

SAPFFA Presentation –
City Public Statements re:
CPI and 66% Cap

May 3, 2024





CPI and 66% Cap

- In prior negotiations, the City has held out the importance inflation in determining pay increases. The City has pointed to CPI.
- In prior negotiations and arbitrations, the City identified a goal of keeping public safety spending below 66% of GF expenditures.
- The City reiterated this goal several times in last round of negotiations and interest arbitration in 2019 and 2020.
- The Firefighters' proposals will enable members to keep up with CPI and still keep public safety expenditures below 66%.
- So what's the problem?

Cost of Living

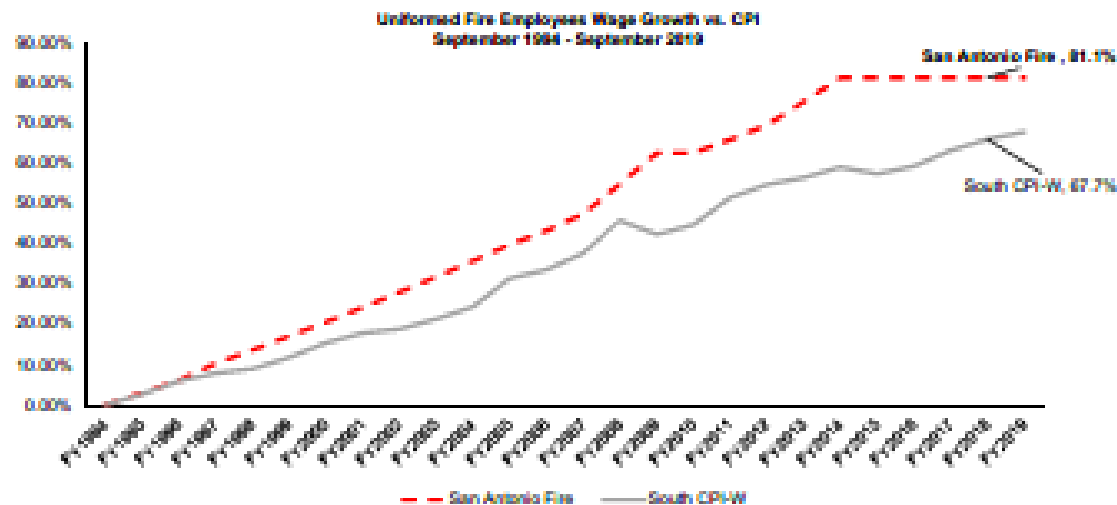


2019 Arbitration – Importance of CPI



Wages vs. CPI Twenty-Five Year Perspective

- Across-the-board wage increases for uniformed fire employees have also outpaced CPI from a longer-term perspective



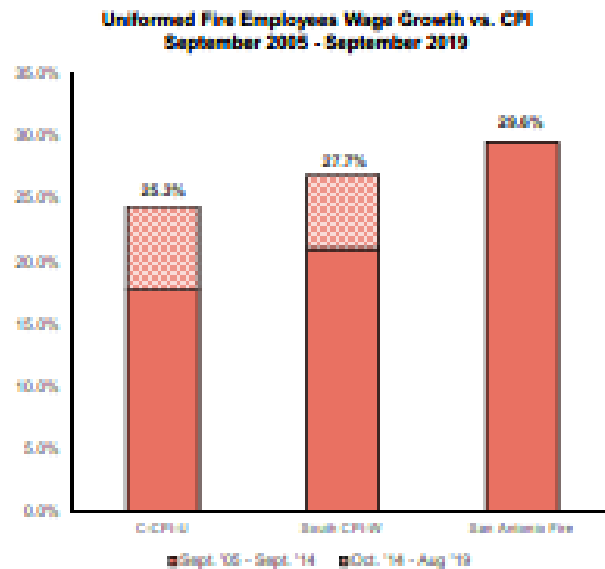
- In 2019 and 2020, City presented comparison of San Antonio firefighter salaries compared to South CPI-W over time.

