

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi [signature]
Chief Financial Officer

DATE: April 20, 2004

SUBJECT: Fiscal Impact Statement: "Career and Excepted Service Employees Compensation System Changes for Fire and Emergency Medical Services Department Battalion Chiefs, Deputy Chiefs, and Assistant Chiefs Emergency Approval Resolution of 2004"

REFERENCE: Draft Approval Resolution – No Number Available

Conclusion

Funds are sufficient in the FY 2004 budget and the proposed FY 2005 through FY 2008 budget and financial plan to implement the provisions of the proposed approval resolution. No additional resources will be required to implement to the proposed compensation system pay tables.

Background

The proposed resolution would approve a compensation change for 40 non-union firefighter and emergency medical services career and excepted services Battalion, Deputy and Assistant Chiefs. The proposed changes are similar to those recently agreed to with the union employees of collective bargaining group number 4.

Financial Plan Impact

Funds are sufficient in the FY 2004 budget and the proposed FY 2005 through FY 2008 budget and financial plan to implement the provisions of the proposed resolution. The compensation increases include the following provisions:

- An increase to base wages of 3.75 percent effective April 2004;
- An increase to base wages of 2.00 percent effective October 2004;
- An increase to base wages of 2.00 percent effective April 2005;
- An increase to base wages of 4.00 percent effective October 2005;
- An increase to base wages of 4.00 percent effective October 2006; and
- A step progression reform increase of 0.75 percent effective October 1, 2005.

Benefits are estimated at 10 percent and additional gross pay (longevity) and overtime is estimated at 20 percent of the base salary costs. The table in Figure 1 presents the personnel service costs¹ impacting the financial plan.

Figure 1.

Expenditure Impact to the Financial Plan				
(\$ in millions)				
FY 2004	FY 2005	FY 2006	FY 2007	4 -Year Total
\$0.10	\$0.38	\$0.68	\$0.97	\$2.13

¹ The D.C. Retirement Board determines funding requirements periodically through an actuary. Adjustments are a funding requirement to the third subsequent fiscal year following implementation to maintain full funding status.