


Government of the District of Columbia  
Office of the Chief Financial Officer



**Natwar M. Gandhi**  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Kwame R. Brown  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi   
Chief Financial Officer

**DATE:** May 14, 2012

**SUBJECT:** Fiscal Impact Statement – “Separation Pay, Term of Office and Longevity Pay Retention Incentive for Chief of Police Cathy Lanier Amendment Act of 2012”

**REFERENCE:** Draft bill shared with the Office of Revenue Analysis on May 11, 2012

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**Conclusion**

Funds are sufficient in the FY 2012 budget and the proposed FY 2013 through FY 2016 budget and financial plan to implement the bill.

**Background**

On May 8, 2012, the Mayor and the Chief of Police Cathy L. Lanier entered into an employment agreement that extend Chief Lanier’s tenure by five years. The bill provides the conforming legislation pursuant to this agreement. The basic terms of the contract that require legislative changes include:

- A five percent increase to the Chief’s base salary effective September 4, 2015;<sup>1</sup>
- A separation pay of up to four months of base salary upon a termination under certain circumstances;<sup>2</sup> and
- If involuntarily separated without a cause, ability to participate in the District of Columbia’s health and welfare insurance plans for up to six months (or during the remainder of her contract, whichever is shorter), at the same contribution rates as active employees.

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<sup>1</sup> This section amends D.C. Official Code § 5-544.01 (Service Longevity).

<sup>2</sup> This section amends D.C. Official Code § 1-610.58 (Separation Pay).

The Honorable Kwame R. Brown

FIS: Draft "Separation Pay, Term of Office and Longevity Pay Retention Incentive for Chief of Police Cathy Lanier Amendment Act of 2012," as Introduced

### **Financial Plan Impact**

Funds are sufficient in the FY 2012 budget and the proposed FY 2013 through FY 2016 budget and financial plan to implement the bill.

Under the terms of the contract, Chief Lanier's salary remains at its current levels through the last month of FY 2015. At this time her base salary (\$253,817) will increase by 5 percent (\$12,691). The full cost of this increase, including fringe benefits, is estimated to be approximately \$1,237 in FY 2015 and \$14,850 in FY 2016.