


LOS ANGELES FIRE DEPARTMENT

MILLAGE PEAKS
FIRE CHIEF

December 20, 2010

BOARD OF FIRE COMMISSIONERS
FILE NO. 10-152

TO: Board of Fire Commissioners

FROM: Millage Peaks, Fire Chief *MP*

SUBJECT: PROPOSED BUDGET FOR FISCAL YEAR 2011-12

FINAL ACTION: Approved Approved w/Corrections Withdrawn
 Denied Received & Filed Other

For Information Only

On December 7, 2010, the Board of Fire Commissioners approved the Proposed Budget for Fiscal Year 2011-12, and authorized the Department's Financial Management Division to make technical adjustments, as necessary, to implement the Board's intention.

Attached for your review is the Proposed Budget that was submitted to the Mayor and the Office of the City Administrative Officer on December 10, 2010.

Board report prepared by Sandra Ocon, Senior Management Analyst II, Administrative Services Bureau.

Attachment

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MAYOR

FIRE DEPARTMENT

MILLAGE PEAKS
FIRE CHIEF

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December 10, 2010

Honorable Antonio Villaraigosa
Mayor, City of Los Angeles
Room 303, City Hall

Dear Mayor Villaraigosa:

Submitted for your review and discussion is the Fire Department's Proposed Budget for Fiscal Year 2011-12. The Proposed Budget has been developed, to the extent possible, based on the guidelines provided by your office and the City Administrative Officer. I am aware that the City's overall financial picture for the upcoming fiscal year continues to present challenges and the requirement to balance the City's budget will result in difficult choices, especially as it relates to public safety.

In light of the projected City's deficit for the next fiscal year of \$319 million, the budget instructions stated "that departments should view their current year budget appropriation as the maximum amount of funding they may receive next fiscal year." Also, departments have been asked to absorb all incremental cost increases including:

1. Early Retirement Incentive Program (ERIP) Payouts for LAFD - \$830,677
2. Retirement incremental cost increases for next year based on payroll amounts for LAFD – \$18,229,821 for Sworn and \$555,828 for Civilian
3. Healthcare incremental cost increases for next year based on the current Employment Level Report for LAFD - \$3,323,615 for Sworn and \$192,439 for Civilian

These three categories alone total \$23,132,380 for the Fire Department and based on the proposed budget instructions provided, departments have to look at offsets to cover these costs. This poses tremendous challenges for the Fire Department since our operating budget has been reduced by 11% over the past two fiscal years: \$561 million in FY 2008-09, \$505 million in FY 2009-10, and further reduced to \$495 million in 2010-11. Another 5% (\$23 million) reduction to cover the retirement and healthcare incremental costs could only be achieved by further cuts to fire and paramedic services or layoffs of civilian staff since our Department's budget is 96% salaries and 4% expense/equipment.

Sworn staffing has been greatly impacted, and we continue to operate under a modified coverage plan and no new hiring. We currently have 363 civilian authorities to provide necessary support, such as fleet maintenance, revenue processing, payroll, accounting, grant reimbursements, EMS contract management, and technology support including dispatch/911 systems. Our civilian authorities were reduced by 50 in FY 10-11 and further reductions in civilian staffing cannot be achieved without having significant negative impacts in all the areas noted above.

The Proposed Budget submitted for your review totals \$507 million for our operating budget and \$26 million for fleet replacement with MICLA funds. Our proposed operating budget for FY 2011-12 is \$12 million above the current fiscal year. This is due primarily to salary and expense account costs that we cannot absorb. In addition, with a fleet of over 1,100 vehicles, the annual fleet replacement cost is approximately \$25 million. The Department's MICLA budget was reduced to \$18 million in FY 2009-10, but funds were not re-approved as required by Council and funding was further reduced to \$6.1 million in FY 2010-11. We are now two years behind schedule in our replacement cycle. Our fleet is in constant use and older fleet increases costs to our Field Equipment Expense Account 3090, which has had yearly deficits over the past five years.

Our proposed budget identifies only the most critical Department needs to maintain operations, and ensure that Department programs provide both the City of Los Angeles and its citizens with the highest level of paramedic and firefighting services. The Fire Department must be prepared to respond to local and regional emergencies as part of the role we have within public safety. The Department continues to review and evaluate possible deployment models, which can change our overall budget. These options and service impacts will be submitted at a later date.

There are no easy choices in proposing further temporary or permanent reductions to Fire Department resources, but I am committed to providing the most sensible alternatives to you. My staff and I are available to meet with your office staff or the Office of the City Administrative Officer staff to discuss concerns regarding reductions and the operational impacts to the Department and the City that will be a result of funding cuts or changes to current staffing.

