



DATE: 02/03/14 10:03 AM

COUNTY OF ERIE
STEFAN I. MYCHAJLIW
COMPTROLLER

February 3, 2014

The Honorable Erie County Legislature
Legislative Chambers
92 Franklin Street – 4th Floor
Buffalo, New York 14202

RE: CSEA Contract

Dear Honorable Legislators:

As you are aware, the County and the leadership of CSEA recently reached an agreement on a contract proposal that will soon go before the membership for approval. As has been the case with past contract offers, the County Executive put the interests of the taxpayers ahead of the perks typically supported by the special interests. For this, he is to be commended, and taxpayers should know they were well served.

Over the last few days my office has been putting together some estimates regarding the cost of the new contract that I wanted to share with your honorable body. Attached you will find those estimates on the various contract provisions. In summary, the two year net impact on the county levy will be under \$2.5 million.

As Comptroller, I am happy to see the elimination of summer hours, concessions on vacation days and more strict stipulations on the use of paid time off. These reforms will yield significant future savings. I am most pleased to see the total elimination of a fully funded retirement health care policy for new hires. This one reform will save taxpayers millions of dollars in the future and will go a long way in closing the gap between the benefits of private and public sector employees.

In conclusion, employees deserve a fair contract that respects their service to the taxpayer. The taxpayers funding the contract are owed the same level of respect for how their tax dollars are spent on it. I hope the CSEA membership passes it, and that your honorable body supports it.

Sincerely,

A handwritten signature in blue ink, appearing to read "Stefan I. Mychajliw", with a long horizontal flourish extending to the right.

STEFAN I. MYCHAJLIW
Erie County Comptroller

ESTIMATED COST

\$942,400	Signing Bonus (2356 Employees)
\$2,057,622	Annual Cost of 2% Salary Increase, effective 1/1/14
\$4,156,522	Annual Compounded Cost of 2% Salary Increase, effective 1/1/15
\$547,476	7.65% increase in FICA payments (Bonuses and Raises)
<u>\$1,502,874</u>	21% Pension Contribution
\$9,206,894	Total Gross Contract Cost

ESTIMATED SAVINGS

\$2,544,417	2015 Health Care Savings (Core to Value Plan for Health Care)
<u>\$2,476,874</u>	2 year Health Care Savings (300 retirees per year/New hires paying 15% of plan)
\$5,021,291	Total Savings

ESTIMATED FISCAL IMPACT

\$4,185,603	Net 2 year cost before reimbursement
<u>-\$1,716,097</u>	Federal, State & Other Fund reimbursements
\$2,469,506	Total 2 Year Net Levy Impact