



# City of Killeen

## Legislation Text

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File #: PH-16-038, Version: 1

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**HOLD** a public hearing and consider an ordinance amending the FY 2017 Annual Budget and Plan of Municipal Services of the City of Killeen to fund employee step increases.

### **AGENDA ITEM**

#### **FY 2017 Step Increase Budget Amendment**

#### **ORIGINATING DEPARTMENT**

**Finance**

#### **BACKGROUND INFORMATION**

On October 6, 2016, a meeting was held by the ad hoc committee formed by City Council to identify budget cuts that equaled the cost of employee step increases for FY 2017. In attendance were councilmembers Richard Young, Juan Rivera, Jim Kilpatrick (by phone), Dr. Ann Farris, Chief Baldwin, Interim Chief Brank, Eva Bark and Jon Locke. The committee successfully identified cuts in the FY 2017 budget equal to the cost of the step increase.

On October 11, 2016, at a special City Council workshop, councilmembers requested clarification as to why the actual cost of the step increases (\$528,902.71) was less than the estimated amount (\$736,121) that was previously shared at the September 27, 2016 City Council meeting. The total variance between the two figures is \$207,218.29.

#### **DISCUSSION/CONCLUSION**

The estimated amount (\$736,121) was calculated by Finance early in the budget process. The amount was calculated assuming that all vacancies would be filled and that those individuals would receive a step increase during FY 2017. At that time, there were more than 140 vacant positions and the cost of the step increase attributable to the vacant positions was \$120,917. The estimated amount also included a step increase for the SAFER grant employees that would become effective when the fire officers completed training. The SAFER grant employees will not receive a step increase until their one-year anniversary. This reduced the cost of the step increases for the SAFER employees from \$101,583 to \$42,330, a reduction of \$59,253. After reviewing the actual cost of the increase (\$528,902.71), staff realized that \$8,591 in Workers Compensation expenses was not included.

A total of \$188,761 has been identified to clarify the \$207,218.29 difference between the estimated amount (\$736,121) and the actual amount (\$528,902.71). The remaining \$18,457 is due to budget changes made during the FY 2017 budget process (i.e. freezing vacant positions). A summary of the reconciliation follows:

**Step Increase Difference**

Estimated Amount	\$736,121.00
Actual Amount	<u>\$528,902.71</u>
Difference	\$207,218.29
<b>Reconciliation</b>	
Vacancies (140 employees)	\$120,917
SAFER Grant Employees	\$59,253
Workers Compensation	<u>\$8,591</u>
Total	\$188,761
Remaining Difference	\$18,457

**FISCAL IMPACT**

There is no financial impact to the FY 2017 budget. The cost of the step increases for each fund is:

General Fund	\$424,206
Hotel Occupancy Tax	\$4,707
Cable System Improvement PEG	\$609
Community Development	\$646
Court Security	\$541
Juvenile Case Manager	\$486
Public Works Sanitary Sewers	\$352
Aviation	\$15,367
Solid Waste	\$26,704
Water & Sewer	\$33,948
Drainage	\$11,870
Fleet Services	<u>\$9,467</u>
Total	\$528,903

Only the General Fund requires a budget amendment. The other funds are able to reduce their budgets without an amendment. The budget amendment moves departmental budgets that were made available through expense reductions between departments. The committee found the following expense reductions in the General Fund:

Police Budget Reduction	\$112,406
Fire Budget Reduction	\$100,000
Consulting Services Reduction	\$50,000
Fuel Budget Reduction	\$119,470

SAFER Grant Revenue	\$42,330
Total	\$424,206

The total cost of the step increases in the General Fund is \$424,206. The budget amendment only amends \$211,800 due to the Police and Fire reductions noted above that are \$112,406 and \$100,000, respectively. An internal budget transfer will be completed for Police and Fire.

The budget amendment will amend the following accounts:

**General Fund**

**Revenues**

Account Number	Account Name	Budget	Change	Amended
010-0000-382-45-30	DHS - SAFER GRANT	2,153,083	42,330	2,195,413
<b>Total</b>		<b>2,153,083</b>	<b>42,330</b>	<b>2,195,413</b>