2019 Arbitration – Importance of CPI



Wages vs. CPI Most Recent Two Contract Periods

- Looking back two contract periods, wage growth for San Antonio uniformed fire employees has exceeded CPI through September 2019.
- Accordingly, wage growth has remained ahead of CPI even though uniformed fire employees have not experienced any additional across-the-board wage increases during the evergreen period.
- With step increments and longevity gains, every individual bargaining unit member has received annual pay increases across these years, including throughout the evergreen period (not shown in the accompanying chart).
 - From contract expiration in 2014 through FY2019 alone – even with no across-the-board increases – steps and longevity would have added a cumulative 16.5% for a fire fighter who had just graduated from the academy, 5.1% for a fire fighter then with 5 and 10 YOS, and 3.0% for a firefighter with 15 YOS or more in October 2014.



Source: Bureau of Labor Statistics

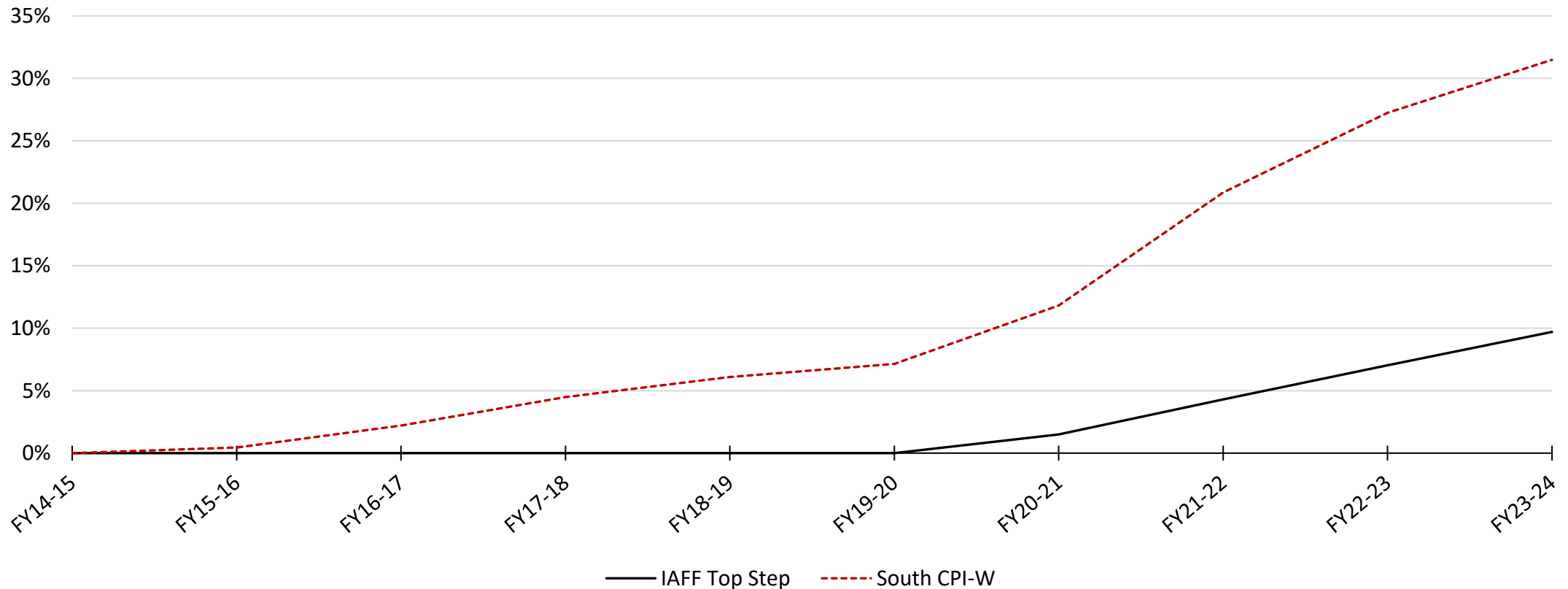
- “The City’s offer will maintain San Antonio’s position relative to consumer price change, high quality benefits, and competitive total compensation.”*
- City Ex. 2, at 59.

