



PlatteChat

AN ONGOING CONVERSATION ABOUT HOW TO BEST PRESERVE FREE ENTERPRISE,
PERSONAL RESPONSIBILITY AND LIMITED GOVERNMENT IN NEBRASKA.

Platte
INSTITUTE
for economic research



Platte Institute Releases Study on Omaha Fire Contract Summary

The proposed contract between the City of Omaha and the Professional Firefighters Association of Omaha (the Omaha Fire Union) takes small steps toward a more sustainable agreement. However, it falls short in many key aspects of effectively reigning in the excessive benefits under the previous agreement. The underlying problem that needs to be resolved with this collective bargaining agreement is the unfunded pension liability, which currently amounts to \$574 million.

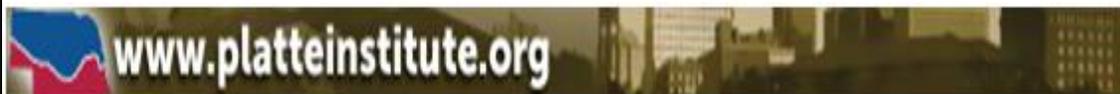
The proposed contract has proven to be controversial. During the week of its release, the Nebraska Legislature approved the Commission of Industrial Relations (CIR) Reform, LB 397, a measure designed to give public employers more control over labor costs. LB 397 will not go into effect until October.

An often overlooked aspect of the new CIR reform is the ability to include the cost of living into the equation for determining appropriate wages comparable to cities in the CIR array. Omaha has a substantially lower cost of living compared to array cities in the CIR's most recent ruling-an average of 13 percent.

Notable issues with the proposed contract include: a full-time union advocate employee, excessive benefits like Lasik surgery for union members and their families, management control over staffing, and the increased pension percentage contribution by the City.

Analysis indicates the City of Omaha could potentially benefit, while incurring minimal risk, by choosing to wait until October 1, 2011 for the CIR reform to take effect. Deeper cuts must be made to the pension formula for the sake of taxpayers, excessive benefits scaled back, and management must be given the freedom to manage - i.e. promote talented firefighters, demote ineffective ones, and implement needed reform. In the current economic reality, savings must be achieved. The City must act in the best interest of the taxpayers and delay negotiation of this contract with the new CIR law in the fall.

Full Text of the Fire Study [HERE](#)



If you do not wish to receive this newsletter or if you wish to be removed from all future

newsletters, please [click here](#) to manage your subscriptions.