

A G E N D A



Recommendation for Council Action

Austin City Council	Item ID	69011	Agenda Number	3.
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Meeting Date:	3/23/2017	Department:	Austin Fire Department
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Subject

Approve an ordinance amending the Fiscal Year 2016-2017 Budget Stabilization Reserve Fund Operating Budget (Ordinance No. 20160914-001) to transfer out \$3,500,000 to the General Fund; and amending the General Fund Operating Budget (Ordinance No. 20160914-001) to increase the transfer in by \$3,500,000 from the Budget Stabilization Reserve Fund; and appropriating \$3,500,000 to increase expenditures in the Austin Fire Department Operating Budget (Ordinance No. 20160914-001) to provide additional overtime funds that are needed due to the high number of sworn fire vacancies and the requirement to maintain four-person staffing requirements.

Amount and Source of Funding

Funding in the amount of \$6,132,033 is available from the FY 2016-2017 Beginning Balance of the 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.

Purchasing Language:	
Prior Council Action:	
For More Information:	Chief of Staff Tom Dodds - 974-0132; Asst. Director Ronnelle Paulsen – 974-5315
Council Committee, Boards and Commission Action:	
MBE / WBE:	
Related Items:	

Additional Backup Information

This budget amendment recognizes an increase in appropriation to the Austin Fire Department (AFD) in the amount of \$3,500,000 to provide additional overtime funds based on two key operational dynamics; providing 4-person staffing on most fire apparatus and the high number of vacant sworn fire positions. AFD has a policy (Council Resolution No. 20071101-038) to provide four-person staffing on most apparatus for safety reasons. This directly impacts overtime use when either firefighter vacancies are high, or they use leave time. The department expects the amount of \$3,500,000 in Fiscal Year (FY) 2017 to be sufficient to address the overtime hours needed for vacancies and leave requests.

An increase in retirements, delayed cadet classes, and fewer qualified cadets during the hiring process caused an unexpected increase in the number of firefighter vacancies used to calculate funding needs. In April 2016, during the FY 2017 Proposed Budget development, the department projected 91 vacancies at the end of FY 2017. Now, current

Calendar Year End projections indicate vacancies will approach 150 by the end of FY 2017. There is a secondary impact of retirements on the budget when additional terminal pay is needed. Terminal pay for retirees is based on individual years of service and use of leave and it is difficult to predict. As a gauge, AFD paid \$787,000 in additional terminal pay in FY 2016 beyond what was budgeted.

Other factors impacting overtime use and contributing to firefighter vacancies going unfilled for significant periods are the delays in completing cadet hiring and training and the size of cadet classes. AFD's cadet hiring process is currently subject to review by the U.S. Department of Justice (DOJ) based on a consent decree agreed to in June 2014. In the 2015 hiring cycle, the DOJ limited the number of viable candidates to 200 and delayed the processing of their qualifications causing higher rates of candidates withdrawing from the process. These factors are resulting in fewer cadets graduating and filling vacancies. Roughly 95 will graduate by September 2017 instead of 115 or more projected in the FY 2017 Budget. AFD has begun the 2017 cadet hiring cycle by taking applications in April 2017 and administering the oral and written assessments in May or June 2017. The DOJ will review the assessment results in July to determine whether or not adverse impact is present. The DOJ can place limitations on future hiring based on what they find.

Presently, AFD is developing the FY 2018 Budget based on the expectation that three classes of approximately 40 cadets (120 total new firefighters) will graduate and fill vacancies throughout the year. However, the \$3,500,000 of additional appropriation will continue to be needed in the FY 2018 Budget based on backfilling the high number of sworn vacancies to maintain the 4-person staffing, covering the number of projected retirements, and possible delays in hiring due to the DOJ review of the current hiring process.