Very truly yours,

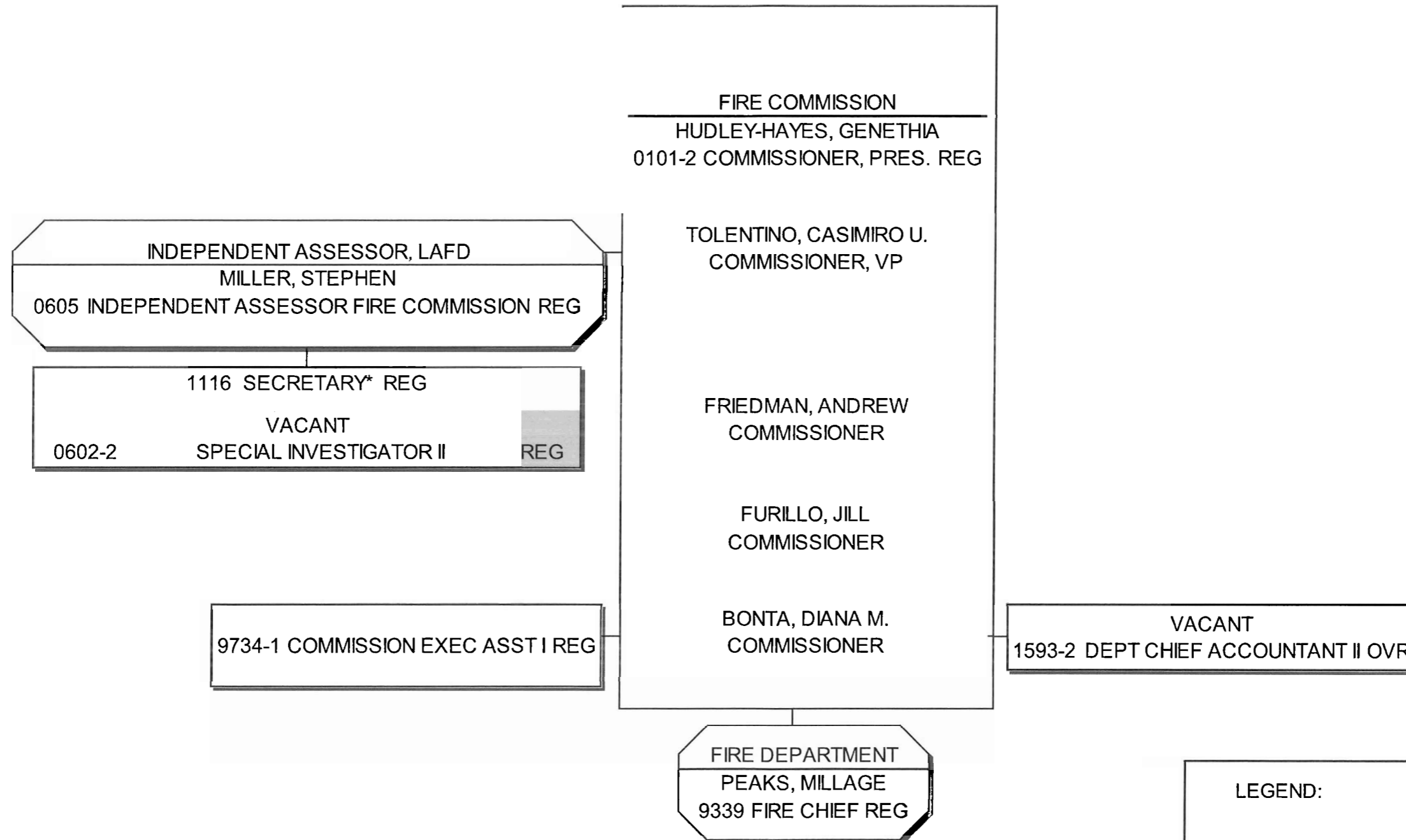


MILLAGE PEAKS
Fire Chief

LAFD FY 2011-12 PROPOSED BUDGET TABLE OF CONTENTS

- I. EXECUTIVE SUMMARY
- II. TABLE OF CONTENTS
 - 1. ORGANIZATION CHART
 - 2. PACKAGE RANKING
 - 3. BUDGET PACKAGE REQUESTS
 - A. OBLIGATORY
 - 1.) Salary Account Adjustments
 - 2.) Expense Account Adjustments
 - 3.) Regularize Resolution Authorities & Continue 1 Authority
 - 4.) PSD – Special Investigators & MAll
 - 5.) Fire Station Needs
 - 6.) Deletion of 40 Sworn
 - 7.) Restore Funding for 9 EMS Captains & 12 Hazmat Squad (Harbor)
 - 8.) Regularize Substitute Authorities
 - B. PRIORITY
 - 1.) LA Fire Code
 - 2.) Brush Clearance Expense Account
 - 3.) Replacement of Brush Vegetation Management System
 - 4.) Unified Fire Inspection System
 - C. ALTERATION AND IMPROVEMENTS
 - D. MICLA
 - 4. SALARY/EXPENSE/EQUIPMENT DETAILS
 - 5. RECAPITULATION OF POSITION CHANGES
 - 6. REALLOCATIONS
 - 7. REVENUE SCHEDULES (CAO 19 AND 19A)
 - 8. REVIEW OF FEES FOR SPECIAL SERVICES
 - 9. OFF-BUDGET (SPECIAL) FUNDS
 - 10. SUPPORTING SCHEDULES
 - A. Travel Expense
 - 11. GRANT FUNDING

