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City of Providence, Rhode Island
Office of the Internal Auditor

Memorandum

To: Councilman David A. Salvatore, Chairman Ways & Means Committee
Cc: Ways & Means Committee Members
From: Matthew M. Clarkin, Jr., Internal Auditor *MMC*
Date: June 24, 2013
Re: Non-Union Sick Leave Severance - AMENDED

Below is an amended summary of the current status and potential financial liability to the City of sick severance based upon the amended ordinance before the Ways & Means Committee. In addition, attached you will find two charts that summarize the City's liability to all employees who are currently eligible to retire and receive a sick severance payment.

Class A, Non-union

The Collective Bargaining Agreement between the City and Local 1033, provides that employees who retire and receive a retirement benefit are entitled to a lump-sum payment equal to the sum of 25% of the value of the first 50 days of unused sick leave and 50% of the value of days over fifty unused sick leave to a maximum of 135 days. Therefore, a city employee represented by Local 1033 is eligible at severance to receive a maximum of 55 sick leave days.

If Class A, non-union employees were paid a severance on sick leave in a manner identical to the terms of the Local 1033 contract, a total of 19 non-union employees would be eligible currently to receive such a payment. The total currently due to these 19 employees would be \$152,198, which is an average of \$8,010 per employee.

Uniformed Fire, Non-union

The Collective Bargaining Agreement between the City and Local 799 (Firefighters) provides that employees who retire, voluntarily separate from employment, or upon death prior to retirement are entitled to a lump-sum payment equal to the sum of 100% of the value of the first 140 days of unused sick leave and 50% of the value of days over 140 unused sick leave with no maximum.

If uniformed fire, non-union employees were paid a severance on sick leave in a manner identical to the terms of the Local 799 contract, a total of 6 employees would be eligible currently to receive \$443,704, which is an average of \$73,951 per employee

Uniformed Police, Non-union

The Collective Bargaining Agreement between the City and the Fraternal Order of Police (FOP) provides that employees who retire, voluntarily separate from employment, or upon death prior to retirement are entitled to a lump-sum payment equal to the sum of 100% of the value of the first 140 days of unused sick leave and 50% of the value of days over 140 unused sick leave with no maximum.

If uniformed police, non-union employees were paid a severance on sick leave in a manner identical to the terms of the FOP contract, a total of 5 employees would be eligible currently to receive \$404,016, which is an average of \$80,803 per employee.

Current Non-Union Employees Eligible for Sick Severance			
	# of Employees	Total	Average
Fire Non-Union	6	\$443,703	\$73,951
Police Non-Union	5	\$404,016	\$80,803
Class A Non-Union	19	\$152,198	\$8,010
Total	30	\$999,917	\$55,551

Sick Severance for Separated Employees

A total of 9 non-union public safety employees (7 fire – 2 police) have separated from the City and have not received a sick severance payment, since the change to the policy concerning non-union severance was made. Total sick severance for these 9 employees would have totaled \$422,903 or \$46,989 per employee. Two Class A employees have separated from the City and have not received a sick severance payment.

Separated Non-Union Employees Eligible for Sick Severance			
	# of Employees	Total	Average
Fire Non-Union	7	\$371,471	\$53,067
Police Non-Union	2	\$51,432	\$25,716
Class A Non-Union	2	\$3,128	\$1,564
Total	11	\$426,031	\$38,730

If you would like additional information concerning this issue, please let me know.

