

The background features a light gray gradient with several realistic water droplets of various sizes scattered across the surface. A faint, circular, textured pattern is visible in the upper center of the image.

CONTRACTS

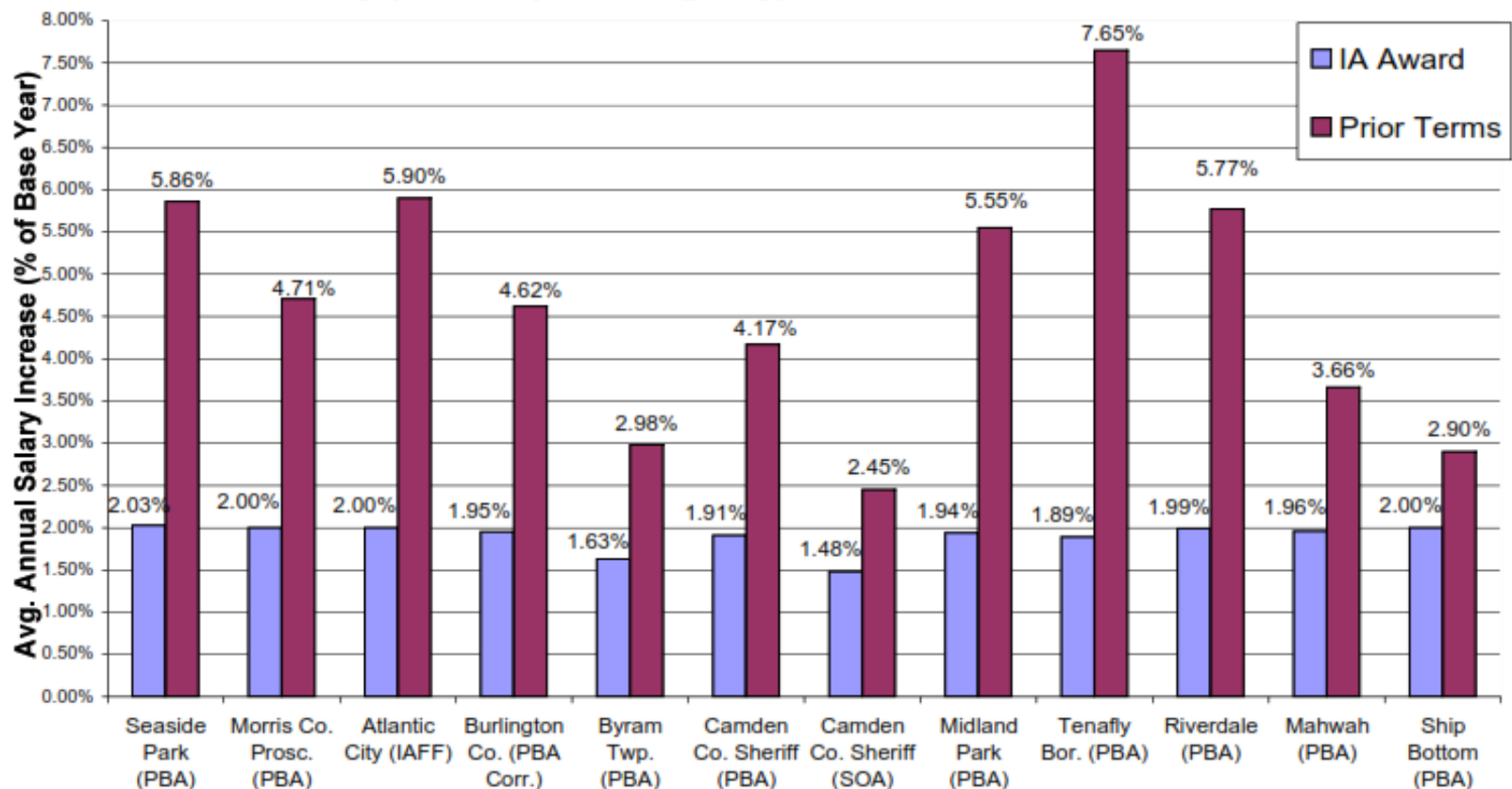
PRICING, PROJECTING AND PREPARING

EACH TIME HISTORY REPEATS ITSELF, THE PRICE GOES UP.

