

2018-2019 BUDGET QUESTION
Response to Request for Information

DEPARTMENT: Financial Services – Budget

REQUEST NO.: 1

REQUESTED BY: Casar

DATE REQUESTED: 3/29/18

DATE POSTED: 4/3/18

REQUEST: Please provide the savings from recent approved public safety labor contract agreements and savings from public safety departments from operating without a contract, in a manner that does not harm the City's negotiating position. Please provide potential options for use of these funds.

RESPONSE: The total estimated savings available year-to-date based on the current status of the public safety contracts is \$1,640,000. This amount is detailed by department below and includes only known savings from the contracts.

The Austin Fire Department (AFD) has the only approved long-term contract of all public safety departments. Though savings of \$1.5 million has been realized beyond what was budgeted, additional unbudgeted expenses have required redirection of \$300,000 to fund replacement Knox Boxes (agenda item No. 41 on February 15, 2018) and an estimated \$800,000 for design work on critical fire station improvements (2 fire station bays). The net amount available is \$400,000 for the remainder of FY 2018.

On March 22, 2018, Council approved an interim agreement through September 15, 2018 providing the Emergency Medical Services Department (EMS) with a 1.25% one-time lump sum payment in the amount of \$450,000 for FY 2018. Since this is less than the FY 2018 Budget, approximately \$340,000 is available for the remainder of the current year.

Lastly, negotiations are ongoing with the Austin Police Association regarding a contract with the Austin Police Department (APD). The Meet and Confer agreement presented to Council on December 13, 2017 was not approved and included direction for staff to return to negotiations. On February 15, 2018, Council approved an ordinance reinstating several specialty pays that had expired with the previous contract on December 29, 2017. The 3 pay periods where APD sworn personnel did not receive these specialty pays, plus longevity pay remaining at the State Law rate of \$48 per year of service, partially off-set by Lieutenants and Commanders receiving some overtime hours, results in an estimated net savings of \$900,000. If an interim or long-term agreement is not reached by May 24, 2018, the specialty pays will expire again. While additional savings within APD are possible, it is contingent on when an interim or long-term agreement is reached and approved by Council and the terms of that agreement.

Concerning potential funding options utilizing public safety contract savings, these General Fund dollars may be redirected to any municipal purpose, such as additional Public Safety personnel, social service contracts, increasing the transfer to the Housing Trust Fund, or raising reserve levels through capturing it in the Budget Stabilization Reserve Fund for future purchases of one-time critical equipment.

While the Public Safety departments have projected \$1.6 million in savings from the public safety contracts, the General Fund overall year-end net savings is projected at \$750,000 as included in the forecast presentation on April 4th. This is due to anticipated shortfalls in sales tax, development revenue leveling out, and franchise fees and traffic fines currently trending below the FY 2018 Budget.