**Transfer from:**

Account Number	Account Name	Budget	Change	Amended
010-0215-417.41-30	FUEL	2,885	(324)	2,561
010-2131-460.41-30	FUEL	5,400	(606)	4,794
010-2132-460.41-30	FUEL	6,828	(766)	6,062
010-2175-460.41-30	FUEL	2,739	(307)	2,432
010-2705-419.41-30	FUEL	1,861	(209)	1,652
010-3020-424.41-30	FUEL	15,528	(1,743)	13,785
010-3025-425.41-30	FUEL	48,361	(5,427)	42,934
010-3440-434.41-30	FUEL	11,338	(1,272)	10,066
010-3445-434.41-30	FUEL	166,618	(18,699)	147,919
010-3446-434.41-30	FUEL	2,326	(261)	2,065
010-4052-450.41-30	FUEL	9,608	(1,078)	8,530
010-4053-450.41-30	FUEL	10,759	(1,207)	9,552
010-6000-441.41-30	FUEL	518,909	(58,160)	460,749
010-6070-441.41-30	FUEL	21,276	(2,388)	18,888
010-7070-442.41-30	FUEL	240,795	(27,023)	213,772
010-0200-413-47-01	CONSULTING	255,000	(50,000)	205,000
<b>Total</b>		<b>1,320,231</b>	<b>(169,470)</b>	<b>945,761</b>

**Transfer to:**

Account Number	Account Name	Budget	Change	Amended
010-0205-413-40-05	FULL-TIME SALARIES	186,888	2,810	189,698
010-0215-417-40-05	FULL-TIME SALARIES	643,541	6,202	649,743
010-0405-414-40-05	FULL-TIME SALARIES	141,774	1,163	142,937

010-1005-416-40-05	FULL-TIME SALARIES	612,409	3,468	615,877
010-1010-416-40-05	FULL-TIME SALARIES	51,783	260	52,043
010-2010-415-40-05	FULL-TIME SALARIES	689,066	9,113	698,179
010-2130-460-40-05	FULL-TIME SALARIES	181,401	1,446	182,847
010-2131-460-40-05	FULL-TIME SALARIES	252,591	2,803	255,394
010-2132-460-40-05	FULL-TIME SALARIES	453,047	3,843	456,890
010-2134-460-40-05	FULL-TIME SALARIES	99,581	313	99,894
010-2135-460-40-05	FULL-TIME SALARIES	128,729	1,325	130,054
010-2305-418-40-05	FULL-TIME SALARIES	598,235	3,571	601,806
010-2705-419-40-05	FULL-TIME SALARIES	765,990	9,225	775,215
010-3007-429-40-05	FULL-TIME SALARIES	111,641	1,554	113,195
010-3020-424-40-05	FULL-TIME SALARIES	599,947	6,249	606,196
010-3020-424-40-10	PART-TIME SALARIES	480	191	671
010-3024-425-40-05	FULL-TIME SALARIES	62,787	735	63,522
010-3025-425-40-05	FULL-TIME SALARIES	834,639	7,702	842,341
010-3026-425-40-05	FULL-TIME SALARIES	430,859	2,923	433,782
010-3026-425-40-10	PART-TIME SALARIES	53,237	292	53,529
010-3027-429-40-05	FULL-TIME SALARIES	41,282	516	41,798
010-3030-428-40-05	FULL-TIME SALARIES	76,114	386	76,500
010-3032-428-40-05	FULL-TIME SALARIES	106,275	679	106,954
010-3035-429-40-05	FULL-TIME SALARIES	121,226	814	122,040
010-3040-429-40-05	FULL-TIME SALARIES	80,908	783	81,691
010-3215-423-40-05	FULL-TIME SALARIES	810,512	2,685	813,197
010-3215-423-40-10	PART-TIME SALARIES	51,863	1,150	53,013
010-3229-426-40-05	FULL-TIME SALARIES	153,089	1,465	154,554
010-3250-426-40-05	FULL-TIME SALARIES	238,953	1,423	240,376
010-3255-427-40-05	FULL-TIME SALARIES	34,733	267	35,000
010-3257-426-40-05	FULL-TIME SALARIES	90,740	559	91,299
010-3440-434-40-05	FULL-TIME SALARIES	201,128	1,605	202,733
010-3445-434-40-05	FULL-TIME SALARIES	1,587,064	13,250	1,600,314
010-4051-450-40-05	FULL-TIME SALARIES	407,008	761	407,769
010-4052-450-40-05	FULL-TIME SALARIES	607,894	7,200	615,094
010-4053-450-40-05	FULL-TIME SALARIES	479,781	4,989	484,770
010-6000-441-40-05	FULL-TIME SALARIES	19,521,333	82,111	19,603,444
010-6070-441-40-05	FULL-TIME SALARIES	491,109	4,891	496,000
010-7070-442-40-05	FULL-TIME SALARIES	13,200,869	21,078	13,221,947
<b>Total</b>		<b>45,200,506</b>	<b>211,800</b>	<b>45,412,306</b>

**RECOMMENDATION**

Staff recommends that City Council approve the ordinance amending the FY 2017 Annual Budget and Plan of Municipal Services.