2024 Reality – Wages Have Eroded



- Since 2020 arbitration award, Firefighter salaries have failed to keep with CPI and area wage growth.

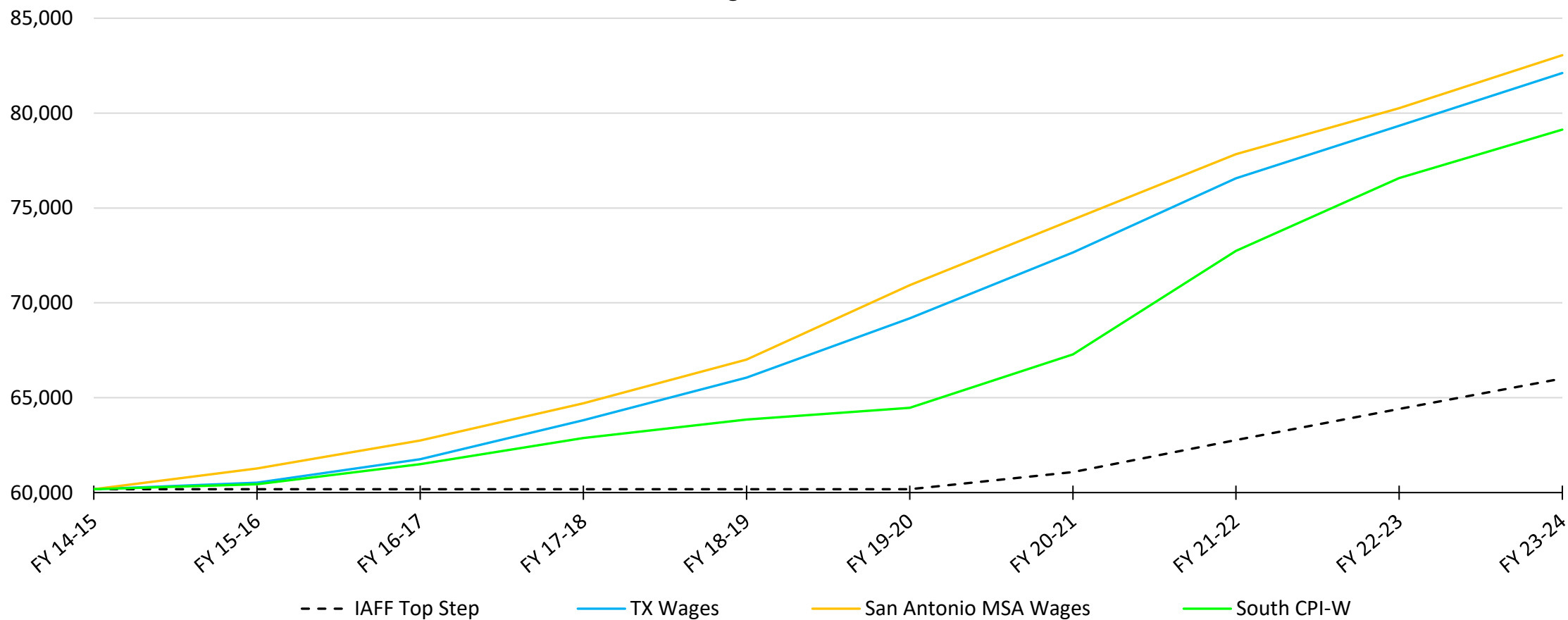
Wage Growth vs. CPI
October 2014 through October 2024