~Ronald Wright

- **01/01/2011 – 101 PETITIONS / 187 OPEN CLAIMS FOR BINDING INTEREST ARBITRATION**
- **2015/2016 – 20 PETITIONS / 17 OPEN CLAIMS FOR BINDING INTEREST ARBITRATION**
- **1.72% - THE EFFECTIVE % RAISE FOR 15 VOLUNTARY SETTLEMENTS/ARBITRATION AWARDS IN 2015.**

IA Awards Subject to 2% Cap vs. Projected Costs if Prior Contract's Base Salary (incl. Steps & Longevity) Increase Patterns Continued



Towns/Counties with IA Awards under 2% Cap

(Sample includes only those Awards providing detailed increment/step and/or longevity guide information. This allowed comparison of the same unit of employees using the prior contract or award terms).

Source: IA Task Force Report – 03/2014



DECEMBER 31, 2017

- **2% SUNSET FOR INTEREST ARBITRATION CAP – NO MORE HARD LIMIT ON AWARDS**
 - **2% PROPERTY TAX LEVY CAP REMAINS IN EFFECT**
 - **RESULT: REDUCTION OR ELIMINATION OF MUNICIPAL SERVICES TO FUND INTEREST-ARBITRATION AWARDS**
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PRICING

- SMART SPREADSHEETS CREATE SMART DECISIONS
 - CALCULATE ALL OF THE COMPONENTS THAT ARE BUILT INTO THE FINAL YEAR OF THE EXPIRED AGREEMENT (LAST 12 MONTHS)
 - CALCULATE ALL COMPONENTS SEPARATELY
 - SALARY, STEPS, LONGEVITY, ETC.,
 - DRIVE YOUR CALCULATIONS WITH FORMULAS SO THAT AS AN ATB PERCENTAGE CHANGES, YOU CAN SEE THE REAL DOLLAR/% INCREASE THAT IS EFFECTIVE FOR THE PROPOSED CONTRACT
 - SPECULATION IS A SLIPPERY SLOPE – BREAKAGE, OVERTIME ETC.
 - ALL ECONOMIC ITEMS SHOULD BE CONSIDERED:
 - STIPENDS
 - CLOTHING ALLOWANCE
 - CONTRIBUTION TOWARDS BENEFITS
 - OVERTIME RATES
 - PENSION – 14.11% PERS / 29.47% PFRS (2017 BILLED IN 2019)

Name	Title	Step	YRS 2015	Step/Long Long	Step/Long 2015	BASE				Other Items			
						Salary	2.00% Stip	(a+b)x%=(c)	(a + b + c)	Dtctv Stip	Sick Inc.	Cloth	Total Other
Smith	Cptn		26.00	14.00%		125,487	2,510	17,920	145,916		250	725	975
Smith	Lt		30.50	14.00%		115,339	2,307	16,470	134,116		250	725	975
Smith	Lt		25.00	14.00%		115,339	2,307	16,470	134,116		250	725	975
Smith	Sgt	2	23.00	10.00%	12.00%	109,670	2,193	13,424	125,287		250	725	975
Smith	Sgt	2	23.00	10.00%	12.00%	109,670	2,193	13,424	125,287		250	725	975
Smith	Sgt	1	19.00	8.00%		99,400	1,988	8,111	109,499		250	725	975
Smith	Ptrl	8	15.00	6.00%	8.00%	89,093	1,782	7,270	98,145	2,500	250	725	3,475
Smith	Ptrl	8	15.00	6.00%	8.00%	89,093	1,782	7,270	98,145	2,500	250	725	3,475
Smith	Ptrl	7	14.00	6.00%	8	79,798	1,596	4,884	86,278	2,500	250	725	3,475
Total						\$ 932,889	\$ 18,658	\$ 105,242	\$ 1,056,789	\$ 7,500	\$ 2,250	\$ 6,525	\$ 16,275