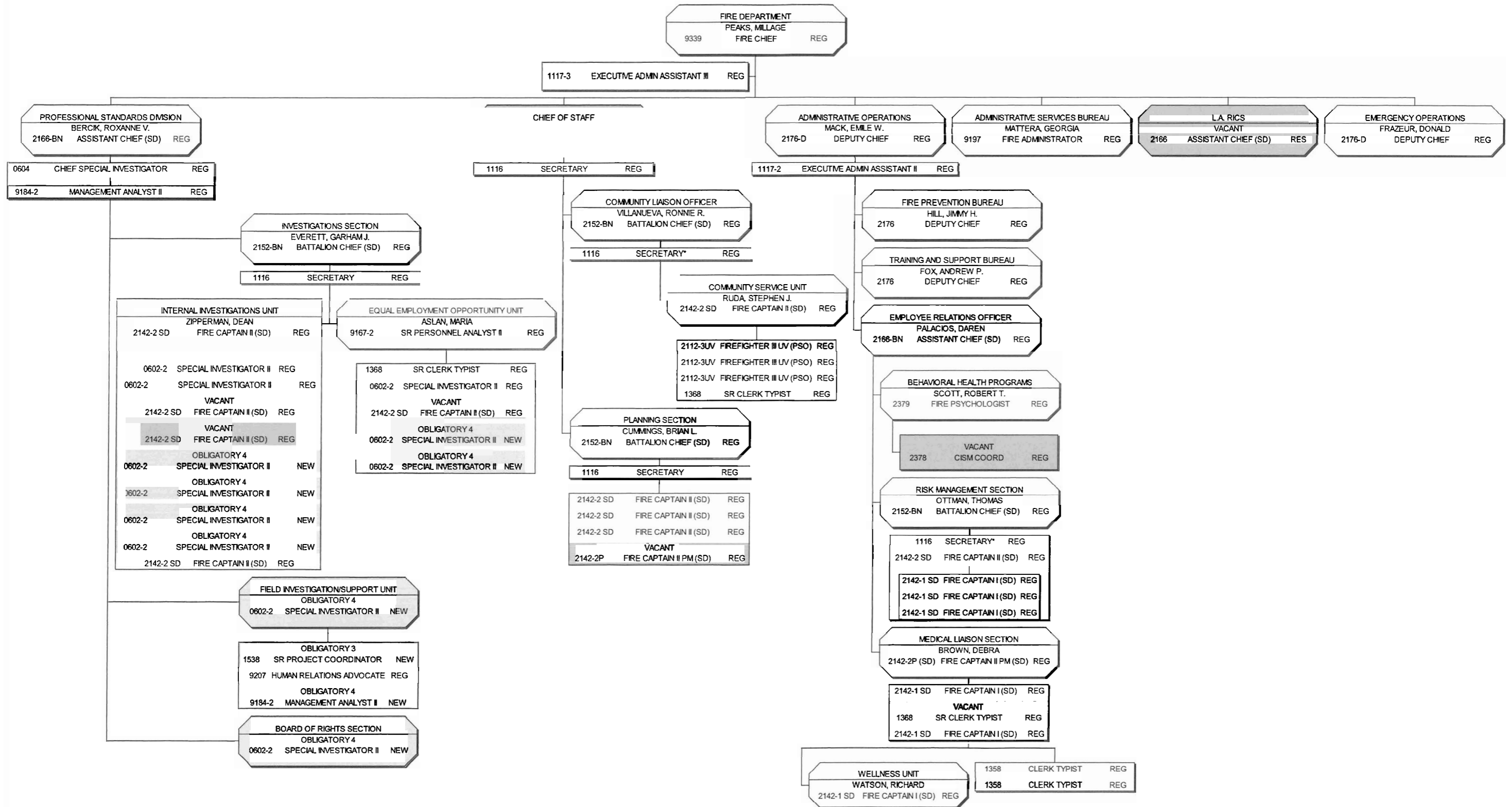
BOARD OF FIRE COMMISSIONERS



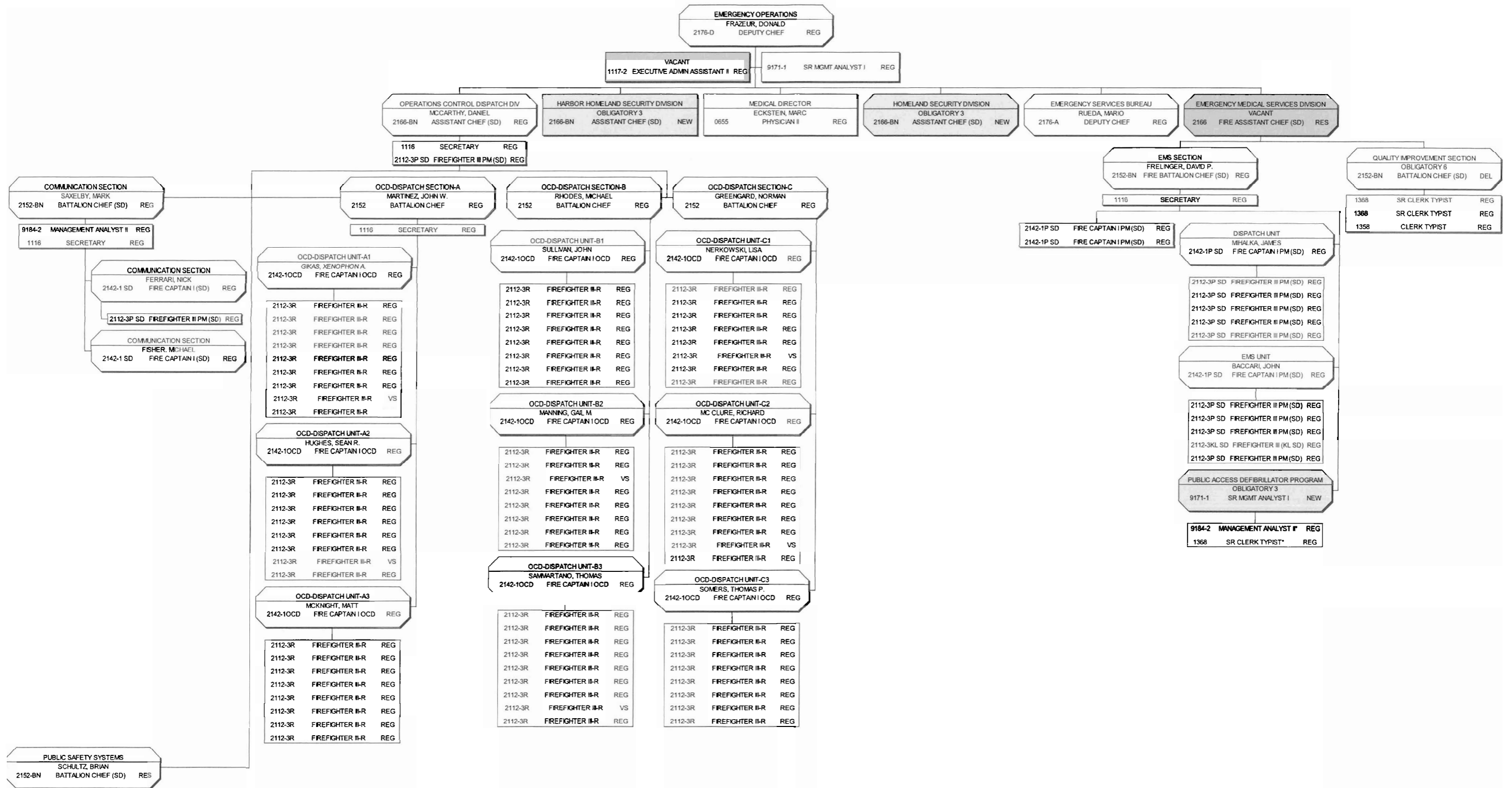
LEGEND:

 Supervisor
 Assistant
 Staff
 Sky Blue = VACANT Position
 Yellow = Proposed/Changed Position
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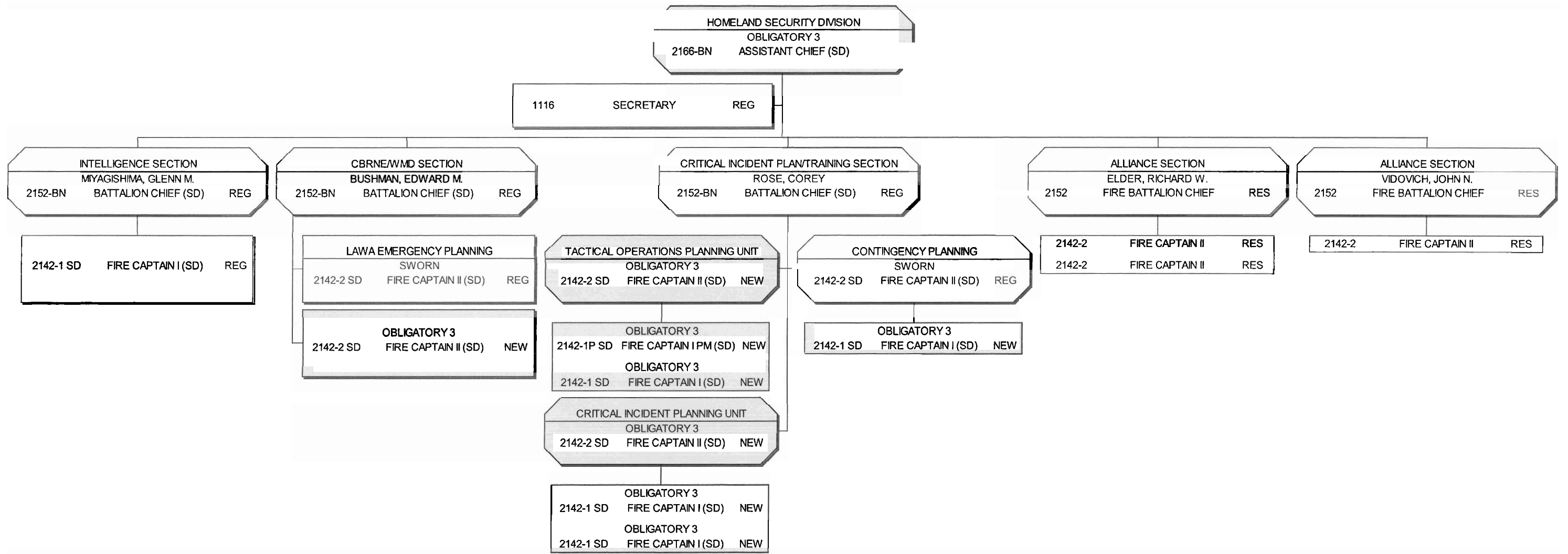
FIRE DEPARTMENT - ADMINISTRATION