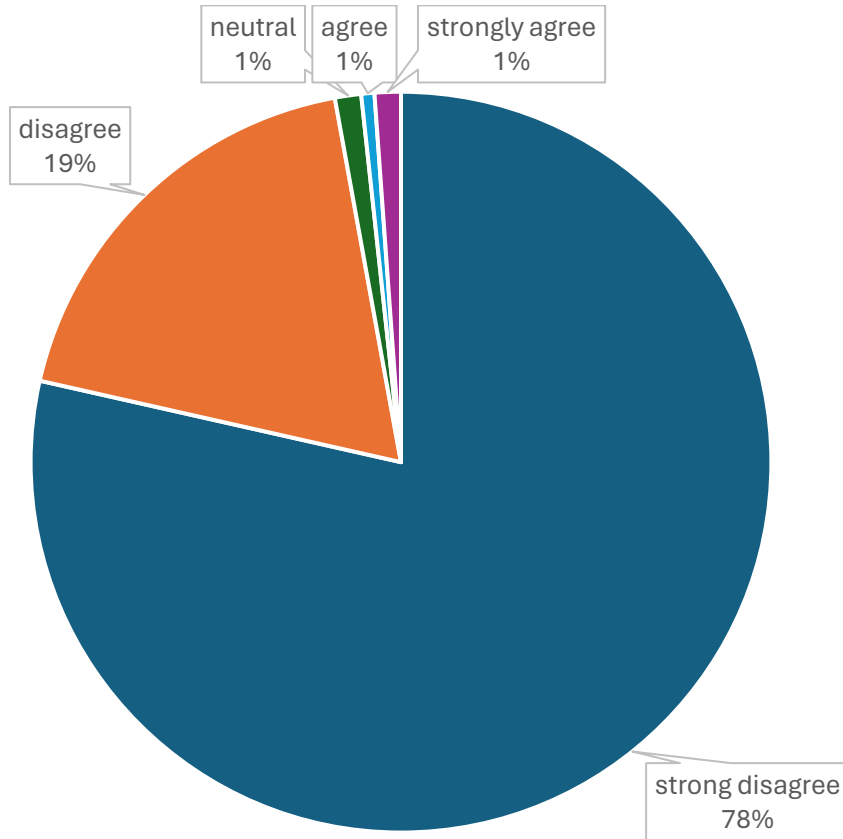


2024 Reality – Wages Have Eroded

Theoretical Wage Gains FY13-14 to FY23-24

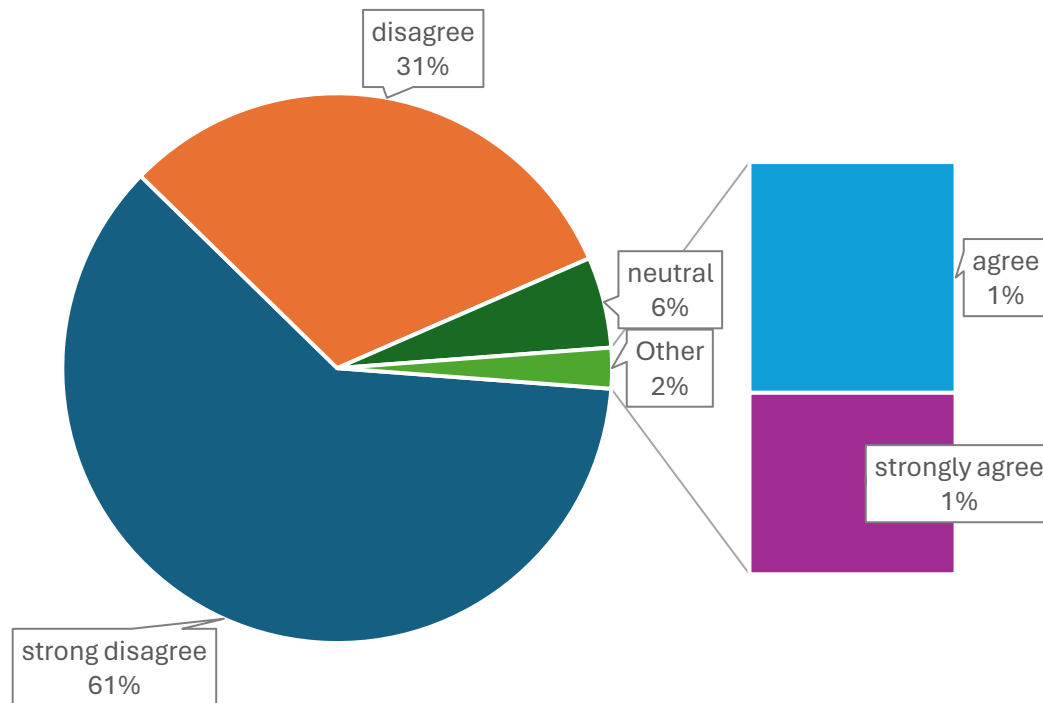


Members Can't Keep Up With Inflation



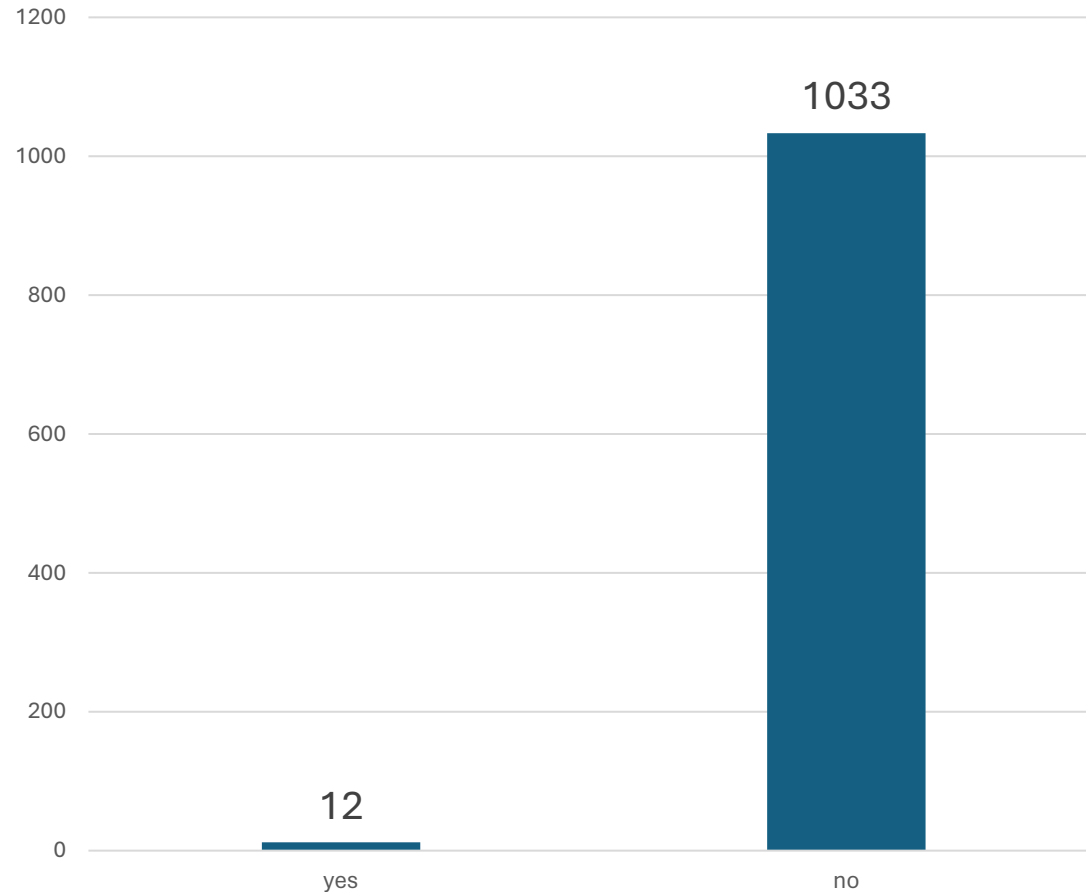
- **Almost all** members (97% - 1018) **disagreed** with the following statement:
- *“My current salary keeps up with the cost of living in San Antonio.”*
- More than $\frac{3}{4}$ of respondents **strongly** disagreed with that statement.

Current Pay Is Not Fair



- **Almost all** members (92% - 966) disagreed with the following statement:
- *“I feel I am paid fairly for the work I do.”*
- Almost 2/3 of respondents **strongly** disagreed with that statement.

