



Town Administrator's Office

343 Highland Road, Tiverton, Rhode Island 02878 (401) 625-6710

Memorandum

Date: October 4, 2016

To: Town Council

From: Matt Wojcik 

RE: Fiscal Impact Statement for Police Chief Contract Amendment

Before the Council on October 11, 2016 there is an agenda item requesting approval for a contract amendment for Chief Thomas Blakey. Based upon performance and the overall managerial considerations of the Tiverton Police Department and the Town as a whole, I recommend this contract amendment without any reservations.

The fiscal impact will be presented as the year over year change from the past employment year and the current employment year salary provision of the Chief's contract. Please note that Chief Blakey's anniversary date is September 8 of each year, thus, the cost of his contract from one full year to the next will not be a precise reflection of the amounts appearing in the budget for fiscal years beginning on July 1. The budgeted figure represents a two month time lag from one contract year to the next and thus is slightly lower than the rate of pay per contract year.

The Chief's contract reflects a 2% salary increase. The second set of numbers below demonstrates the full cost to carry this position, inclusive of all benefits.

The added costs for year one (Sept. 8, 2016 – Sept. 7, 2017) of this contract for Chief Blakey are as follows:

- | | |
|---------------------|-----------------|
| 1. Salary increase: | \$ 1,745 |
| 2. FICA increase: | \$ 133 |
| 3. TOTAL change: | <u>\$ 1,878</u> |

The cost to carry the Chief's position in year two of his amended contract would be as follows:

- | | |
|--|------------|
| 1. Salary: | \$ 88,986 |
| 2. FICA: | \$ 6,785 |
| 3. Health insurance premium: | \$ 12,314* |
| 4. Health savings account, Town share: | \$ 3,000 |
| 5. Dental insurance premium: | \$ 1,039 |

- | | | |
|---------------------------------------|----|-------|
| 6. Life insurance premium: | \$ | 538 |
| 7. Work related injury premium: | \$ | 1,073 |
| 8. Health savings account annual fee: | \$ | 45 |

Therefore, the total cost to carry this position in year 2 of the amended contract would be \$ 113,780.

*The premium projection for the next year is based upon a firm quote provided by the Interlocal Trust. That quote reflects a 12% decrease in annual premium. The Town expects to cover 50% of the deductible for this plan with the EE funded portion of an H.S.A.

The Chief participates in the Police Pension Fund. The employer contribution to the fund for several years now has exceeded the IBPO contractual requirement due to the plan submitted to the State by the Town, thus, the Chief's contract does not have any impact upon the expenses of the Town in this regard.

cc: Treasurer
T. Blakey