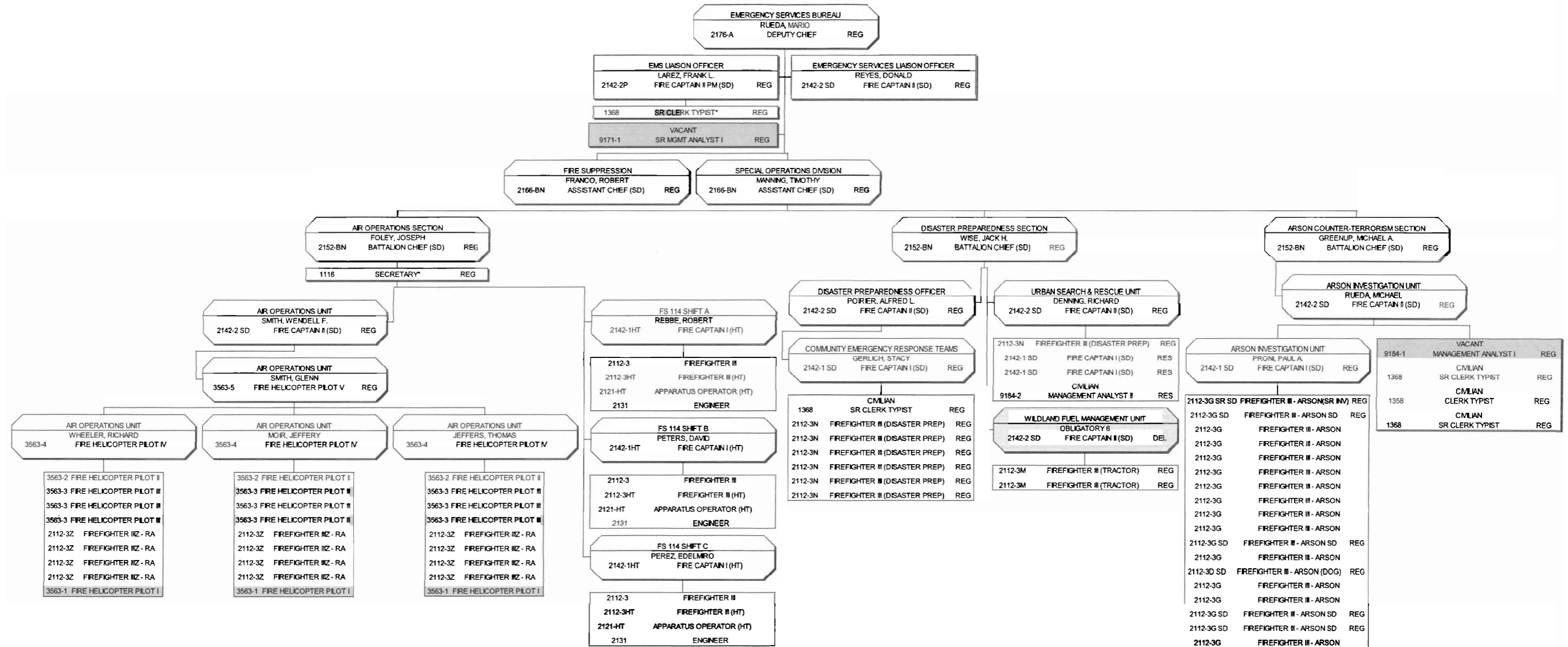
FIRE DEPARTMENT - EMERGENCY OPERATIONS



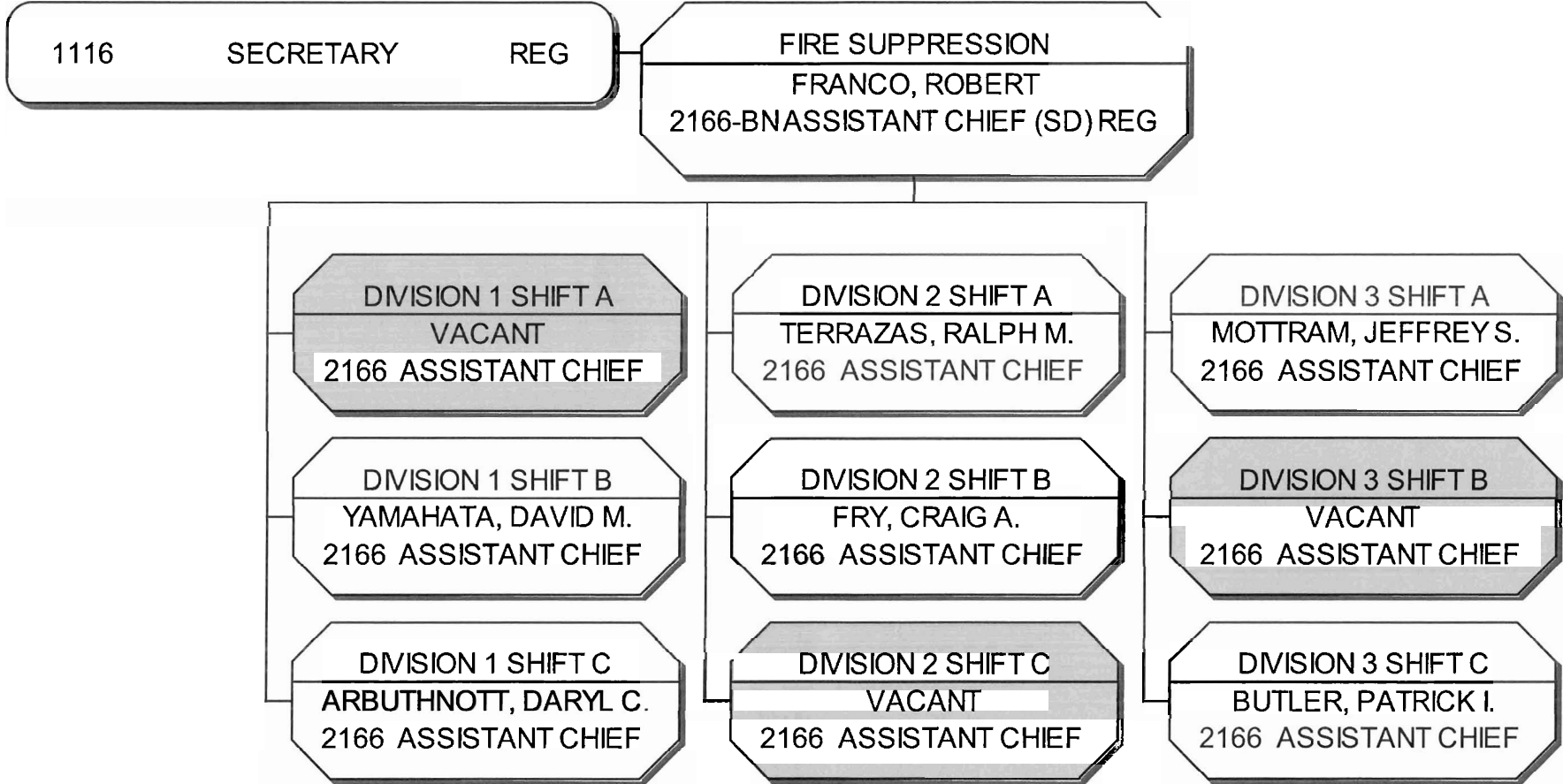
EMERGENCY OPERATIONS - HOMELAND SECURITY DIVISION