City's Salary Offer Is Not Adequate



- **Almost all** members (99% - 1033) considered the City's offer of 20% increases over 5 years to be inadequate.
- *“Do you feel that the City's offer of a 20% raise over 5 years is adequate given our current wages and compensation situation?”*

66% Public Safety Cap



2019 Arbitration – 66% Cap



Financial Policies

General Fund

- Manage Structural Balance
- Maintain a Two Year Budget Plan
- Maintain Public Safety Spending Below 66%
- Maintain a Minimum Ending Balance of 15%
- Annually review the impact of the State imposed 3.5% Property Tax Cap on service delivery and provide a recommendation on whether to adjust the Property Tax Rate
- Annually review of Property Tax Relief with a focus on homeowners
- Other
 - Contingency of \$1 Million in General Fund & \$3 Million in Capital Budget
 - Address Internal Fund Deficits within 3 to 5 Years
 - Annually review and periodically adjust Fees and Charges to provide for cost recovery, inflation, consumer relief, and/or alignment with policy goals

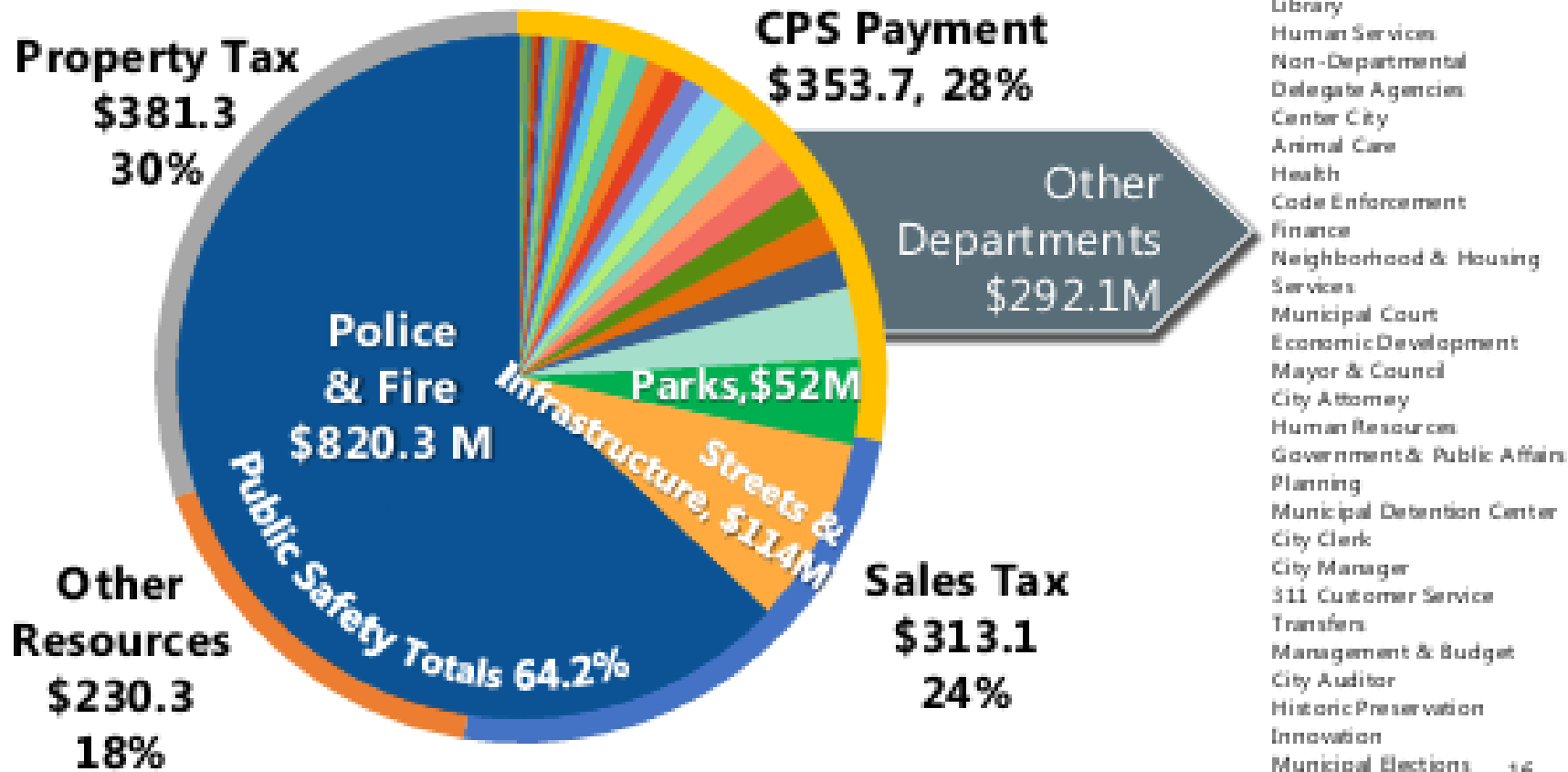
Fire Arbitration Exhibits

City of San Antonio
November 12, 2019

2019 Arbitration – 66% Cap



FY 2020 General Fund Budget: \$1.27B





2019 Arbitration – PFM Study

- *Balanced Program Spending: Public Safety Costs Below 66% of the General Fund*
- *“In San Antonio, as a guide for managing such pressures on behalf of the taxpayers of the City, the financial policies adopted by City Council have established the target that **public safety costs should not exceed 66%** of the General Fund. Compliance with this target is based on primary public safety costs (police, park police, and fire) as a percentage of available General Fund resources.”*
- *“In the City’s Adopted FY2020 Budget, this goal is met with total Public Safety costs projected at 64.2% of total General Fund spending. **If the City’s proposal to Local 624 is awarded, the City’s costing model forecasts that this spending balance would be maintained within policy levels at 63.9% for FY2021 and 65.0% in FY2022.**”*

2024 Reality – 66% Cap

- COSA's public safety spending in 2024 sits **well below** the 66% threshold identified as the target in the 2019 arbitration.
- Public safety spending makes up only approximately **60%** of spending.



