

# Exhibit 4

## **ANALYSIS OF THE FINANCIAL IMPLICATIONS OF CHANGES IN THE TOWN OF EAST GREENWICH'S PERSONNEL POLICIES AND CONTRACTUAL AGREEMENTS WITH THE EAST GREENWICH FIREFIGHTERS ASSOCIATION (IAFF LOCAL 3328)**

The purpose of this study is to objectively assess the financial implications of changes in the Town of East Greenwich's personnel policies and contractual agreements with the East Greenwich Firefighters Association (IAFF Local 3328). Three agreements were reviewed as part of this engagement: the East Greenwich Fire District's agreement with the firefighters association covering the period from July 1, 2010 to June 30, 2013 (FY2011 to FY 2013); the Town of East Greenwich's agreement with the firefighters association covering the period from July 1, 2013 to June 30, 2016 (FY2014 to FY2016); and the most recent agreement between the Town and the firefighter's association covering July 1, 2016 to June 30, 2019 (FY2017 to FY2019).

To facilitate comparisons among these agreements the composition of the Fire Department as of August 1, 2017 was used in the analysis of costs for all the agreements. In particular, the current number of firefighters and officers by rank and the current seniority of these employees were used when assessing each contract's costs. Likewise, information on employee absences was based on the experience for the most current fiscal year (FY2017). Using the same "baseline" information when evaluating the costs associated with each contract will ensure the relative costs associated with changed contract provisions are understood. The actual costs experienced in prior years will, of course, differ from the costs presented in this analysis as the composition and seniority of the department and absence experience will vary from year to year.

The report is divided into two sections. The first section discusses the implications of changing contract provisions. The second section presents a summary of the analysis.

### **A – FISCAL IMPACT OF CONTRACT PROVISIONS**

This analysis presented in this section is organized around contract provisions that have changed. No discussion is presented of contract provisions that have not changed. In addition, contract provisions that have changed but do not have financial implications are not discussed. The following contract provisions are discussed in this section: wages and longevity pay; department structure and staffing; holiday pay; vacations; sick leave; clothing allowance and uniforms; medical and dental; training; collateral dispatch; overtime; educational expenses; bargaining leave; collateral duty supervisor; private detail; bereavement leave; injured on duty; out of station coverage; and life insurance.

#### **WAGES AND LONGEVITY PAY**

In addition to overtime, wages, longevity pay, and "ET incentive pay"<sup>1</sup> comprise the bulk of Fire Department employee compensation. This section summarizes contract provisions for hourly wage rates, longevity pay, and ET incentive pay and then calculates the related compensation costs for the department.

---

<sup>1</sup> The FY2011-FY2013 contract entitles all members of the four platoon system hired prior to July 1, 2010 who hold a Rhode Island ET certification to receive "ET Incentive Pay."

## Wages

The hourly wage rate for firefighters and officers provided for in each contract is summarized in the following table. Firefighters and officers work an average of 42 hours per week.

Year	Captain	Lieutenant	Firefighter Less Than One Year	Firefighter One Year	Firefighter Two Years	Firefighter Three Years	Firefighter Four Years Or More
FY2011	\$28.88	\$26.26	\$16.13	\$19.03	\$22.12	\$22.12	\$23.81
FY2012	\$29.31	\$26.65	\$16.37	\$19.32	\$22.45	\$22.45	\$24.17
FY2013	\$29.75	\$27.05	\$16.62	\$19.61	\$22.79	\$22.79	\$24.53
FY2014	\$29.75	\$27.05	\$16.62	\$19.61	\$22.79	\$22.79	\$24.53
FY2015	\$30.35	\$27.59	\$16.95	\$20.00	\$23.25	\$23.25	\$25.02
FY2016	\$31.26	\$28.42	\$17.46	\$20.60	\$23.95	\$23.95	\$25.77
FY2017	\$31.89	\$28.99	\$21.01	\$24.43	\$26.29	\$26.29	\$26.29
FY2018	\$32.53	\$29.57	\$21.43	\$24.92	\$26.82	\$26.82	\$26.82
FY2019	\$33.18	\$30.16	\$21.86	\$25.42	\$27.36	\$27.36	\$27.36

The hourly wage rate for the Chief Clerk and Fire Marshal under each contract is presented in the follow table. The Chief Clerk works 35 hours per week and the Fire Marshal works 40 hours per week.

Year	Chief Clerk(a)	Fire Marshal(b)
FY2011	\$16.23	\$28.15
FY2012(c)	\$16.47	\$28.57
FY2013	\$16.72	\$29.00
FY2014	\$16.72	\$29.00
FY2015	\$17.05	\$29.58
FY2016	\$17.56	\$30.47
FY2017	\$17.91	\$31.08
FY2018	\$18.27	\$31.70
FY2019	\$18.64	\$32.33

- (a) The Chief Clerk has a tenure of less than one year.  
 (b) The Fire Marshal has a tenure of eight years.  
 (c) Effective date of pay increase was January 1, 2012.

## Longevity

The contracts also provide for longevity pay for full-time employees based on their years of service as summarized in the following table. Please note that since July 1, 2014 the longevity schedule has not changed.

Tenure	FY2011	FY2012(a)	FY2013	FY2014	FY2015 And Later
Less Than 2 Years	0.0%	0.0%	0.0%	0.0%	0.0%
2 to 5 Years	0.0%	0.0%	0.0%	3.5%	3.5%
5 to 10 Years	5.0%	5.0%	5.0%	6.5%	6.5%
10 to 15 Years	6.0%	6.0%	6.0%	8.0%	8.0%
15 to 20 Years	9.0%	9.0%	9.0%	9.0%	9.0%
20 to 25 Years	10.0%	10.0%	10.0%	9.5%	9.5%
25 Years Or More	10.0%	10.0%	10.0%	10.0%	10.0%

(a) Effective date of change in longevity schedule was January 1, 2012.

### ET Incentive Pay

The FY2011-FY2013 contract provides for ET (Endotracheal Intubation) Incentive Pay of two percent of base salary for the contract year July 1, 2010 to June 30, 2011 (FY2011), 1.5 percent of base salary for the contract year July 1, 2011 to June 30, 2012 (FY2012), and one percent of base pay for the contract year July 1, 2012 to June 30, 2013 (FY2013). On June 30, 2013 ET Incentive Pay was eliminated as a benefit.

Please note that for the purposes of this analysis it is assumed that all firefighters and officers received ET Incentive Pay from July 1, 2010 to June 30, 2013.