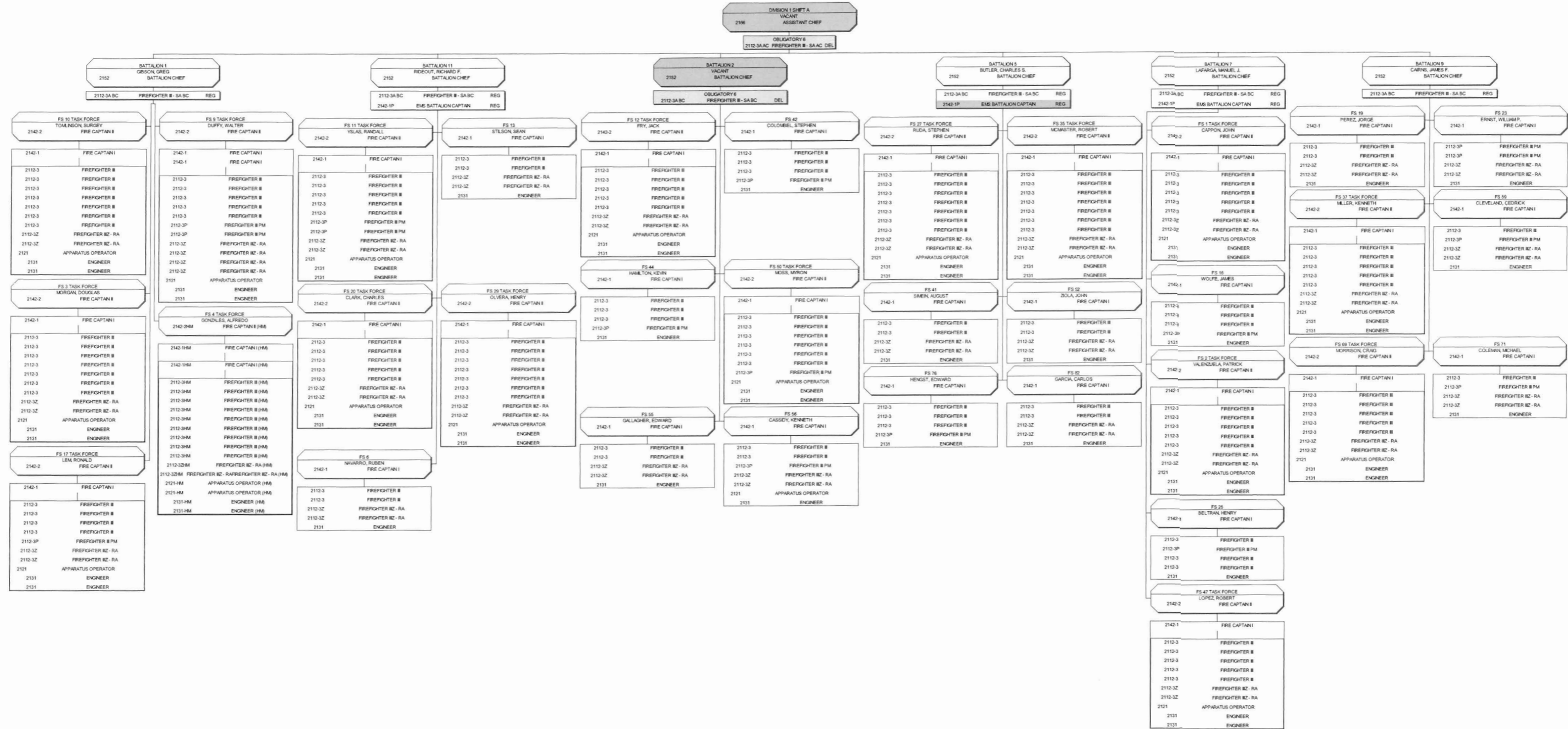
EMERGENCY SERVICES BUREAU



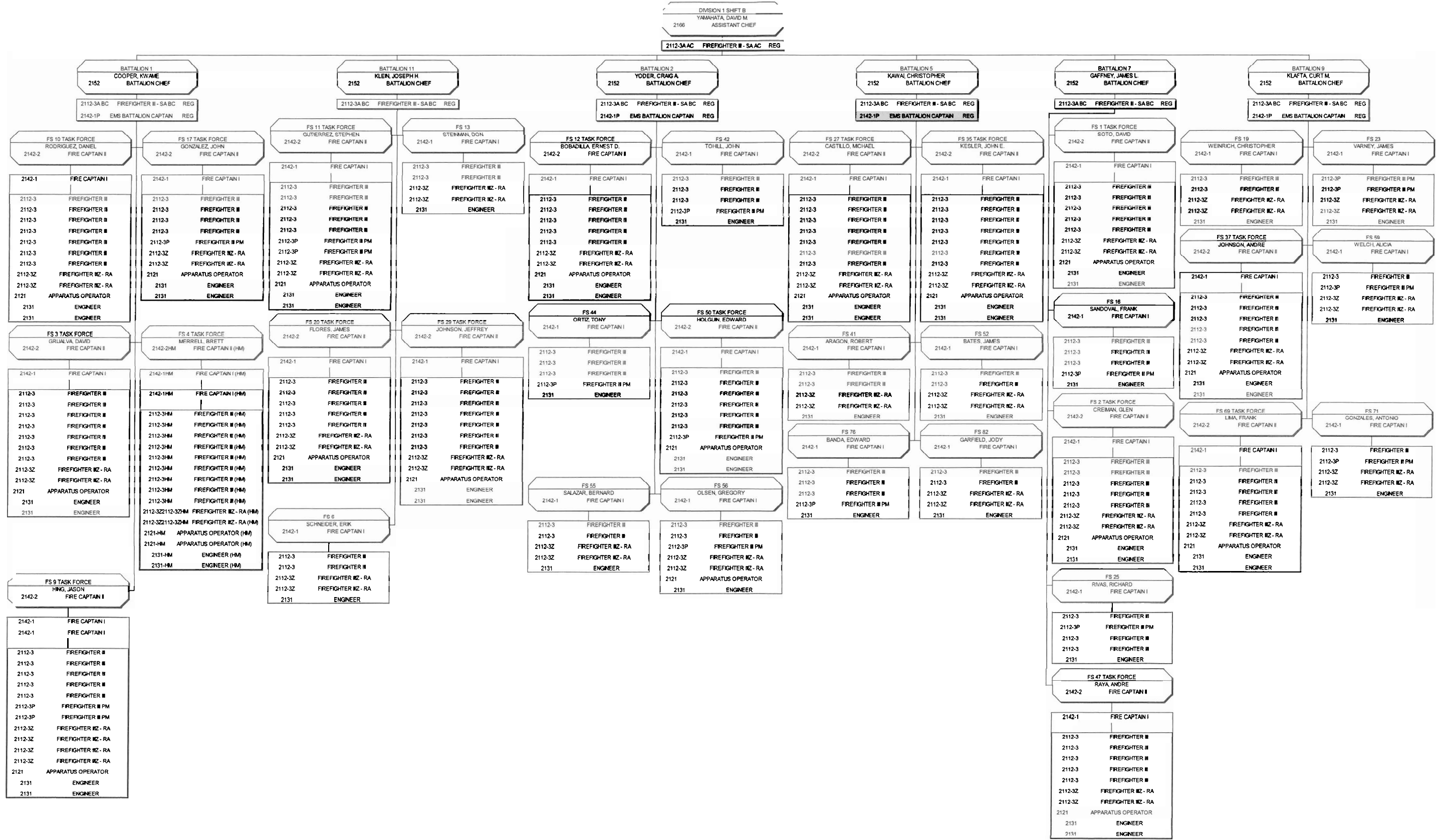
EMERGENCY SERVICES BUREAU - FIRE SUPPRESSION



