

A G E N D A



Recommendation for Council Action

Austin City Council	Item ID	58600	Agenda Number	11.
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Meeting Date:	5/19/2016	Department:	Parks and Recreation
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Subject

Approve an ordinance amending the Fiscal Year 2015-2016 Budget Stabilization Reserve Fund Operating Budget (Ordinance No. 20150908-001) to transfer out \$418,000 to the General Fund; and amending the General Fund Operating Budget (Ordinance No. 20150908-001) to transfer in \$418,000 from the Budget Stabilization Reserve Fund Operating Budget (Ordinance No. 20150908-001); and to appropriate \$418,000 to increase expenditures in the Parks and Recreation Department Operating Budget (Ordinance No. 20150908-001) to hire temporary and seasonal staff for the 2016 summer swim season.

Amount and Source of Funding

Funding in the amount of \$418,000 is available from the FY 2015-2016 Budget Stabilization Reserve Fund.

Fiscal Note

Fiscal notes are attached detailing the transfer of funds from the Budget Stabilization Reserve Fund to the General Fund. Parks and Recreation Department requirements are being increased to fund this effort. This would result in General Fund reserves dropping below the General Fund Financial Policy No. 14 amount of 12%.

Purchasing Language:	
Prior Council Action:	
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Council Committee, Boards and Commission Action:	
MBE / WBE:	
Related Items:	

Additional Backup Information

The Parks and Recreation Department (PARD) is currently hiring staff at a rate lower than living wage pay rate if the employee is expected to work 6 months or less. A considerable number of the staff members working 6 months or less are required to obtain the same level of certification, participate in the same level of training and perform the exact same job duties and responsibilities as a peer who works year round; yet are paid significantly less. While challenges with compensating, recruiting and retaining seasonal employees exist throughout PARD, it is most evident within the Aquatics Division. The pay issues for lifeguards are affecting recruitment efforts as well as morale.

PARD wants to compensate people equitably and fairly, and has determined the pay issue among lifeguards must be addressed. As such, the budget amendment for an additional \$418,000, which includes FICA and Medicare, will pay lifeguards, both temporary and seasonal, the living wage for the summer. It is expected that this modification will positively impact the recruitment and operations for the Aquatics Division and, avoid unintended but nonetheless undesirable consequences.

The General Fund reserves are the only identified source of funding for this expense. This action will result in the General Fund Reserves dropping to 11.9%, slightly below the City's reserve policy of 12%.

This action is also not consistent with the City's adopted General Fund Financial Policy No. 3, which states that to improve financial planning and control, budget amendments should be infrequent and limited to cases where:

- Funding is required to address extraordinary circumstances resulting from a natural disaster, a public health emergency, or other similar critical need that could not have been reasonably anticipated when the budget was adopted; or
- There is verifiable evidence of significant costs or risks associated with delaying funding until the next budget cycle; or
- Errors or omissions in the Council Approved Budget require correction.