### Total Costs

The total compensation (e.g., wages, longevity pay, and ET incentive pay) for the department from FY2011 to FY2019 is summarized in the following table. The calculations assume that during each year the department has the same rank structure and employee tenure as the current department.

Year	Total Compensation Excluding Pension And FICA	Total Compensation With Pension And FICA	Annual Cost Increase
FY2011	\$2,098,305.93	\$2,862,508.96	
FY2012(a)	\$2,122,905.86	\$2,896,068.17	\$33,559.22
FY2013	\$2,147,785.62	\$2,930,009.14	\$33,940.97
FY2014	\$2,162,984.50	\$2,950,743.46	\$20,734.32
FY2015	\$2,206,188.36	\$3,009,682.16	\$58,938.70
FY2016	\$2,272,444.40	\$3,100,068.65	\$90,386.49
FY2017	\$2,366,012.16	\$3,227,713.79	\$127,645.14
FY2018	\$2,413,496.59	\$3,292,492.05	\$64,778.27
FY2019	\$2,461,853.70	\$3,349,598.15	\$57,106.09

(a) The effective day of the compensation changes is January 1, 2012.

### DEPARTMENT STRUCTURE AND STAFFING

The FY2017-FY2019 contract includes two provisions that affect costs that are not included in the FY2011-FY2013 and FY2014-FY2016 contracts. First, the FY2017-FY2019 contract phases out the "floater" positions that are provided for in the FY2011-FY2013 and FY2014-FY2016 contracts. In addition, the FY2017-FY2019 contract specifies that "effective July 1, 2018 the staffing of the Department shall consist of 1

Captain, 1 Lieutenant and three firefighters assigned to Station 1 and two Lieutenants and two firefighters assigned to Station 2 for a total of nine per platoon.” No specifications relating to rank structure are included in the FY2011-FY2013 and the FY2014-FY2016 contracts.

**Elimination of Floater Positions**

The FY2011-FY2013 and FY2014-FY2016 contracts specify that one of the nine firefighter and officer positions on each of the four platoons should be a “floater”. Minimum staffing on each shift (i.e., the level of staffing that must be maintained) is eight positions and the “floater” is used to fill in for platoon staff who are absent. In the FY2017-FY2019 contracts the floater position is phased out. The contract states, “Effective July 1, 2016, one of the floater positions shall become a permanently staffed position. Beginning July 1, 2017, a second floater positions shall become a permanently staffed position. Beginning July 1, 2018 the remaining two floater positions shall become permanently staffed position.” These changes increase the minimum staffing on each platoon to nine positions. Moreover, since the floater positions are discontinued **all absences** must be filled using overtime.

To calculate the cost of increasing minimum staffing on each platoon from eight to nine positions and of eliminating the floater positions one must first calculate a department relief factor. (Relief factors are used to calculate the total number of positions that are needed to ensure minimum staffing levels are maintained after considering expected absences.) From a review of overtime and leave payment for FY2017 the average number of absences per firefighter was calculated.

Category	Average Hours
Vacation	176.0
Sick	112.7
Injured On Duty	78.8
Vacancy	72.6
Personal Leave	23.5
Family Leave	23.1
School/Training	14.6
FLSA	7.7
Bargaining Leave	7.2
Emergency Leave	0.8
<b>Total Leave Hours</b>	<b>517.0</b>

Using the average number of absences the department’s relief factor for each platoon is calculated by dividing the 2184 hours firefighters are scheduled to work (52 weeks times 42 hours per week) by the number of hours firefighters will report for duty (1667<sup>2</sup>). This calculation yields a relief factor of 1.3101 which means 1.3101 firefighters need to be employed on each platoon to ensure that one firefighter will be working.

With minimum staffing levels set at eight per platoon (as required by the FY2011-FY2013 and FY2014-FY2016 contracts) a total of 10.41 positions are need on each

<sup>2</sup> Subtracting the number of hours firefighters will be absent (517) from the number of hours firefighters are scheduled to work (2184.0) yields 1667 work hours for each firefighter.

platoon (8 times 1.3101) or 1.41 positions more than the nine (including the floater) assigned to each platoon. (When minimum staffing levels are increased to nine per platoon and the floater positions is eliminated (as required by the FY2017-FY2019 contract) a total of 11.79 positions are need on each platoon or 2.79 more than the nine assigned to each platoon. (An additional 11.16 additional positions are needed over the four platoons.)

The following table summarizes the cost of required additional overtime expenditures as minimum staffing levels are increased and floater positions are phased out.

Year	Floater Positions	Overtime FTEs	Average Overtime Rate For Firefighter	Total Overtime Costs Without FICA	Overtime Costs With FICA
FY2016	4	6.76	\$35.20	\$519,687.17	\$559,443.24
FY2017	3	7.86	\$37.95	\$651,458.81	\$701,295.41
FY2018	2	8.96	\$38.85	\$760,241.66	\$818,400.15
FY2019	0	11.16	\$39.63	\$965,919.43	\$1,039,812.26

The cost of the changes from fiscal years 2017 to 2019 (as compared to what costs were in FY2016 before the changes) is summarized in the following table:

Year	Cost As Compared To FY2016 Cost
FY2017	\$141,852.17
FY2018	\$258,956.91
FY2019	\$480,369.03

The cost of changing the department structure as compared to what the costs would have been if the contract provisions had not been implemented are summarized in the following table. Please note that these calculations use FY2017 to FY2019 wage rates to calculate the overtime that would be required with and without the contract provision.

Year	Cost Of Changing Contract Provision
FY2017	\$98,145.67
FY2018	\$200,946.47
FY2019	\$409,961.82

### Specification of Rank Structure

Specifying the required rank structure for each platoon in the FY2017-FY2019 contract increases expenditures for "out of rank" payments to firefighters and officers (an out of rank payment is a payment to firefighters and officers for serving for a shift in a classification higher than their normal position). In particular, specifying that a Captain be assigned to each platoon increases the number of Lieutenants who will receive out of rank pay when working as Captains.

To determine the cost of increased out of rank payments a relief factor for Captains (1.41) was calculated. This relief factor was then used to determine the number of "out of rank" positions that are needed. If 1.41 Captain positions (after relief) to staff a Captain on each platoon the total number of Captain positions needed on four platoons is 5.64 (1.41 positions times four platoons yields a need for 5.64 positions.). Since two Captain positions are currently included on the department's roster 3.64 "out of rank" positions are needed.

The out of rank cost for the Captain position is determined by calculating the difference in cost between a Captain and Lieutenant's hourly rates and multiplying by the number of hours an out of rank Captain's position will be needed.