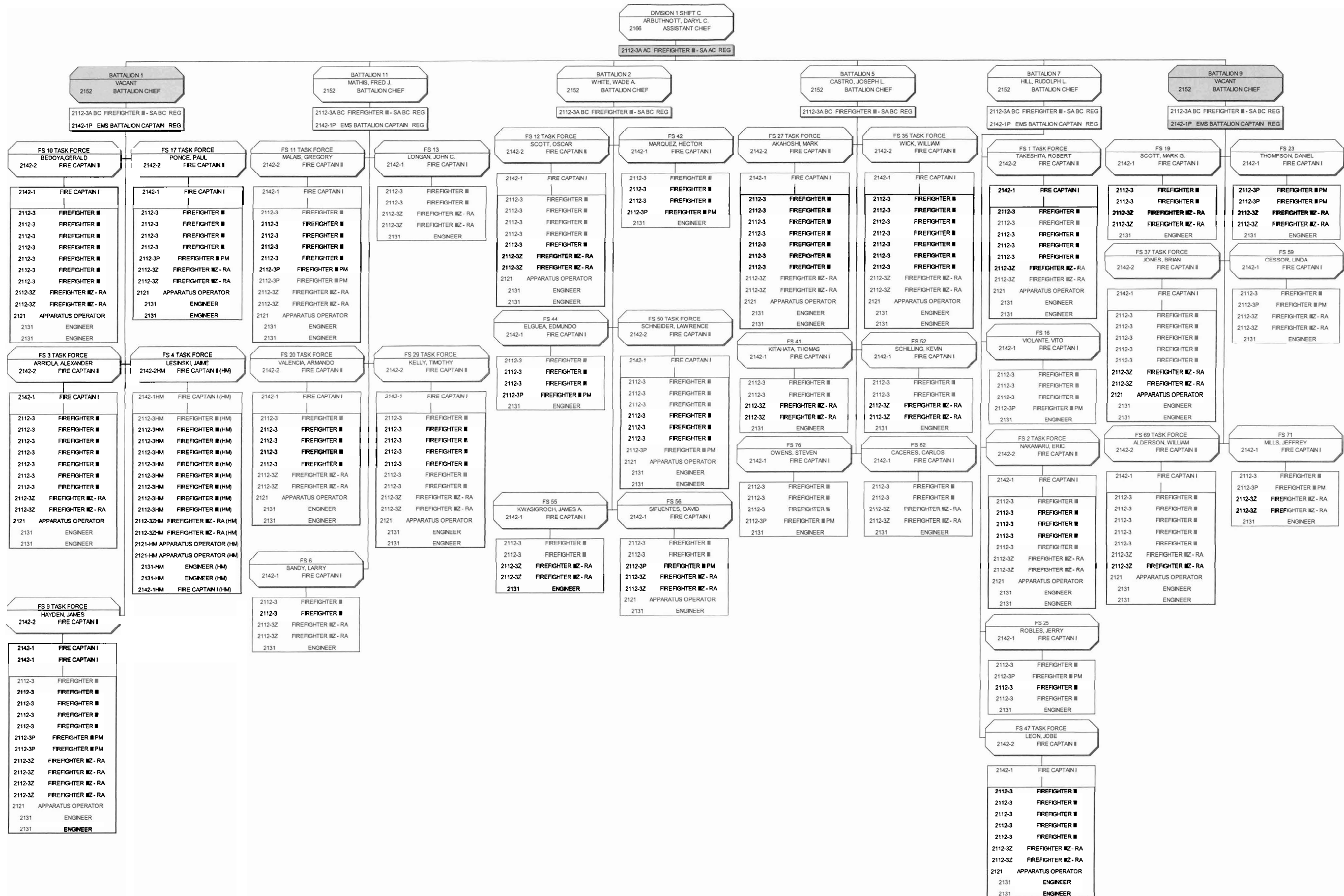
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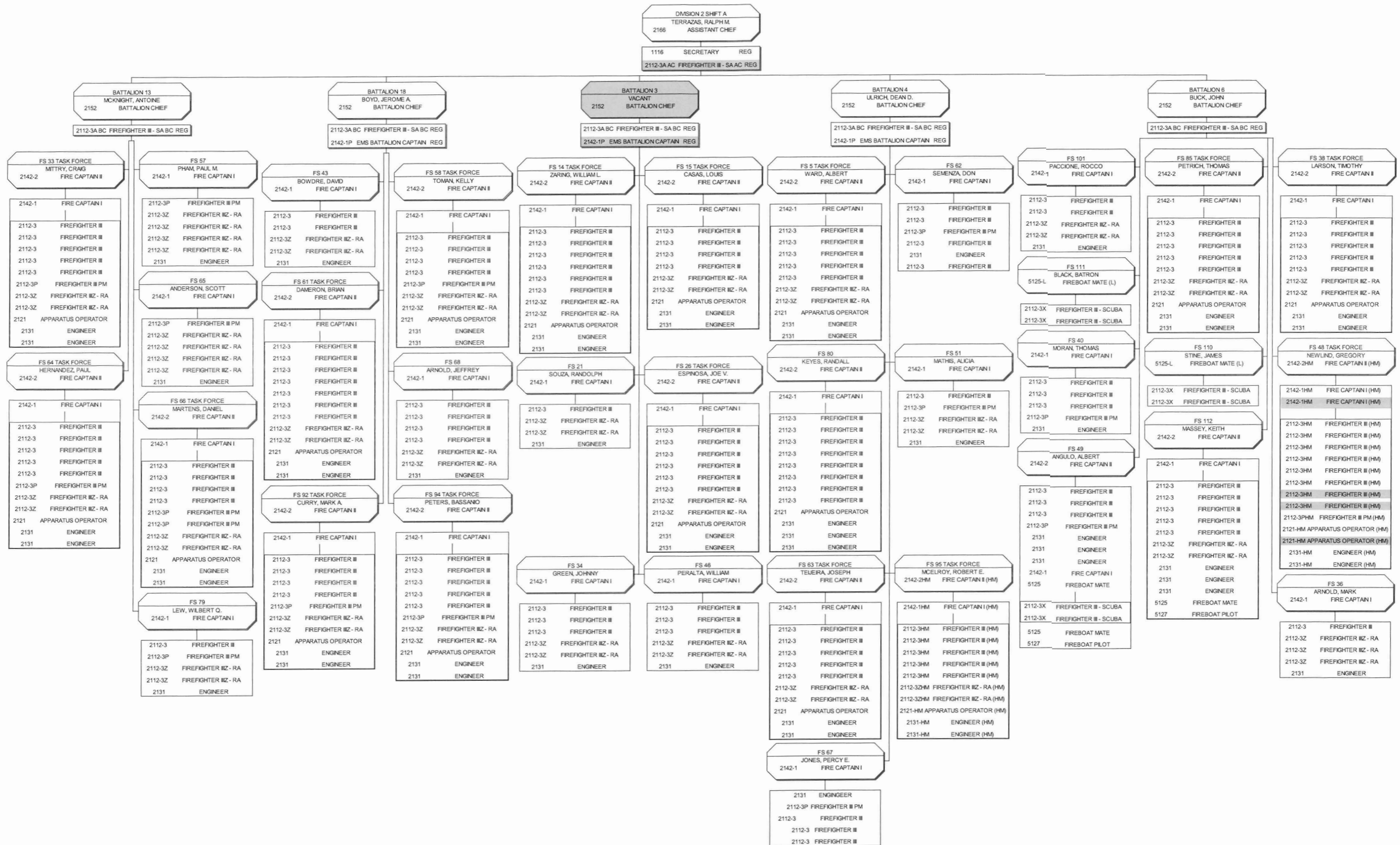
EMERGENCY SERVICES BUREAU - DIVISION 1 SHIFT B



