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Schenectady Reaches Deal on New Contract with Fire Fighters

Mayor Stratton Says Agreement Saves Taxpayers \$500,000 through '09

SCHENECTADY – Mayor Brian U. Stratton today announced that the City of Schenectady and members of Schenectady's International Association of Fire Fighters Local 28 have reached an agreement for a new five-year labor contract that will provide taxpayers with significant, long-term savings in salaries and health insurance costs.

“The agreement we have presented to the City Council not only represents a fair contract for our fire fighters, but will generate both immediate and long-term savings for our taxpayers by significantly reducing the cost of health insurance and other benefits, and ultimately by shrinking the Fire Department payroll with incentives for accelerated turnover of personnel,” Mayor Stratton said.

Under the agreement announced by the Mayor, fire fighters will receive annual raises of 4 percent during the five-year contract, beginning retroactively to September 2005, and continuing through January 2009. In exchange for the salary increases, all existing city fire fighters will immediately begin contributing 5 percent of their annual employer-provided health insurance costs. Fire fighters hired after the new contract is in place will contribute 20 percent of health insurance costs, dropping to 5 percent after ten years of service. Those fire fighters will continue to pay 5 percent of health insurance costs through retirement.

While the agreement provides for annual increases of 4 percent, after accounting for givebacks in health insurance and early retirement incentives under a prior service credit agreement negotiated by the city, the actual annual cost to city taxpayers will be just 2.5 percent annually.

“Although the cost of providing five annual salary increases of four percent each year is \$1.1 million, that will be offset by nearly \$500,000 in health insurance give backs and savings from a prior service credit plan agreed to by the fire department – making the city's actual cost of this new agreement just \$628,000 over five years,” Mayor Stratton said.

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In addition, the new contract will require all new fire fighters to directly absorb the cost of any health insurance plan changes imposed by carriers in the future. Under the previous contract, fire fighters and police officers have been held financially harmless for those changes, which cost the city an estimated \$50,000 in 2005.

Mayor Stratton said the city has also agreed to support a state-approved incentive for prior service credit for the Fire Department, enabling as many as 32 Schenectady fire fighters to immediately apply their years of previous employment with the State of New York toward their total years of service in the Schenectady Fire Department to retire.

The Mayor said the prior service credit incentives will encourage the more senior, higher salaried members of the department to retire earlier, thus paving the way for hiring new firefighters at lower salaries and with higher individual contributions toward their city-provided health insurance plans.

Mayor Stratton said the new contract also makes adjustments in the starting salaries for new fire fighters, enabling the City of Schenectady to be more competitive in attracting qualified candidates for the position of fire fighter. Under the contract, starting salaries for new fire fighters will rise from \$26,222 to \$30,000 annually. Over a seven-step increase schedule, new fire fighters will eventually make a base salary of \$46,710.

"From the beginning, our goal has been to negotiate a contract that will provide both short-term and long-term financial benefits to the City of Schenectady, while giving our employees a fair contract that is consistent with the parameters of the city's other labor unions. Through this agreement, we have achieved the same level of health insurance cost savings as we did through the contracts recently settled with CSEA, AFSCME and our other trade unions," Stratton said.

The new contract will also increase individual annual stipends for fire fighters assigned to the Schenectady County Hazardous Materials (HazMat) team, from \$500 to \$750.

The contract must be approved by members of the Schenectady City Council, who will vote on the agreement at the Council's next scheduled meeting on October 23.