	FY2017	FY2018	FY2019
Captain Rate	\$31.89	\$32.53	\$33.18
Lieutenant Rate	\$28.99	\$29.57	\$30.16
Difference	\$2.90	\$2.96	\$3.02
Hours Out Of Rank Position Is Needed	7949.76	7949.76	7949.76
Total Cost Without FICA	\$23,054.30	\$23,531.29	\$24,008.28
Total Cost With FICA	\$24,817.96	\$25,331.43	\$25,844.91

#### **HOLIDAY PAY**

There are two differences relating to holiday pay between the FY2011-FY2013 contract and the FY2014-FY2016 and the FY2017-FY2019 contracts. First, the FY2011-FY2013 contract set the rate for holiday pay at one-fifth of a week's pay while the FY2014-FY2016 and FY2017-FY2019 contracts set the rate for holiday pay at the hourly rate for a position times 12 (the average number of hours worked on two 10-hour day shifts and two 14-hour night shifts). In addition, the FY2011-FY2013 contract provides for 12 full paid holidays and two half paid holidays while the FY2014-FY2016 and FY2017-FY2019 contracts provide for 12 full paid holidays only.

The FY2017-FY2019 contract also includes a provision that firefighters and officers working on a holiday should be paid time and a half. This provision is not included in the FY2011-FY2013 or FY2014-FY2016 contracts.

#### **Holiday Rate of Pay**

When the payment for holidays is set at one-fifth a week's pay (as set forth in the FY2011-FY2013 contract) the average number of holiday hours is 8.4. (An average 42 hour work week divided by five). In the FY2014-FY2016 and FY2017-FY2019 contracts a 12 hour day is used to set holiday pay. The cost implications of these changes are summarized in the following table:

Year	Cost Using FY2011- FY2013 Holiday Pay	Cost Using FY2014- FY2016 And FY2017- FY2019 Holiday Pay	Cost Increase
	Provisions	Provisions	
FY2014	\$121,683.80	\$173,834.00	\$52,150.20
FY2015	\$124,115.00	\$177,307.15	\$53,192.14
FY2016	\$127,842.94	\$182,632.77	\$54,789.83
FY2017	\$134,153.33	\$191,647.62	\$57,494.29
FY2018	\$137,107.08	\$195,867.25	\$58,760.18
FY2019	\$139,854.55	\$199,792.22	\$59,937.67

### Payments for Half Holidays

The savings associated with reducing two half holidays is calculated by multiplying the sum of the hourly rate for all firefighters by the number of hours by which holiday pay is reduced (12 hour or six hours for each half holiday). The savings for each fiscal year associated with reducing two half holidays is summarized in the following table:

Year	Savings
FY2014	(\$10,618.80)
FY2015	(\$10,830.96)
FY2016	(\$11,156.28)
FY2017	(\$11,706.96)
FY2018	(\$11,964.72)
FY2019	(\$12,204.48)

### Time And A Half Payments for Working On Holidays

The cost of paying time and a half to firefighters and officers working on holidays is calculated by multiplying the 24 hours in a holiday by the sum of the hourly rate for the positions required to be staffed on each platoon in the FY2017-FY2019 contract – one captain, three lieutenants, and five firefighters<sup>3</sup>. The result of this calculation (the cost of staffing a 10 hour shift and a 14 hour shift) is multiplied 1.0765 to reflect the cost of the employer contribution to FICA. The resulting product is then multiplied by 50 percent to calculate the additional costs incurred by paying firefighters and officers time and a half instead of straight time for one holiday. The results, when multiplied by the 12 paid holidays each year, are summarized in the following table:

Year	Cost
FY2017	\$38,032.40
FY2018	\$38,869.49
FY2019	\$39,648.44

<sup>3</sup> The firefighter hourly rate is calculated by averaging the hourly rate for all firefighters.

## SICK LEAVE

In the FY2014-FY2016 and FY2017-FY2019 contracts all firefighters and officers earn 14 hours of sick leave per month. In the FY2011-FY2013 contract, however, only firefighters hired before July 1, 2010 earn 14 hours of sick leave per month. Firefighters hired after July 1, 2010 earn 10 hours of sick leave per month.

The cost to the Town of sick leave used is the cost of overtime needed to replace absent employees who are sick and the straight-time payment to firefighters who have accumulated a specified number of sick leave hours.<sup>4</sup> An analysis of sick leave usage from FY2014 to FY2017 reveals that during this period the number of hours of sick leave used (19,016.5 hours) was 87 percent of the number of hours of sick leave earned (21,848.0 hours). For the purpose of assessing the financial impact of the change in sick leave provisions from the FY2011-FY2013 contract to the FY2014-FY2016 and FY2017-FY2019 contracts it was assumed that 87 percent of the increase in sick leave hours earned would be paid at an overtime rate (including FICA) and 13 percent would be paid at the regular hourly rate specified in the wage schedule in each contract (including FICA).<sup>5</sup> The financial implications of these contract changes are summarized in the following table:

Year	Cost Using FY2011-FY2013 Sick Leave Provisions	Cost Using FY2014- FY2016 And FY2017- FY2019 Sick Leave Provisions	Cost Increase
FY2014	\$204,334.39	\$224,342.10	\$20,007.71
FY2015	\$208,390.73	\$228,798.11	\$20,407.38
FY2016	\$214,668.21	\$235,687.32	\$21,019.11
FY2017	\$235,938.69	\$259,584.16	\$23,645.48
FY2018	\$240,675.35	\$264,793.90	\$24,118.55
FY2019	\$245,499.13	\$270,098.91	\$24,599.78

<sup>4</sup> In the FY2011-FY2014 and FY2014-FY2017 contracts employees who exceed 600 hours of accrued sick leave can be paid for 84 hours of earned sick time unless they have accrued 850 hours of sick leave in which case they can be paid for 132 hours. In the FY2017-FY2019 contract employees who have accrued 725 hours or sick leave can be paid for 84 hours of earned sick time.

<sup>5</sup> Please note that this approach modestly overstates the actual financial implications of the increased use of sick leave. Except for firefighters whose accrued sick leave exceeds the minimums specified in each contract there will be a delay in time between when the sick leave is earned and when the employee is paid. The financial impact of these payments should, therefore, be discounted to reflect the fact that the payments will be made in the future. No information, however, was available to estimate the length of time between when sick time is earned and when it is paid so an appropriate discount rate could not be calculated.



