$696,427)	(\$713,723)	(\$722,819)	(\$796,676)	(\$808,517)
						(\$4,083,219)

	2017	2018	2019	2020	2021	2022
1 Captains						
Salary	\$71,658	\$73,091	\$74,736	\$76,417	\$78,519	\$81,070
Certs	\$4,420	\$4,420	\$4,420	\$4,420	\$4,420	\$4,420
Holiday	\$3,731	\$3,801	\$3,882	\$3,964	\$4,067	\$4,192
FICA (1.45%)	\$1,157	\$1,179	\$1,204	\$1,230	\$1,262	\$1,300
Pension (11.25%)	\$8,559	\$8,720	\$8,905	\$9,094	\$9,331	\$9,618
Medical	\$14,130	\$14,130	\$14,695	\$15,282	\$15,894	\$16,530
Co-Share	(\$2,367)	(\$2,367)	(\$2,695)	(\$3,042)	(\$3,257)	(\$3,387)
Dental	\$1,063	\$1,063	\$1,095	\$1,128	\$1,162	\$1,197
Dental Co Share	(\$109)	(\$109)	(\$113)	(\$118)	(\$122)	(\$127)
Clothing	\$800	\$800	\$800	\$800	\$800	\$800
Staffing Factor	\$103,042	\$104,728	\$106,928	\$109,176	\$112,074	\$115,613
	1.29	1.29	1.29	1.29	1.29	1.29
	\$132,924	\$135,100	\$137,937	\$140,837	\$144,576	\$149,141
	-1	-1	-1	-1	-1	-1
(6 months for 2017)	(\$66,462)	(\$135,100)	(\$137,937)	(\$140,837)	(\$144,576)	(\$149,141)
						(\$774,052)

9 Lieutenants	2017	2018	2019	2020	2021	2022
Salary	\$65,684	\$66,998	\$68,505	\$70,047	\$71,973	\$74,312
Certs	\$4,420	\$4,420	\$4,420	\$4,420	\$4,420	\$4,420
Holiday	\$3,438	\$3,502	\$3,576	\$3,652	\$3,746	\$3,861
FICA (1.45%)	\$1,066	\$1,086	\$1,109	\$1,133	\$1,162	\$1,198
Pension (11.25%)	\$7,887	\$8,035	\$8,204	\$8,378	\$8,594	\$8,857
Medical	\$14,130	\$14,130	\$14,695	\$15,282	\$15,894	\$16,530
Co-Share	(\$2,367)	(\$2,367)	(\$2,695)	(\$3,042)	(\$3,257)	(\$3,387)
Dental	\$1,063	\$1,063	\$1,095	\$1,128	\$1,162	\$1,197
Dental Co Share	(\$109)	(\$109)	(\$113)	(\$118)	(\$122)	(\$127)
Clothing	\$800	\$800	\$800	\$800	\$800	\$800
Staffing Factor	\$96,012	\$97,558	\$99,596	\$101,680	\$104,372	\$107,660
	1.29	1.29	1.29	1.29	1.29	1.29
	\$123,856	\$125,850	\$128,479	\$131,167	\$134,640	\$138,882
	-3	-3	-3	-3	-3	-3
(6 months for 2017)	(\$185,784)	(\$377,551)	(\$385,438)	(\$393,500)	(\$403,920)	(\$416,645)
						(\$2,162,838)

Total Savings from One - 3 Man Apparatus **(\$7,020,109)**
 Three pieces of apparatuses being decommissioned (E4, E5, L4) 3
 Total Savings **(\$21,060,326)**

Cost of ReCommissioning B1, B2 and Safety Battalion Chief						
	2017	2018	2019	2020	2021	2022
Salary	\$88,755	\$90,530	\$92,567	\$94,650	\$97,253	\$100,413
Certs	\$4,420	\$4,420	\$4,420	\$4,420	\$4,420	\$4,420
Holiday	\$4,569	\$4,656	\$4,756	\$4,858	\$4,986	\$5,141
FICA (1.45%)	\$1,417	\$1,444	\$1,475	\$1,507	\$1,547	\$1,595
Pension (11.25%)	\$10,482	\$10,682	\$10,911	\$11,145	\$11,438	\$11,794
Medical	\$14,130	\$14,130	\$14,695	\$15,282	\$15,894	\$16,530
Co-Share	(\$2,367)	(\$2,367)	(\$2,695)	(\$3,042)	(\$3,257)	(\$3,387)
Dental	\$1,063	\$1,063	\$1,095	\$1,128	\$1,162	\$1,197
Dental Co Share	(\$109)	(\$109)	(\$113)	(\$118)	(\$122)	(\$127)
Clothing	\$800	\$800	\$800	\$800	\$800	\$800
Staffing Factor	\$123,161	\$125,250	\$127,911	\$130,631	\$134,120	\$138,375
	1.29	1.29	1.29	1.29	1.29	1.29
	\$158,878	\$161,572	\$165,005	\$168,514	\$173,014	\$178,503
	12	12	12	12	12	12
(6 months for 2017)	953,266	\$1,938,865	\$1,980,058	\$2,022,169	\$2,076,173	\$2,142,038
						11,112,568

Total Savings by Year (\$838,639) (\$1,688,368) (\$1,731,236) (\$1,749,299) (\$1,959,345) (\$1,980,871) (\$9,947,759)