

July 15, 2014 – Town Comptroller – Ed Ritter

Good evening.

What we have here is a six year contract that is, 2012-2017, but this in effect is a nine year contract since the contract expired at the end of 2008, so it really covers 2009-2017. Salary increases in the first five years are zeros, then increases of 2.50, 2.50, 2.35, and 2.35%. This is an average of 1.26% increase.

There's also a healthcare contribution that's a percentage of salary. There's also a one time signing bonus of \$1150 and that does not go to the base and that will be paid upon ratification.

There's also a contribution to healthcare which is the first time we have that from the Blue Collar Unit and this contract closes a long gap with no contract.

I looked at some of the numbers, how does this impact the taxes. In 2014 we've already budgeted money over the years to cover any contract settlement, so there's no real impact to any taxation this year. In 2015 there would be an increase of \$50,423 and to the average home that is a \$5.67 tax increase. For 2016 there would be an 89 cent tax increase and for 2017 a 91 cent tax increase, so not a lot of money.

New employees will pay a percentage of premium and would continue to contribute into retirement which would have a positive effect on our actuarial assumptions for other post employment benefits. That's where they determine what the liability will be in the future for our employees. A contribution towards healthcare and retirement, that's going to help our actuarial assumptions.

And also the bond rating agencies, I meet with them every six months to keep our triple A rating and they keep asking me is this contract still out, so they're anxious that we do have a contract in place.

Mr. Burdick asked about the percentage for contribution to healthcare.

Mr. Ritter – in 2014, the first year, starts off 0.75% and that's of the workers salary, then 1.5% the next year, then 2% and 2%, so it does escalate, grows.

New employees pay a percentage of premium 10%, salary below \$60,000 and 15% of the premium, salary above \$60,000.