## VACATIONS

The contracts include different provisions for vacations. In particular, the vacation schedule for staff assigned to platoons changed in the FY2014-FY2016 contract (and were maintained in the FY2017-FY2019 contract). The vacation schedule for the Fire Marshal changed in the FY2017-FY2019 contract.

### Vacations for Firefighters and Officers

The following table summarizes the changes in the vacation schedules between the FY2011-FY2013 contract and the FY2014-FY2016 and FY2017-FY2019 contracts.

Years Of Employment	Vacation Earned FY2011-FY2013 Contract	Vacation Earned FY2014-FY2016 And FY2017-FY2019 Contracts
Less Than 1 Year	No Vacation Earned	No Vacation Earned
1 Year	4 Days	12 Days
2 To 5 Years	8 Days	12 Days
5 To 10 Years	12 Days	16 Days
10 To 15 Years	16 Days	20 Days
15 To 20 Years	20 Days	24 Days
20 To 21 Years	20 Days	28 Days
More Than 21 Years	24 Days	28 Days

In the context of the East Greenwich Fire Department when the vacation time earned by firefighters and officers increases, the number of days that overtime must be expended to replace these firefighters and officers increases. (As previously discussed, even before the "floater" positions were eliminated, overtime was needed to replace absent employees.) The costs of overtime to replace firefighters and officers who are absent under each contract (using the wage rates specified in the FY2014-FY2016 and FY2017-FY2019 contracts) are summarized in the following table:

Year	Cost Using FY2011-FY2013 Vacation Schedule	Cost Using FY2014- FY2016 And FY2017- FY2019 Vacation Schedules	Cost Increase
FY2014	\$215,966.35	\$285,112.79	\$69,146.44
FY2015	\$220,244.41	\$290,764.29	\$70,519.88
FY2016	\$226,888.78	\$299,531.60	\$72,642.82
FY2017	\$237,469.79	\$311,375.99	\$73,906.20
FY2018	\$252,445.11	\$334,129.24	\$81,684.13
FY2019	\$257,499.02	\$340,820.12	\$83,321.10

### Fire Marshal Vacation

Vacation earned by the Fire Marshal changed in the FY2017-FY2019 contract is summarized in the following table.

Years Of Employment	Vacation Earned FY2011-FY2013 And FY2014-FY2016 Contracts	Vacation Earned FY2017-FY2019 Contract
Less Than 1 Year	No Vacation Earned	No Vacation Earned
1 Year	5 Days	12 Days
2 To 5 Years	10 Days	12 Days
5 To 10 Years	15 Days	16 Days
10 To 15 Years	20 Days	20 Days
15 To 20 Years	25 Days	24 Days
More Than 20 Years	30 Days	28 Days

The current Fire Marshal has eight years of tenure so would receive one additional day of vacation under the FY2017-FY2019 contract as compared to the FY2011-FY2013 and the FY2014-FY2016 contracts. Since the Fire Marshal does not need to be replaced when absent there is no financial cost to the Town of providing this additional day of vacation. If, however, providing this additional day of vacation results in a reduction in the level of service provided by the Fire Marshal, there would be a non-pecuniary cost associated with providing this additional vacation day.

#### **CLOTHING ALLOWANCE AND UNIFORMS**

The clothing allowance and clothing maintenance stipends required by the three contracts varies. The FY2011-FY2013 contract makes no provision for a clothing allowance but does provide a clothing maintenance stipend of \$800 for firefighters and officers (including the Fire Marshal.) Under the FY2014-FY2016 contract the clothing maintenance stipend is increased to \$1,000 and, beginning July 1, 2014, a clothing allowance of \$500 is provided. The FY2017-FY2019 continues the clothing maintenance stipend and increases the clothing allowance to \$600 beginning July 1, 2014, to \$800 beginning July 1, 2017, and to \$1,000 beginning July 1, 2018.

The cost of the clothing allowance and clothing maintenance stipends by year are summarized in the following table:

Year	Cost Using FY2011-FY2013 Clothing Allowance Provisions	Cost Using FY2014- FY2016 And FY2017- FY2019 Clothing Allowance Provisions	Cost Increase
FY2014	\$29,600.00	\$37,000.00	\$7,400.00
FY2015	\$29,600.00	\$55,500.00	\$25,900.00
FY2016	\$29,600.00	\$55,500.00	\$25,900.00
FY2017	\$29,600.00	\$59,200.00	\$29,600.00
FY2018	\$29,600.00	\$66,600.00	\$37,000.00
FY2019	\$29,600.00	\$74,000.00	\$44,400.00

#### **MEDICAL AND DENTAL**

Under the terms of the FY2011-FY2013 contract and the first year of the FY2014-FY2016 contract (until July 1, 2014) firefighters and officers participating in the medical plan were required to contribute to the plan according to the following schedule:

Year	Family Plan Contribution	Individual Plan Contribution
2010	\$2,194.49	\$862.92
2011	\$2,194.49	\$862.92
2012	\$2,926.00	\$1,150.56
2013	\$2,926.00	\$1,150.56

Beginning July 1, 2014 firefighters and officers on a family plan were required to pay up to \$2,000 into a Health Savings Account to cover plan deductibles and firefighters and officers on an individual plan were required to contribute \$1,000 to cover deductibles.

The following table summarizes maximum payment firefighters and officers would be required to make each year (assuming the current number of family and individual plan participants).

Year	Employee Contribution
FY2011	\$68,817.73
FY2012	\$68,817.73
FY2013	\$91,757.36
FY2014	\$91,757.36
FY 2015 And Later	\$64,000.00

The change in the health care contribution requirements implemented in FY2014 is \$27,757.36.

## TRAINING

The FY2011-FY2013 contract provides for a six week training period during which the trainee receives 75 percent of the pay of a probationary firefighter. The FY2014-FY2016 and FY2017-FY2019 contracts provide for a 12 week training period during which the trainee receives 100 percent of the pay of a probationary firefighter.