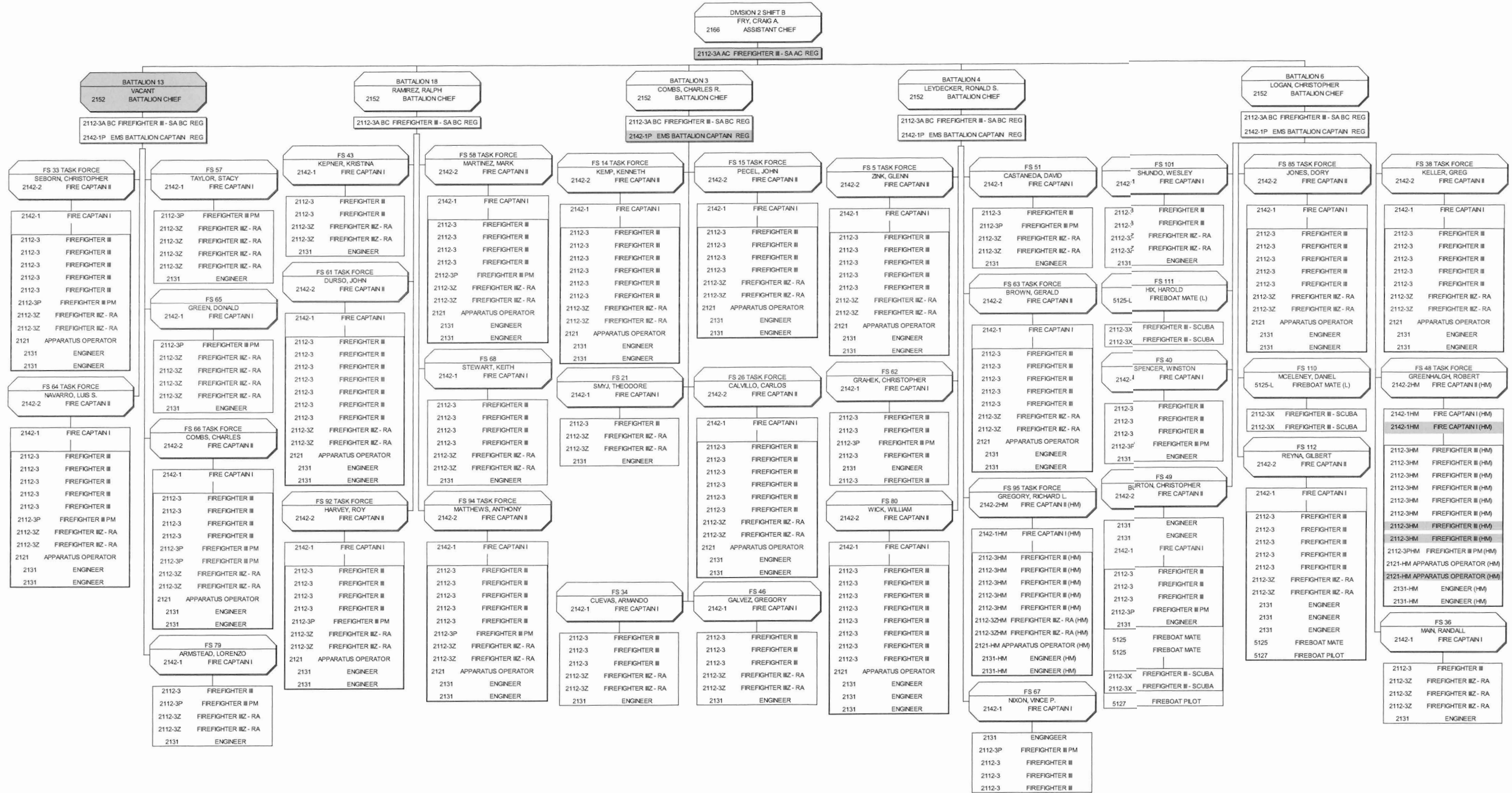
EMERGENCY SERVICES BUREAU - DIVISION 1 SHIFT C



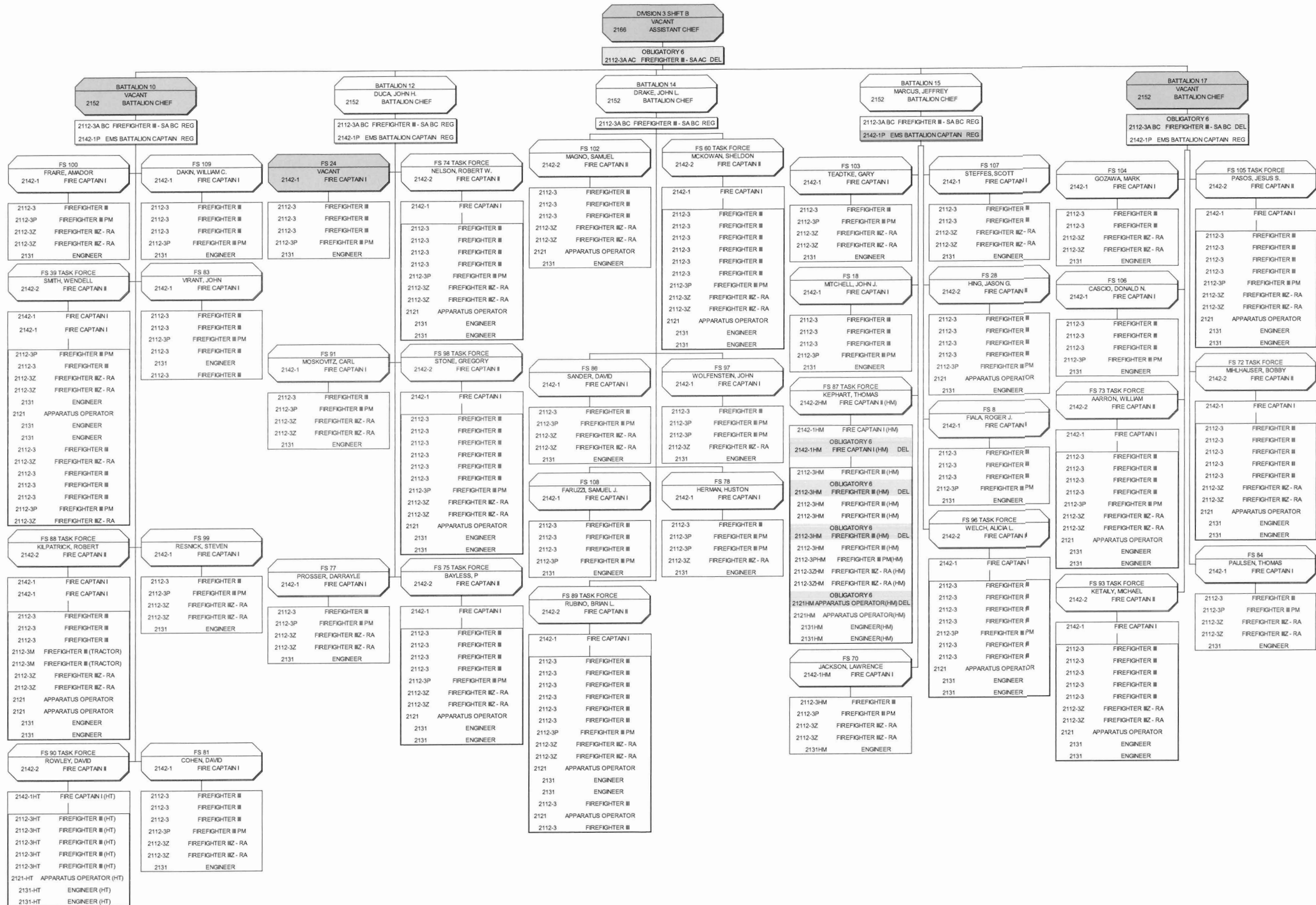
EMERGENCY SERVICES BUREAU - DIVISION 2 SHIFT A



