



# CITY OF HOUSTON

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The Honorable JM Lozano  
Chairman, House Committee on Urban Affairs  
P.O. Box 2919  
Austin, TX 78768

Dear Chairman Lozano and Members of the Committee,

My name is Dave Martin, I am a City Council Member from District E in Houston and serve as Mayor Pro Tem as well as Chair of our Budget & Fiscal Affairs Committee. Professionally, I was a Managing Director of Marsh & McLennan Companies, Inc. and previously worked for two large “Big Four” Accounting Firms, PricewaterhouseCoopers, LLP and Ernst & Young, LLP.

I am here to today to testify against Senate Bill 736.

Right now, my office is working to present budget workshops preparing for the city’s FY 24 budget scheduled to take effect on July 1<sup>st</sup> of this year. In working with Chief Sam Pena, we are working to fund close to \$600 million next year’s budget for Houston Fire Department, which includes a 6% raise for our firefighters.

This is the third straight raise of 6% in our budget, making an 18% total over 3 years.

I am very concerned about that investment considering what Senate Bill 736 would do by creating a 60-day countdown for binding arbitration. The timeline that the bill mandates makes this impossible for me and members of City Council to try and build a budget.

While I am against Senate Bill 736, I get why people may want it.

I know everyone would prefer we would have reached a contract through collective bargaining.

But the timeline of the bill would blow up our budget process, and I cannot stress that enough. This bill cannot move forward with this timeline.

I know there are members who are from cities who have a binding arbitration process for their firefighters, specifically San Antonio and Austin. When those cities had elections to approve binding arbitration, they included financial conditions that the arbiters must take into consideration.

As part of the instructions that arbiters “may consider only the following,” both Austin and San Antonio included provisions about “revenues available.”

This bill does not.

In fact, the 2-page bill has nothing listed as factors for consideration. That is wrong to do to taxpayers.

Using similar language that both Austin and San Antonio have is imperative, especially because of the unique financial challenges Houston has, such as our property tax revenue cap and the unique provision that Houston FireFighters have in state law where they earn overtime starting at 46.7 hours while every other fire department standard is at 53 hours.

Both of those conditions – our cap and overtime – are a big part of the budget challenges that we have. In 2017, HFD’s overtime cost were less that \$20 million. In this budget, we are looking at \$55 million.

Neither of those conditions is spelled out for consideration in the bill.

I know that our local fire union is looking to collect signatures on the ballot to put binding arbitration on the ballot for November. I might sign their form. Working with City Council, we could put considerations for the arbiters that address Houston’s finances – as well as a timeline that works for our budget process.

But I cannot support this legislation unless it is significantly amended.

I deeply appreciate my constituent and my friend, Rep. Mary Ann Perez, and do understand why she is bringing this forward.

As the Council Member charged with leading our budget process for the 4<sup>th</sup> largest city in America, and the 3<sup>rd</sup> largest fire department in the country, I would ask that this bill not move forward unless it is changed to fit Houston.