The FY2014-FY2016 and FY2017-FY2019 contract provisions increase costs in two ways. First, for the six week training period provided for in each contract the cost of the trainee increases from 75 percent of the pay of a probationary firefighter to 100 percent of the pay of a probationary firefighter. The total cost of this change is presented in the following table:

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Hourly Pay For Probationary Firefighter	\$16.62	\$16.95	\$17.46	\$21.01	\$21.43	\$21.86
Hours Per Week	42	42	42	42	42	42
Cost Per Week	\$698.04	\$711.90	\$733.32	\$882.42	\$900.06	\$918.12
75 Percent Of Probationary Firefighter	\$523.53	\$533.93	\$549.99	\$661.82	\$675.05	\$688.59

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Difference In Weekly Cost	\$174.51	\$177.98	\$183.33	\$220.61	\$225.02	\$229.53
Number Of Training Weeks	6	6	6	6	6	6
Cost Per Trainee	\$1,047.06	\$1,067.85	\$1,099.98	\$1,323.63	\$1,350.09	\$1,377.18
Number Of Trainees(a)	2.73	2.73	2.73	2.73	2.73	2.73
Total Cost Excluding FICA	\$2,858.47	\$2,915.23	\$3,002.95	\$3,613.51	\$3,685.75	\$3,759.70
<b>Total Cost Including FICA(b)</b>	<b>\$3,077.15</b>	<b>\$3,138.25</b>	<b>\$3,232.67</b>	<b>\$3,889.94</b>	<b>\$3,967.71</b>	<b>\$4,047.32</b>

(a) Based on the average number of firefighters currently employed by the department that were hired from 2002 to 2016. Please note that this estimate understates the actual number of trainees as presumably some trainees have left the department's employment.

(b) The employer FICA contribution is 7.65 percent.

In addition, the FY2014-FY2016 and FY2017-FY2019 contracts provide for six weeks of additional training for which the trainee receives the same pay as a probationary firefighter. The costs of these additional weeks of training are summarized in the following table:

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Hourly Pay For Probationary Firefighter	\$16.62	\$16.95	\$17.46	\$21.01	\$21.43	\$21.86
Hours Per Week	42	42	42	42	42	42
Cost Per Week	\$698.04	\$711.90	\$733.32	\$882.42	\$900.06	\$918.12
Weeks Of Additional Training	6	6	6	6	6	6
Cost Per Trainee	\$4,188.24	\$4,271.40	\$4,399.92	\$5,294.52	\$5,400.36	\$5,508.72
Number Of Trainees(a)	2.73	2.73	2.73	2.73	2.73	2.73
Total Cost Excluding FICA	\$11,433.90	\$11,660.92	\$12,011.78	\$14,454.04	\$14,742.98	\$15,038.81
<b>Total Cost Including FICA(b)</b>	<b>\$12,308.59</b>	<b>\$12,552.98</b>	<b>\$12,930.68</b>	<b>\$15,559.77</b>	<b>\$15,870.82</b>	<b>\$16,189.27</b>

(a) Based on the average number of firefighters currently employed by the department that were hired from 2002 to 2016. Please note that this estimate understates the actual number of trainees as presumably some trainees have left the department's employment.

(b) The employer FICA contribution is 7.65 percent

The total cost of the change in this contract provision increases from \$15,285.74 in FY2014 to \$20,236.59 in FY2019.

Year	Cost
FY2014	\$15,385.74
FY2015	\$15,691.23
FY2016	\$16,163.35
FY2017	\$19,449.72
FY2018	\$19,838.53
FY2019	\$20,236.59

Please note that that the Town was able to negotiate with the union to amend the training period from the contractual 12 weeks to six weeks as part of a lateral hiring program in 2017.

### **COLLATERAL DISPATCH**

No provision related to collateral dispatch is included in the FY2011-FY2013 contract but provisions for collateral dispatch assignments are included in the FY2014-FY2016 and FY2017-FY2019 contracts. The FY2014-FY2016 contract specifies that firefighters who perform collateral dispatch duties should be compensated at a rate of \$17 per hour during the day shift and \$15 per hour during the night shift (with higher rates specified for holidays). The FY2017-FY2019 contract increases the compensation rates. The FY2017-FY2019 contract indicates a payment of \$19.50 per hour during the day shift and \$17.50 per hour during the night shift (with higher rates specified for holidays).

During FY2017, \$62,585.26 was expended for day shift collateral dispatch duties (which equates to 3,209.5 hours of service being provided at a rate of \$19.50 per hour). In addition, \$79,271.25 was expended for night shift collateral dispatch duties (which equates to 4,529.8 hours at a rate of \$17.50 per hour). Total collateral dispatch expenditures were \$141,856.51. If the rates included in the FY2014-FY2016 contract (\$17 per hour for day shift duties and \$15 per hour for night shift duties) total annual expenditures would have been \$122,508.50 or \$19,348.01 less. When FICA costs are included the annual cost of the FY2014-FY2016 contract provisions total \$20,828.13.

### **OVERTIME**

The FY2011-FY2013 contract assumes that overtime will be paid at a rate of time and a half. The FY2014-FY2016 and FY2017-FY2019 contracts, however, provide full-time employees with the option to receive compensatory time off in lieu of monetary compensation. This compensatory is earned at a time and a half rate and employees are not allowed to accumulate more the 84 hours of compensatory time.

Giving employees the option to earn compensatory time at a time and a half rate increases the costs associated with filling vacancies. When used, compensatory time earned at a time and a half rate will require the Town to pay another employee time and a half to fill the associated vacancy. The cost of compensatory time is therefore the 1.5 hours earned (for each hour worked) times the 1.5 hourly rate that will be paid to replace

the employee using the compensatory time he or she earned – or 2.25 times the hourly rate.<sup>6</sup> (1.5 times 1.5 equals 2.25.)

In FY2017, firefighters and officers earned compensatory time (at a time and a half rate) for 551.4 hours. The costs if firefighters continue to earn 551.4 hours in subsequent years is summarized in the following table:

Year	Cost
FY2017	\$12,102.52
FY2018	\$12,422.69
FY2019	\$12,671.69

### **EDUCATIONAL EXPENSES**

The FY2011-FY2013 and FY2014-FY2016 contracts allow for the reimbursement of educational expenses of up to \$500 per employee and total educational expenditure reimbursements of \$12,000. In the FY2017-FY2019 contract the reimbursement of educational expenses per individual was increased to \$1,500 and the total reimbursement was increased to \$20,000.

As the following table shows the department's expenditures for educational reimbursements have approached or exceeded the cap for each of the past four years.

Year	Educational Reimbursements
FY2014	\$11,374.45
FY2015	\$14,778.01
FY2016	\$20,186.73
FY2017	\$19,776.15

Given this pattern of educational reimbursements there is no reason to think the department will not provide educational reimbursement of up to \$20,000 per year. The cost of the FY2017-FY2019 increase in the educational reimbursement cap is therefore \$8,000 per year.

