

SIDE AGREEMENTS: Financial Impact Analysis

The Agreements:	Corrigan's assertions:	The FF Union's rebuttal:
<p>#1 - Reimbursement of FF sick time: The Town agreed that a firefighter's injury would be treated as an on the job injury; his was reimbursed his sick time that he used during the injury (418 hours).</p>	<p>Low to medium impact. The question is not how they settled this agreement but rather whether they should have settled it all. Pursuant to a letter dated 12.5.12, the firefighter in question was suspended without pay based on his inability to "perform essential job functions," so he shouldn't have been entitled to IOD time. Also, the council was misled in approving this agreement when told there was no difference between IOD time and sick time. This error cost the town \$12,171.88</p>	<p>The town disputed the FF's injury and forced him to use his sick time, rather than classify him as IOD. The firefighter filed a grievance (had 2 doctors to back up his injury claim; the Town had none). This MOA settled that grievance. The town would have lost at arbitration since the the reason the firefighter could not "perform essential job functions" was due to his on-the-job injury. The firefighter later left his position, at which point the town had to pay him a percentage of his sick time. Had he not left, the financial impact would have been zero.</p>
<p>#2 - Payout of accumulated sick time: 3 firefighters left the department and the agreement covers their payout of sick time.</p>	<p>Low to medium impact. Full financial analysis not yet provided.</p>	<p>Per CBA, firefighters are entitled to a payout of 50% of their sick time upon leave. Upon their leave they weren't paid so they filed a grievance. The town settled at 25%, paying a total of \$4955.73. Had they gone to arbitration they most likely would have been forced to pay the 50% rate (double). This MOA saved the town \$4955.73 plus any arbitration costs.</p>
<p>#3 - Changing dates to align with town contracts</p>	<p>This agreement was ministerial in nature. No financial impact.</p>	<p>Agree.</p>
<p>#4 - FF vacancies: Parties agree to leave 2 vacant firefighter positions open for 2 years and use "floaters" and overtime (O/T) shifts to cover the vacancies.</p>	<p>High financial impact - Financial analysis conducted showing that the cost to the town was \$211,200. This was derived from the difference in paying a new firefighter \$23.73 per hour including benefits as opposed to paying overtime for top step firefighters (most fell into this classification) - approximately \$40.40 including benefits. The difference was \$16.50 per hour over 24 months, assuming 400 hours of leave (conservative estimate) for 8 firefighters on two shifts for 2 years equates to \$211,200.</p>	<p>This was done as a cost-saving measure. Even if we assume every shift for 2 years was filled by a top-step FF, O/T costs would have been approx. \$164,000 (\$37.53 per hour including benefits @ 42 hours per week - not \$40.40). It's highly unlikely that O/T was used to cover leave for all shifts for all 8 FFs because there were 4 floaters to cover these shifts at no cost. The cost of O/T would have been off-set by the savings of not having to train and hire 2 new FF and pay their health insurance, holiday pay, uniforms, etc., as well as the O/T needed to cover the new FF while in training (12 weeks). Also new FFs who would have received a pay increase to \$20.60 plus benefits in year 2. Taking all this into account, this measure saved the town somewhere between \$45K and \$335K Exact calculations aren't possible as the Town did not provide records from 2014-2106.</p>

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<p>#5 - Across the board wage increases: If any Town department receives a net wage increase greater than 6%, certain members of the firefighter's union shall receive the greatest of the net increase.</p>	<p>No financial impact because the agreement was voided at the last town council meeting. Had the agreement not been voided, the Town would have been forced to give the firefighters a substantial raise when they raised the pay of the laborer's at that same meeting.</p>	<p>The firefighters were the first union at the table during the 2016-2019 contract negotiations. They negotiated a 2% across the board wage increase annually. The MOA added a parity clause, meaning that if any other department got a higher raise, the firefighters would get the same. Everyone ended up with the 2% wage increase. Once all contracts were finalized, the MOA expired so future raises would not have triggered it. There was nothing to void and there was zero financial impact.</p>
<p>#6 - Lateral transfers: All lateral transfers would undergo 6 weeks of training instead of 12, and will be paid at the rate of the second year of employment (step 2).</p>	<p>High financial impact. Financial analysis conducted showing \$288,000 in increased base wages that the town was forced to pay plus \$95,000 in overtime and approximately \$15,000 in other costs. Total impact: \$398,000</p>	<p>Hiring lateral transfers results in less training costs and a higher likelihood of retention. The salary increase did cost the town (closer to \$80,000 - Corrigan's analysis includes step increases already covered in the CBA and ratified by the Town so they have nothing to do this MOA.). To offset the step increase, the MOA cut training weeks from 12 to 6, saving 144 overtime shifts, or approximately \$68K. So the net cost to the town was closer to \$12,000.</p>
<p>#7 - Chief clerk: The parties agreed not to fill the vacancy in the Chief Clerk position for 6 months .</p>	<p>Low financial impact. Full financial analysis not yet provided.</p>	<p>This saved the town six months of salary and benefits, as the Chief assumed the clerk's duties. Salary was approximately \$80,000 so this saved the town over \$40,000.</p>
<p>#8 - Lateral transfers exempted from 3 probationary firefighter limit.</p>	<p>No financial impact.</p>	<p>Agree.</p>
<p>#9 - Extension of #7 for an additional six months.</p>	<p>No financial impact.</p>	<p>This saved the town an additional \$40,000: six months of salary and benefits, as the Chief continued to assume the clerk's duties.</p>
<p>#10 - Grievance resolution for firefighter returning to work on light duty.</p>	<p>Low financial impact. Full financial analysis not yet provided.</p>	<p>A firefighter returned to work after being IOD and was assigned to light duty. The CBA did not cover "light duty" so the firefighter was returned to IOD status, with his wages being tax exempt. No financial impact; just a change in filing status.</p>
<p>#11 - Clarification of pay for snow removal .</p>	<p>Low financial impact. Full financial analysis not yet provided.</p>	<p>Not applicable as this agreement was between the Town and the Laborer's Union</p>
<p>TOTAL IMPACT ON TOWN:</p>	<p>\$621,378.88 in costs</p>	<p>\$72,955.75 in net savings plus the undetermined savings from contract #4 between \$45K and \$335K.</p>