



# Town Administrator's Office

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

## Memorandum

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Date: April 21, 2016

To: Town Council

From: Matt Wojcik 

RE: Fiscal Impact Statement for Renewal of Fire Chief Contract

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Based upon performance and the overall managerial considerations of the Tiverton Fire Department and the Town as a whole, I recommend a contract renewal for Chief Robert Lloyd.

The fiscal impact is presented as the change from year 3 of the expired contract to year 1 of the new contract. Please note that Chief Lloyd's anniversary date will be April 26 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 Chief's contract reflects a 2% salary increase over his current annualized rate of \$81,240. The remaining fiscal impact for year one of the contract is driven from the 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 (April 26, 2016 – April 25, 2017) of this contract for Chief Lloyd are as follows:

1. Salary increase:	\$ 1,625
2. FICA increase:	\$ 124
3. MERS ER increase (16.56%):	\$ 269
4. TIAA / CREFF ER increase (1.5%):	\$ 24
5. TOTAL year 1 fiscal impact:	<b><u>\$ 2,042</u></b>

The cost to carry the Chief's position in year one of the new contract is as follows:

1. Salary:	\$ 82,865
2. FICA:	\$ 6,318
3. Health insurance premium (opts out):	\$ 3,000
4. Health savings account, Town share:	\$ 0
5. Dental insurance premium (opts out):	\$ 0
6. Life insurance premium:	\$ 515
7. Work related injury premium:	\$ 1,777
8. Health savings account annual fee:	\$ 0
9. ER pension contributions:	\$ 14,965

Therefore, the total cost to carry this position in year 1 of the new contract is **\$ 109,440**.