Base Year

	YRS 2016	(Long)	(2016)	(a)	(b)	(a+b)x%=(c)	(a + b + c)	(d)	(e)	(f)	(e + f + g)		
Smith	Cptn		27.00	14.00%		125,487	2,510	17,920	145,916		250	725	975
Smith	Lt		30.50	14.00%		115,339	2,307	16,470	134,116		250	725	975
Smith	Lt		26.00	14.00%		115,339	2,307	16,470	134,116		250	725	975
Smith	Sgt	2	24.00	12.00%	14.00%	109,670	2,193	15,661	127,524		250	725	975
Smith	Sgt	2	24.00	12.00%	14.00%	109,670	2,193	15,661	127,524		250	725	975
Smith	Sgt	2	20.00	8.00%	10.00%	109,670	2,193	11,186	123,050		250	725	975
Smith	Ptrl	8	16.00	8.00%		89,093	1,782	7,270	98,145	2,500	250	725	3,475
Smith	Ptrl	8	16.00	8.00%		89,093	1,782	7,270	98,145	2,500	250	725	3,475
Smith	Ptrl	8	15.00	6.00%	8.00%	89,093	1,782	7,270	98,145	2,500	250	725	3,475
Total						\$ 952,454	\$ 19,049	\$ 115,178	\$ 1,086,682	\$ 7,500	\$ 2,250	\$ 6,525	\$ 16,275

Yr 1 - Dyn Status

	YRS 2016	(Long)	(2016)	(a + 1.75%)	(b)	(a+b)x%=(c)	(a + b + c)	(d)	(e)	(f)	(e + f + g)		
Smith	Cptn		27.00	14.00%		127,683	2,554	18,233	148,470		250	800	1,050
Smith	Lt		30.50	14.00%		117,357	2,347	16,759	136,463		250	800	1,050
Smith	Lt		26.00	14.00%		117,357	2,347	16,759	136,463		250	800	1,050
Smith	Sgt	2	24.00	12.00%	14.00%	111,589	2,232	15,935	129,756		250	800	1,050
Smith	Sgt	2	24.00	12.00%	14.00%	111,589	2,232	15,935	129,756		250	800	1,050
Smith	Sgt	2	20.00	8.00%	10.00%	111,589	2,232	11,382	125,203		250	800	1,050
Smith	Ptrl	8	16.00	8.00%		90,652	1,813	7,397	99,862	2,750	250	800	3,800
Smith	Ptrl	8	16.00	8.00%		90,652	1,813	7,397	99,862	2,750	250	800	3,800
Smith	Ptrl	8	15.00	6.00%	8.00%	90,652	1,813	7,397	99,862	2,750	250	800	3,800
Total						\$ 969,122	\$ 19,382	\$ 117,194	\$ 1,105,698	\$ 8,250	\$ 2,250	\$ 7,200	\$ 17,700

Yr 1 - 1.75%, Det. & Cloth

BASE YEAR - CURRENT CONTRACT EXPIRATION YEAR	\$ 932,889	\$ 18,658	\$ 105,242	\$ 1,056,789	\$ 7,500	\$ 2,250	\$ 6,525	\$ 16,275
YEAR 1 - LONGEVITY/STEPS ONLY	\$ 952,454	\$ 19,049	\$ 115,178	\$ 1,086,682	\$ 7,500	\$ 2,250	\$ 6,525	\$ 16,275
0% Raise - Effective \$\$ Increase	\$ 19,565	\$ 391	\$ 9,936	\$ 29,892	\$ -	\$ -	\$ -	\$ -
0% Raise - Effective % Increase	2.10%	2.10%	9.44%	2.83%	0.00%	0.00%	0.00%	0.00%
YEAR 1 - 1.75% RAISE, DTCTV STIP, CLOTHING	\$ 969,122	\$ 19,382	\$ 117,194	\$ 1,105,698	\$ 8,250	\$ 2,250	\$ 7,200	\$ 17,700
1.75% Raise - Effective \$\$ Increase	\$ 36,233	\$ 725	\$ 11,952	\$ 48,909	\$ 750	\$ -	\$ 675	\$ 1,425
1.75% Raise - Effective % Increase	3.88%	3.88%	11.36%	4.63%	10.00%	0.00%	10.34%	8.76%

BUT IT'S ONLY 1.75%?

