



MEMORANDUM

Administrative and Financial Services Office

To: Honorable Mayor Michelle De La Isla
Members of the Topeka City Council
Brent Trout, City Manager

From: Nickie Lee, Director of Finance

Date: September 4, 2018

Subject: Fiscal Effects of Proposed Fraternal Order of Police (FOP) Agreement

Pursuant to KSA 75-4331, the chief financial officer of the City is required to provide to the governing body an analysis of the fiscal effects on the City of proposed agreements between the City and recognized employee organizations. As part of this analysis, we are required to identify the potential impact on the City's aggregate tax levy and its operating expense limitations.

This bargaining unit is concentrated in in the Police Department in one fund, the General Fund. The proposed agreement includes steps for all Union Members who are step-eligible. In addition, for FOP members within the Police Department, there will be an increase to the pay matrixes with a wage increase of an average of 3.49% in 2019, 2% in 2020, and 2% in 2021.

The Police Department will absorb the amount over the original 2019 wage authority of \$57,387 through savings generated by officer retirements and an anticipated reduction in overtime.

2019-2021 Wage Agreement Estimates				
	2018	2019	2020	2021
Wages	\$16,785,426	\$17,329,146	\$18,011,903	\$18,743,461
Benefits	\$4,825,483	\$5,333,911	\$5,544,064	\$5,769,237
Total	\$21,610,909	\$22,663,057	\$23,555,967	\$24,512,698
<i>Increase From Prior Year</i>		<i>\$1,052,147</i>	<i>\$892,910</i>	<i>\$956,731</i>
<i>% Increase From Prior Year</i>		<i>4.87%</i>	<i>3.94%</i>	<i>4.06%</i>

2.579 Levy Increase Equivalent

I have reviewed the economic terms of the FOP agreement pending before the City Council and have compared its costs to both the expected costs of the status quo ante agreement in Fiscal Year 2018 and the recommended budget for Fiscal Year 2019. Based upon this review of the agreement, we believe that the FY19 proposed budget has sufficient resources to accommodate the agreement as presented. The costs of years 2020 and 2021 will need to be addressed during those budget discussions, but likely cannot be absorbed by existing resources based on current projections.

Please let me know if there are questions or concerns about this analysis.