FY 2024 Six Plus Six Report
&
Five Year Financial Forecast

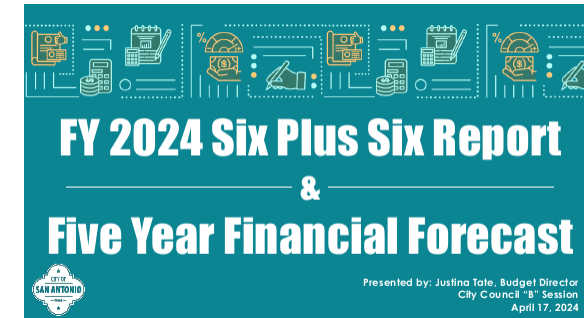
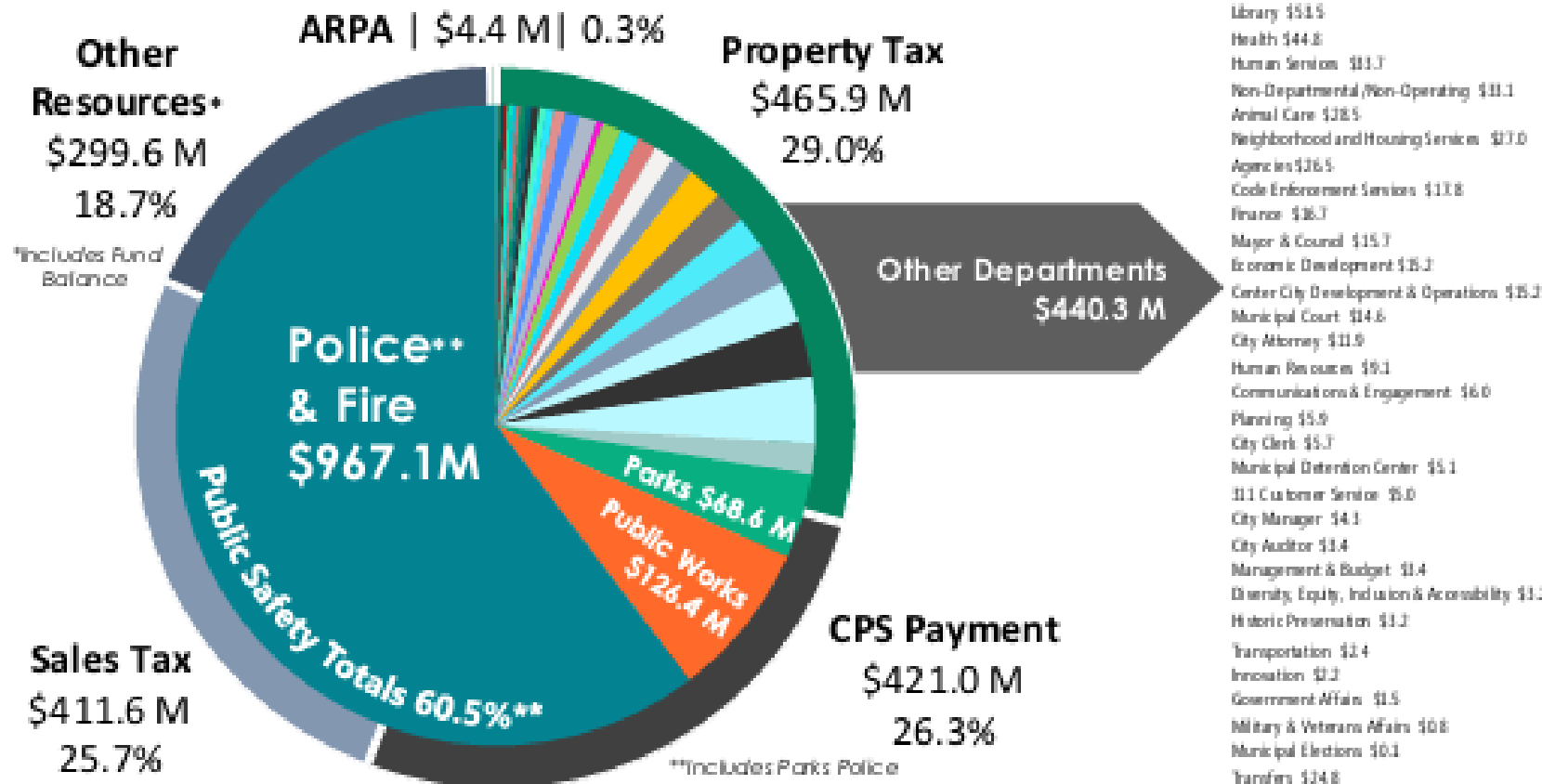
Presented by: Justina Tate, Budget Director
City Council "B" Session
April 17, 2024

CITY OF SAN ANTONIO

The graphic features a teal background with a row of financial icons at the top, including a calculator, a pie chart, a hand holding a coin, and a document. The City of San Antonio logo is in the bottom left corner.

2024 Reality – 66% Cap

FY 2024 General Fund Total Budget \$1.6 Billion



SAPFFA Proposal Falls Below 66%



- FY2024 public safety expenditures are \$967.1M.
- City represents that equates to 60.5%.
- 66% public safety cap applied to FY2024 is \$1,055M.
- City is **\$88M below** the 66% threshold.
- City is **\$72M below** the 65% threshold (\$1,039M) identified at arbitration.
- City is **\$54M below** the 63.9% threshold (\$1,021M) identified at arbitration.

SAPFFA Proposal Falls Below 66%



- City can spend **\$88M** and still stay below the 66% threshold.
- City costed the FF's April 19 proposal at **\$44.5M** for FY2025.
 - Accepting proposal would set expenditures at only **63.3%**.
- City costed the FF's **original** salary proposal at **\$49.5M** for FY2025.
 - Accepting *original* proposal sets costs at only **63.6%**.
- That's based on FY2024 GF expenditures. Projected FY2025 expenditures are \$1,703M.

Firefighter Proposal Is Fair



- If the City agrees to the Firefighters' April 19 proposal,

It will meet its goal of keeping raises in line with CPI changes.

and

It will meet its goal to limit public safety expenses below 66% of GF expenditures.

Thank You