- BEFORE ANY INCREASE, THE BUDGET IS INCREASING 2.83%
 - THIS IS DUE TO LESS THAN ½ OF THE DEPARTMENT MOVING UP ON STEPS AND LONGEVITY.
- 1.75% ATB
 - EFFECTIVE INCREASE ON BASE PAY IS 4.63%
- \$250 PER DETECTIVE & \$75 PER OFFICER FOR CLOTHING
 - EFFECTIVE INCREASE ON OTHER ECONOMIC ITEMS 8.76%
- TOTAL PROPOSED CONTRACT CHANGES
 - EFFECTIVE INCREASE 4.69%
- FUTURE PENSION OBLIGATION
 - NEW PENSIONABLE WAGES - \$1,105,698
 - INCREASE IN PENSIONABLE WAGES FROM PRIOR YEAR - \$48,909 (4.63%)
 - INCREASE IN FUTURE PENSION OBLIGATION - \$14,414 (1.36%)



PROJECTING

- WORK ON BUDGET PROJECTIONS THAT EXTEND A MINIMUM OF 3-5 YEARS
 - ASSUMPTIONS SHOULD INCLUDE:
 - DEBT SERVICE
 - CAPITAL INITIATIVES
 - COLA ADJUSTMENTS
 - ALL NEGOTIATED CONTRACTS
 - FUND BALANCE ANALYSES
 - FLUCTUATIONS IN ONE SHOT REVENUES / APPROPRIATIONS / SAVINGS
 - BUILDING ESSENTIAL RESERVES
 - CHANGE IN RATABLES
 - GROWING OR SHRINKING POPULATION AND RESULTING DEMAND ON SERVICES
 - PILOTS
 - CHANGES IN YOUR UTILITIES
 - OVERALL TAX IMPACT POLICY SET BY YOUR GOVERNING BODY

PREPARING



- PREPARING BEYOND THE NUMBERS:

- THINK OUTSIDE THE BOX

- INCREASE IN WORK HOURS (I.E. PD PITMAN SCHEDULE)

- LARGER INCREASE JUSTIFIED BY ACTUAL CHANGE IN HOURLY RANGE, ADDITIONAL “BOOTS” ON THE GROUND AND SAVINGS IN HIRING MORE PERSONNEL (BENEFITS)

- STRAIGHT TIME VS OVERTIME

- MANY TOWNS PAY OT FOR HOUR 1 OVER SCHEDULED HOURS

- FLSA ALLOWS FOR STRAIGHT TIME UP TO THE FEDERALLY ESTABLISHED THRESHOLD FOR OVERTIME:

- REQUIRES 1.5 PAY FOR ACTUAL HOURS WORKED IN EXCESS OF 40 HOURS IN A WORKWEEK (2080 P/YR)

- EXCEPTION FOR FIRE FIGHTERS AND POLICE PERSONNEL OF A PUBLIC AGENCY

- FF – 212 (28 DAY CYCLE); 106 (14 DAY CYCLE); 53 (7 DAY CYCLE)

- PD – 171 (28 DAY CYCLE); 86 (14 DAY CYCLE); 43 (7 DAY CYCLE)

- SAVE ON THE ½ TIME

- **TIME WORKED** (VACATION, SICK, REST TIME ETC., NOT INCLUDED)

PREPARING

- PREPARING BEYOND THE NUMBERS:
 - DEPARTMENT AGE
 - YOUNG VS. ELIGIBLE FOR RETIREMENT
 - INITIATIVES MAY BE DIFFERENT – PROMOTIONAL OPPORTUNITY/SALARY AT RETIREMENT
 - UNIQUE OPPORTUNITY FOR LOWERING MAX SALARIES AND/OR INCREASING STEPS
 - BREAKAGE – BEWARE OF SAVINGS THAT WILL EXPIRE
 - BE AWARE OF TERMINAL LEAVE OBLIGATIONS AND SCHEDULED PAYOUTS
 - FUTURE AFFORDABILITY
 - LENGTH OF SERVICE PAYMENTS (LONGEVITY)
 - POST RETIREMENT BENEFITS (MEDICARE AGE)
 - CHAPTER 78



POST NEGOTIATION

- READ & REREAD AND THEN READ YOUR CONTRACTS AGAIN!
 - FAMILIARITY CAN LEAD TO ERROR
 - NEGOTIATED CHANGES FROM ONE CONTRACT TO THE NEXT COULD BE OVERLOOKED
 - INTERPRETATION COULD BE INCORRECT
- DISTRIBUTE CHANGES TO THE APPROPRIATE PARTIES
 - HUMAN RESOURCES
 - PAYROLL
 - TIME ENTRY ADMINISTRATOR