### **BARGAINING LEAVE**

The FY2011-FY2013 and FY2014-FY2016 contracts allow two bargaining unit representatives to be provided leave to participate in negotiating sessions, to attend meetings with the Rhode Island State Fire Fighters Association and state and national conventions of the International Association of Fire Fighters, and to attend conferences with attorneys or union representatives relating to contract negotiations and/or arbitration. Three bargaining unit representatives are provided leave for these purposes in the FY2017-FY2019 contract.

<sup>6</sup> Please note that the actual cost will depend on the hourly rate of the employee replacing the person using earned compensatory time.

In the 2016-2017 fiscal year \$11,212.22 in overtime relating to bargaining leave was expended. (With FICA the cost of this overtime was 12,069.95.) Assuming that three bargaining unit leaders participate in sessions as allowed by the FY2017-FY2019 contract, one can assume that these costs are one-third (\$4,022.92) higher than they would have been under the FY2011-FY2013 and FY2014-FY2016 contracts.

### **COLLATERAL DUTY SUPERVISOR**

The FY2017-FY2019 contract increase the rate for pay for Collateral Duty Supervisors from \$26 per hour – the rates specified in the FY2011-FY2013 and FY2014-FY2016 contracts – to \$28 per hour. A total of 1,430.9 Collateral Duty Supervisor hours<sup>7</sup> were worked in FY2017 so the cost of the two dollar increase in pay is \$2,860.80 excluding FICA costs. With FICA, the cost of the two dollar increase in pay is \$3,079.65.

### **PRIVATE DETAIL**

The FY2011-FY2013 and FY2014-FY2016 contracts specify that private details will be paid at a rate of \$35 per hour except on selected holidays where the rate increases to \$45 per hour. In the FY2017-FY2019 contract the rate for Town sponsored details is maintained at \$35 per hour but the rate for outside or private details is increased to \$40. In addition, the rate for holidays is increased to \$80 per hour.

In FY2017 the Town sponsored 108.5 hours of details and private organizations sponsored 171 hours of details. The increased cost to the private organizations of the FY2017-FY2019 contract rate increase is \$855 per year without FICA costs. When FICA costs are included the annual cost increases to \$920.

### **BEREAVEMENT LEAVE**

Under each of the contracts 24 hours of leave is allowed for the death of someone in the "immediate family" but the definition of "immediate family" varies among the contracts. The FY2014-FY2016 and FY2017-FY2019 contracts include "in-laws" and "significant others" in the definition of immediate family. In addition, whereas the FY2011-FY2013 contract provides for one day of leave to attend a funeral where "attendance at the funeral is compelling or in the event the employee is chosen to serve as a pall bearer," two days of leave is provided for in the FY2014-FY2016 and FY2017-FY2019 contracts.

No information was available to determine how these changes in bereavement leave have affected the amount of bereavement leave taken so the financial implications of these changes to contract provisions cannot be calculated.

### **INJURED ON DUTY LEAVE**

The FY2011-FY2013 and FY2014-FY2016 contracts allow employees to be given recovery periods that can total a maximum of 24 consecutive months while the FY2017-FY2019 limits the total recovery period to 18 consecutive months. Since February 2012

---

<sup>7</sup> Collateral Duty Supervisor hours were calculated by dividing the payments for Collateral Duty Supervisor in FY2017 by the hourly payment rate of \$28.

there has only been one employee whose injured on duty status lasted more than 18 months. Without more information on expected injured on duty leave it is not possible to reliably estimate the financial implications of reducing the maximum recovery period.

In addition, while the FY2011-FY2013 contract allows for employees who are injured on duty to return to work in a limited duty status, the FY2014-FY2016 and FY2017-FY2019 contracts do not provide this option. While staff who are working in a limited duty status may perform valuable work for the Town, the financial value of this work cannot be reliably estimated.

#### **OUT OF STATION COVERAGE**

The FY2017-FY2019 contract includes a provision that whenever apparatus from another community is called to cover stations in the Town, one employee shall be called in to work overtime to accompany the apparatus. (No similar provision is included in the FY2011-FY2013 and FY2014-FY2016 contracts).

No payments for out of station coverage were recorded in FY2017 so, although there may be operational implications, the financial implications of this requirement are likely small.

#### **LIFE INSURANCE**

The FY2011-FY2013 and FY2014-FY2016 contracts require the Town to provide a \$50,000 life insurance policy for each department employee. The FY2017-FY2019 contract requires a \$150,000 life insurance policy. The information needed to assess the financial impact of this change was not readily available.

### **B – SUMMARY**

This section begins by presenting a summary of the fiscal impact of implementing the FY2014-FY2016 contract and the FY2017-FY2019 contract. The fiscal impact of implementing both contracts is then summarized.

#### **FISCAL IMPACT OF IMPLEMENTING THE FY2014-FY2016 CONTRACT**

The cost each year of implementing the FY2014-FY2016 contract increases from \$174,452 in FY2014 to \$399,608 in FY2019. The following table summarizes the fiscal impact of implementing the FY2014-FY2016 contract for fiscal years 2014 to 2019.

Please note that this table summarizes the difference in the cost that would have been incurred each year had the relevant contract provision not been implemented. The costs/savings calculated for each year therefore reflects contractual wage rates for that year.



	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<i>Wages And Longevity Pay</i>						
Change Wage And Longevity Pay Schedules; Eliminate ET Incentive Pay	\$20,734	\$79,673	\$170,060	\$170,060	\$170,060	\$170,060
<i>Holidays</i>						
Increase Hours Of Holiday Pay From 8.4 To 12	\$52,150	\$53,192	\$54,790	\$57,494	\$58,760	\$59,938
Eliminate Two Half Holidays	(\$10,619)	(\$10,831)	(\$11,156)	(\$11,707)	(\$11,965)	(\$12,204)
<i>Sick Leave</i>						
Increase Sick Leave Hours Earned For Staff Hired After July 1, 2010	\$20,008	\$20,407	\$21,019	\$23,645	\$24,119	\$24,600
<i>Vacations</i>						
Change Earned Vacation Schedule For Platoon Firefighters	\$69,393	\$70,520	\$72,643	\$73,906	\$81,684	\$83,321
<i>Clothing Allowance And Uniforms</i>						
Increase Clothing Allowance	\$7,400	\$25,900	\$25,900	\$25,900	\$25,900	\$25,900
<i>Medical And Dental</i>						
Reduce Employee Health Care Contribution		\$27,757	\$27,757	\$27,757	\$27,757	\$27,757
<i>Training</i>						
Increase Pay For Trainee From 75 Percent Of A Probationary Firefighter To 100 Percent Of A Probationary Firefighter	\$3,077	\$3,138	\$3,233	\$3,890	\$3,968	\$4,047
Increase Training From Six Weeks To 12 Weeks	\$12,309	\$12,553	\$12,931	\$15,560	\$15,871	\$16,189
<b>Total Annual Cost Of FY2014-FY2016 Contract</b>	<b>\$174,452</b>	<b>\$282,310</b>	<b>\$377,176</b>	<b>\$386,506</b>	<b>\$396,154</b>	<b>\$399,608</b>

