

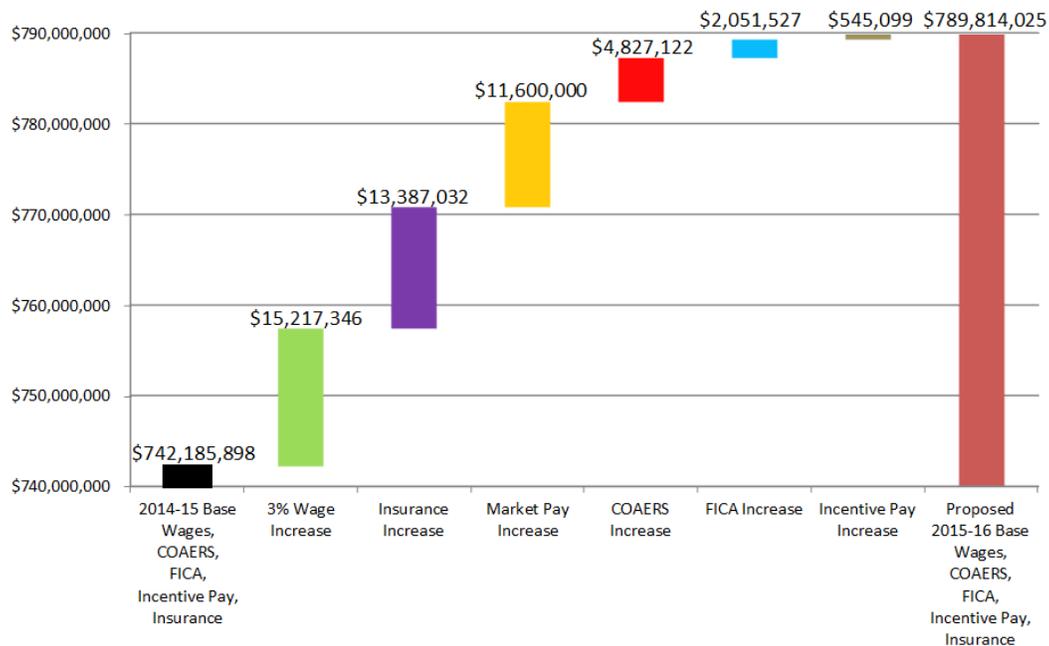
The 6% Raise to City Employees

Much has been mentioned about the proposed 3% across-the-board base wage increase to all City of Austin employees. In reality, the City Manager has proposed a 6% increase in wages/benefits compared with last year.

While I support paying employees a fair wage and benefits, I am also very concerned for the residents of Austin who are paying huge tax bills every year.

Based on the budget questions that have been asked, and information provided by City staff in the “2015-16 Proposed Budget”, the cost of wages and benefits for full-time non-sworn employees will increase from \$742,185,898 to \$789,814,025. This equates to a 6% increase to the taxpayers.

Here is the breakdown of the proposed FY 2015-16 increases over FY 2014-15:



- **\$15.2M:** 3% across-the-board base wage increase
- **\$13.4M:** Health insurance cost increasing by 12% to \$13,140 per employee
- **\$11.6M:** Annualized amount of the “Market Pay Increase” to get the remaining 30% of City employees up to the “Market Rate”
- **\$4.8M:** Addition in contribution to the COAERS pension due to the 3% base wage increase and Market Pay Increase
- **\$2.1M:** Increase in FICA due to the 3% base wage increase and Market Pay Increase
- **\$0.5M:** Additional amount the City is expecting to give out in Service Incentive Pay (a yearly \$500-\$1,500 longevity bonus for employees who have been with the City for over 5 years)

I encourage my fellow Council Members to look at the full cost of all these increases that the residents are being asked to give to City employees. With affordability such a major concern to Austinites, requesting a 6% increase is too much.

	FY 2014-15	FY 2015-16	Difference
Base Wages ¹	\$ 507,244,875	\$ 507,244,875	\$ -
3% Wage Increase ²		\$ 15,217,346	\$ 15,217,346
Market Pay Increase ³		\$ 11,600,000	\$ 11,600,000
COAERS ⁴	\$ 91,304,078	\$ 96,131,200	\$ 4,827,122
FICA ⁵	\$ 38,804,233	\$ 40,855,760	\$ 2,051,527
Incentive Pay ⁶	\$ 6,661,145	\$ 7,206,244	\$ 545,099
Insurance ⁷	\$ 98,171,568	\$ 111,558,600	\$ 13,387,032
Totals	\$ 742,185,898	\$ 789,814,025	\$ 47,628,127
Increase Year over Year			6.0%
# of Employees	8,490 ¹	8,490 ¹	

1 – Based on budget question 71 (does not include any new FTEs)

2 – 2015-16 Proposed Budget – Volume I A-12 (Base Wages x 3%)

3 – 2015-16 Proposed Budget – Volume I A-12 (using 12 months instead of 6 months since wages will be permanently increased)

4 – Base Wages, 3% Wage Increase, and Market Pay Increase x 18%

5 – Base Wages, 3% Wage Increase, and Market Pay Increase x 7.65%

6 – Based on budget question 98

7 – Based on budget question 261 (\$11,563/employee for FY 2014-15 and \$13,140/employee for FY 2015-16)