

Questions and Answers
Proposed Settlement Agreement
Town of Bedford and Teamsters Local 456, Blue Collar Unit

Financial Evaluation of the Proposed Settlement Agreement

Q1 What is the average percentage salary increase under the proposed settlement agreement and how does it compare to inflation?

A1 The average salary increase from 2009 through 2017 is 1.26%. This includes a one time signing bonus which equates to 1.66%. Starting on January 1, 2014 there would be a health care contribution based on a gradually increasing percentage of base salary detailed below. After accounting for the contribution, the average annual increase over the nine years would be 0.57%. According to the U.S. Bureau of Labor Statistics, the Consumer Price Index – New York-Northern New Jersey over this time showed the following changes between 2009 and 2013:

- 2009 – 1.31%
- 2010 – 2.89%
- 2011 – 1.85%
- 2012 – 3.00%
- 2013 – 2.16%

Q2 What is the financial impact on the Town?

A2 The impact on future budgets due to the increase in salary less the health care contribution is shown below (the impact would be lower as new employees replace retiring employees).

Year	Cost to Town	Less Employees' Contribution to Health Care Costs	Net Cost to the Town	Assessed Value		Average increased cost per home
2015	\$89,713.00	(\$39,290.00)	\$50,423.00	\$577,810,904	0.00009	\$5.67
2016	\$61,554.00	(\$53,617.00)	\$7,937.00	\$577,810,904	0.00001	\$0.89
2017	\$63,000.00	(\$54,877.00)	\$8,123.00	\$577,810,904	0.00001	\$0.91

Q3 How would the proposed settlement agreement affect the Town's five year financial projections?

A3 The settlement of this contract and potential raises were anticipated in the Town's Five-year financial projects. Having a settled contract enables the projections to be more exact.

Q4 How would the proposed settlement agreement affect the Town's liability to retired employees?

A4 As noted below, new employees would continue to contribute into retirement which will have a positive effect on the actuarial assumptions for Other Post Employment Benefits (OPEB).

Q5 How would the proposed settlement agreement affect the Town's financial ratings?
A5

Meetings are held twice a year with rating agencies. Standards and Poors have opined that not having settled contracts leaves a potential liability they must consider when rating the Town of Bedford. With a settled contract it relieves any anxiety held by ratings agencies.

Cost of the Health Insurance Plan and Proposed Contribution

Q1 What is the Town's cost for its health insurance plans insuring its employees?

A1 The 2014 cost of the New York State Health Insurance Plan ("NYSHIP") is shown below.

Family Plan	\$20,570.28
Single Plan	\$9,258.48

Q2 Do the Blue Collar employees presently contribute to the Town's health insurance costs? How much would they contribute under the proposed settlement agreement?

A2 Under the present contract the Town pays the entire cost. Under the proposed settlement agreement, the employees would contribute based on a percentage of each employee's base salary. The average Blue Collar salary as well as the health contribution are as follows:

Year	Average Salary	Percentage of Salary Contribution	Dollar Amount
2014	\$70,983.97	0.75%	\$ 532.38
2015	\$72,758.58	1.50%	\$1,091.38
2016	\$74,468.42	2.00%	\$1,489.37
2017	\$76,218.42	2.00%	\$1,524.37

New employees with a base salary below \$60,000 would pay 10% of the premium, and new employees with a base salary \$60,000 or higher would pay 15% of the premium. New employees would continue to contribute into retirement