The cumulative cost of implementing the FY2014-FY2016 contract is \$2.0 million as shown in the following table:

Year	Annual Cost	Cumulative Cost
FY 2014	\$174,452	\$174,452
FY 2015	\$282,310	\$456,762
FY 2016	\$377,176	\$833,938
FY 2017	\$386,506	\$1,220,444
FY 2018	\$396,154	\$1,616,598
FY 2019	\$399,608	\$2,016,206

### **FISCAL IMPACT OF IMPLEMENTING THE FY2017-FY2019 CONTRACT**

The cost each year of implementing the FY2017-FY2019 contract increases from \$340,372 in FY2017 to \$792,088 in FY2019. The following table details these fiscal impacts.

Please note that this table summarizes the difference in the cost that would have been incurred each year had the relevant contract provision not been implemented. The costs/savings calculated for each year therefore reflects contractual wage rates for that year.

	FY 2017	FY 2018	FY 2019
<i>Wages And Longevity Pay</i>			
Change Wage And Longevity Pay Schedules	\$127,645	\$192,423	\$249,530
<i>Department Structure And Staffing</i>			
Phase Out Floater Positions And Increase Minimum Staffing Levels	\$98,146	\$200,946	\$409,962
Require 1 Captain And 3 Lieutenants To Be Working On Each Platoon	\$24,818	\$25,331	\$25,845
<i>Holiday</i>			
Pay Firefighters Working Holidays Time And A Half	\$38,032	\$38,869	\$39,648
<i>Clothing Allowance And Uniforms</i>			
Increase Clothing Allowance	\$3,700	\$11,100	\$18,500
<i>Collateral Dispatch</i>			

	FY 2017	FY 2018	FY 2019
Increase Hourly Rates For Collateral Dispatch	\$20,826	\$20,828	\$20,828
<i>Overtime</i>			
Allow Firefighters To Earn Compensatory Time In Lieu Of Paid Overtime	\$12,103	\$12,423	\$12,672
<i>Educational Expenses</i>			
Increase Educational Reimbursement Cap	\$8,000	\$8,000	\$8,000
<i>Bargaining Leave</i>			
Increase The Number Of Firefighters Who Can Receive Leave For Union Business From 2 to 3	\$4,023	\$4,023	\$4,023
<i>Collateral Duties</i>			
Increase Collateral Duty Supervisor Pay From \$26 Per Hour To \$28 Per Hour	\$3,080	\$3,080	\$3,080
<b>Total Annual Cost Of FY2017-FY2019 Contract</b>	<b>\$340,372</b>	<b>\$517,023</b>	<b>\$792,088</b>

The cumulative cost of implementing the FY2017-FY2019 contract is \$1.65 million as shown in the following table:

Year	Annual Cost	Cumulative Cost
FY 2017	\$340,372	\$340,372
FY 2018	\$517,023	\$857,396
FY 2019	\$792,088	\$1,649,483

#### **TOTAL FISCAL IMPACT OF THE FY2014-FY2016 AND THE FY2017-FY2019 CONTRACTS**

The cost each year of implementing the FY2014-FY2016 and the FY2017-FY2019 contracts increases from \$174,442 in FY2014 to \$1,191,695 in FY2019. The following table details the combined fiscal impacts of implementing both contracts.

Please note that this table summarizes the difference in the cost that would have been incurred each year had the relevant contract provision not been implemented. The costs/savings calculated for each year therefore reflects contractual wage rates for that year.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<i>Wages And Longevity Pay</i>						
Change Wage And Longevity Pay Schedules; Eliminate ET Incentive Pay	\$20,734	\$79,673	\$170,060	\$297,705	\$362,483	\$419,589
<i>Department Structure And Staffing</i>						
Phase Out Floater Positions And Increase Minimum Staffing Levels				\$98,146	\$200,946	\$409,962
Require 1 Captain And 3 Lieutenants To Be Working On Each Platoon				\$24,818	\$25,331	\$25,845
<i>Holidays</i>						
Increase Hours Of Holiday Pay From 8.4 To 12	\$52,150	\$53,192	\$54,790	\$57,494	\$58,760	\$59,938
Eliminate Two Half Holidays	(\$10,619)	(\$10,831)	(\$11,156)	(\$11,707)	(\$11,965)	(\$12,204)
Pay Firefighters Working Holidays Time And A Half				\$38,032	\$38,869	\$39,648
<i>Sick Leave</i>						
Increase Sick Leave Hours Earned For Staff Hired After July 1, 2010	\$20,008	\$20,407	\$21,019	\$23,645	\$24,119	\$24,600
<i>Vacations</i>						
Change Earned Vacation Schedule For Platoon Firefighters	\$69,383	\$70,520	\$72,643	\$73,906	\$81,684	\$83,321
<i>Clothing Allowance And Uniforms</i>						
Increase Clothing Allowance	\$7,400	\$25,900	\$25,900	\$29,600	\$37,000	\$44,400
<i>Medical And Dental</i>						
Reduce Employee Health Care Contribution		\$27,757	\$27,757	\$27,757	\$27,757	\$27,757
<i>Training</i>						

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Increase Pay For Trainee From 75 Percent Of A Probationary Firefighter To 100 Percent Of A Probationary Firefighter	\$3,077	\$3,138	\$3,233	\$3,890	\$3,968	\$4,047
Increase Training From Six Weeks To 12 Weeks	\$12,309	\$12,553	\$12,931	\$15,560	\$15,871	\$16,189
<i>Collateral Dispatch</i>						
Increase Hourly Rates For Collateral Dispatch				\$20,826	\$20,828	\$20,828
<i>Overtime</i>						
Allow Firefighters To Earn Compensatory Time In Lieu Of Paid Overtime				\$12,103	\$12,423	\$12,672
<i>Educational Expenses</i>						
Increase Educational Reimbursement Cap				\$8,000	\$8,000	\$8,000
<i>Bargaining Leave</i>						
Increase The Number Of Firefighters Who Can Receive Leave For Union Business From 2 to 3				\$4,023	\$4,023	\$4,023
<i>Collateral Duties</i>						
Increase Collateral Duty Supervisor Pay From \$26 Per Hour To \$28 Per Hour				\$3,080	\$3,080	\$3,080
<b>Total Cost Of FY2014-FY2016 And FY2017-FY2019 Contracts</b>	<b>\$174,452</b>	<b>\$282,310</b>	<b>\$377,176</b>	<b>\$726,879</b>	<b>\$913,177</b>	<b>\$1,191,695</b>

The cumulative cost of implementing the FY2014-FY2016 and FY2017-FY2019 contracts is \$3.67 million as shown in the following table:

Year	Annual Cost	Cumulative Cost
FY 2014	\$174,452	\$174,452
FY 2015	\$282,310	\$456,762
FY 2016	\$377,176	\$833,938
FY 2017	\$726,879	\$1,560,817
FY 2018	\$913,177	\$2,473,994
FY 2019	\$1,191,695	\$3,665,688

**COMPENSATION COSTS ASSOCIATED WITH IMPLEMENTING THE F2014-FY2016 AND FY2017-FY2019 CONTRACTS**

The analysis presented in the previous discussion focused on assessing the cost associated with implementing each contract provision by determining how much higher (or lower) costs would have been if the contract provision had not been implemented. The analysis presented in the following table calculates the impact on overall compensation costs of implementing the FY2014-FY2016 and FY2017-FY2019 contracts.

	FY2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<i>Wages And Longevity Pay</i>							
Change Wage And Longevity Pay Schedules; Eliminate ET Incentive Pay	\$2,930,009	\$2,950,744	\$3,009,682	\$3,100,069	\$3,227,714	\$3,292,492	\$3,349,598
<i>Department Structure And Staffing</i>							
Phase Out Floater Positions And Increase Minimum Staffing Levels	\$540,371	\$540,371	\$544,662	\$559,443	\$701,295	\$818,400	\$1,039,812
Require 1 Captain And 3 Lieutenants To Be Working On Each Platoon					\$24,818	\$25,331	\$25,845
<i>Holidays</i>							
Increase Hours Of Holiday Pay From 8.4 To 12	\$122,600	\$175,142	\$177,307	\$182,633	\$191,648	\$195,867	\$199,792
Eliminate Two Half Holidays	\$10,217	\$0	\$0	\$0	\$0	\$0	\$0
Pay Firefighters Working Holidays					\$38,032	\$38,869	\$39,648

	FY2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<i>Time And A Half</i>							
<i>Sick Leave</i>							
Increase Sick Leave Hours Earned For Staff Hired After July 1, 2010	\$204,334	\$224,342	\$228,798	\$235,687	\$259,584	\$264,794	\$270,099
<i>Vacations</i>							
Change Earned Vacation Schedule For Platoon Firefighters	\$216,459	\$285,852	\$290,764	\$299,532	\$311,376	\$334,129	\$340,820
<i>Clothing Allowance And Uniforms</i>							
Increase Clothing Allowance	\$29,600	\$37,000	\$55,500	\$55,500	\$59,200	\$66,600	\$74,000
<i>Medical And Dental</i>							
Reduce Employee Health Care Contribution	(\$91,757)	(\$64,000)	(\$64,000)	(\$64,000)	(\$64,000)	(\$64,000)	(\$64,000)
<i>Training</i>							
Increase Pay For Trainee From 75 Percent Of A Probationary Firefighter To 100 Percent Of A Probationary Firefighter	\$9,231	\$12,309	\$12,553	\$12,931	\$15,560	\$15,871	\$16,189
Increase Training From Six Weeks To 12 Weeks	\$0	\$12,309	\$12,553	\$12,931	\$15,560	\$15,871	\$16,189
<i>Collateral Dispatch</i>							
Increase Hourly Rates For Collateral Dispatch(a)	\$131,880	\$131,880	\$131,880	\$131,880	\$152,709	\$152,709	\$152,709
<i>Overtime</i>							

	FY2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Allow Firefighters To Earn Compensatory Time In Lieu Of Paid Overtime	\$22,338	\$22,338	\$22,436	\$23,110	\$36,308	\$37,268	\$38,015
<i>Educational Expenses</i>							
Increase Educational Reimbursement Cap	\$12,000	\$12,000	\$12,000	\$12,000	\$20,000	\$20,000	\$20,000
<i>Bargaining Leave</i>							
Increase The Number Of Firefighters Who Can Receive Leave For Union Business From 2 to 3	\$8,047	\$8,047	\$8,047	\$8,047	\$12,070	\$12,070	\$12,070
<i>Collateral Duties</i>							
Increase Collateral Duty Supervisor Pay From \$26 Per Hour To \$28 Per Hour	\$40,048	\$40,048	\$40,048	\$40,048	\$43,128	\$43,128	\$43,128
<b>Total Compensation Under FY2014-FY2016 And FY2017-FY2019 Contracts</b>	<b>\$4,185,378</b>	<b>\$4,388,382</b>	<b>\$4,482,231</b>	<b>\$4,609,811</b>	<b>\$5,045,001</b>	<b>\$5,269,399</b>	<b>\$5,573,915</b>

(a) No collateral dispatch time is referenced in the FY2011-FY2013 contract. For the purposes of this analysis it was assumed that the department's costs were the same in FY2013 as in FY2014.

The cumulative cost of implementing the FY2014-FY2016 and FY2017-FY2018 contracts (as compared to costs in FY2013) is \$4.25 million.

Year	Increase Over FY2013 Cost	Cumulative Cost Increase
FY 2014	\$203,004	\$203,004
FY 2015	\$296,854	\$499,857
FY 2016	\$424,433	\$924,290
FY 2017	\$859,623	\$1,783,914
FY 2018	\$1,084,021	\$2,867,935
FY 2019	\$1,388,537	\$4,256,472



The annual percentage increase in compensation costs associated with implementing the FY2014-FY2016 and FY2017-FY2019 contracts ranges from 2.1 percent between FY2014 and FY2015 to 9.4 percent between FY2017-FY2018 (the first year of the implementation of the FY2017-FY2019 contract).

Year	Annual Percentage Increase In Costs
FY 2014	4.9%
FY 2015	2.1%
FY 2016	2.8%
FY 2017	9.4%
FY 2018	4.4%
FY 2019	5.8%

Over the term of the two contracts compensation costs will increase by 33.2 percent.

Year	Percentage Cost Increase Since FY2013
FY 2014	4.9%
FY 2015	7.1%
FY 2016	10.1%
FY 2017	20.5%
FY 2018	25.9%
FY 2019	33.2%