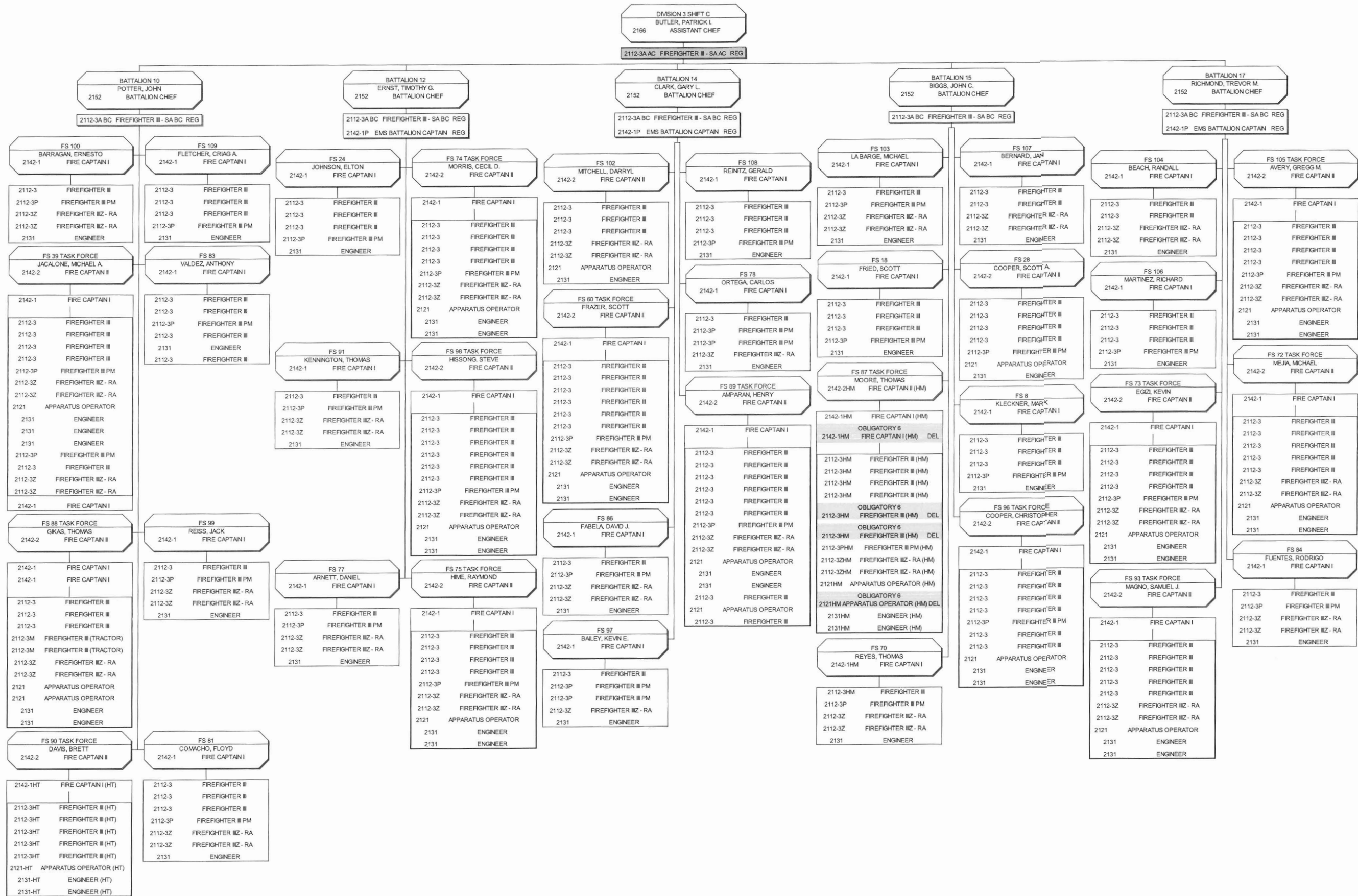
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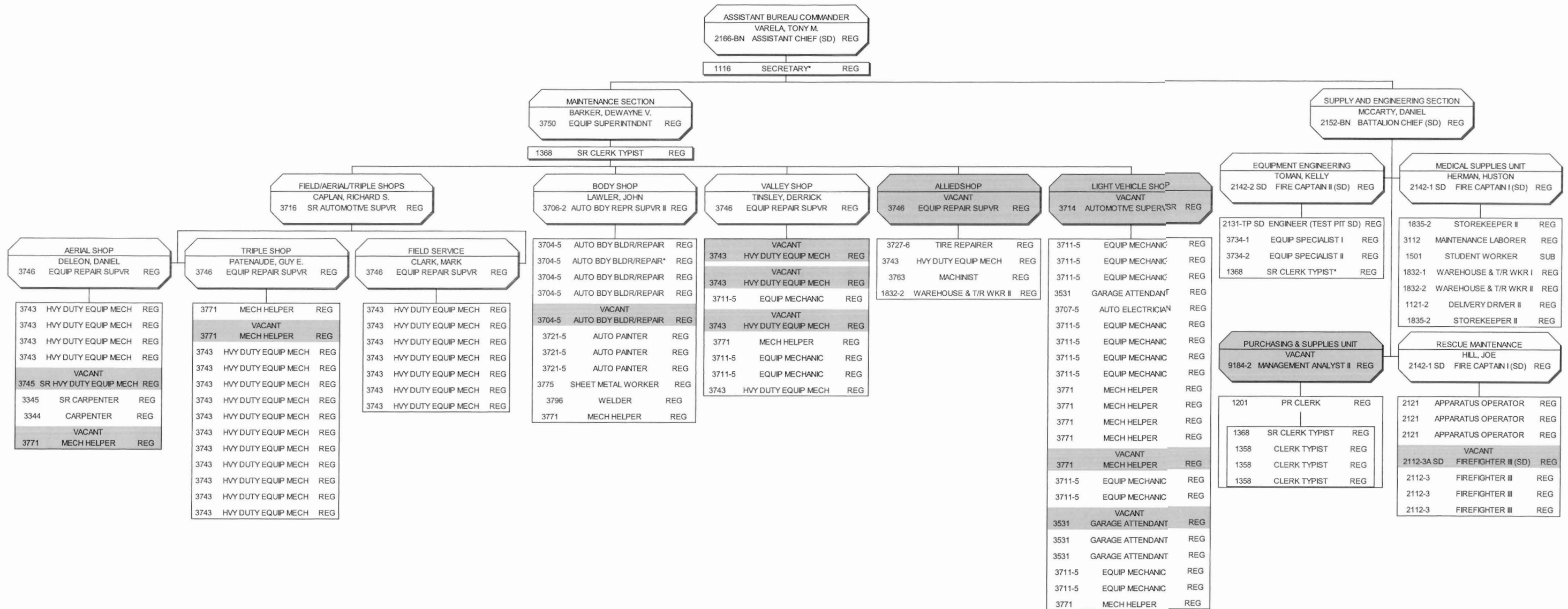
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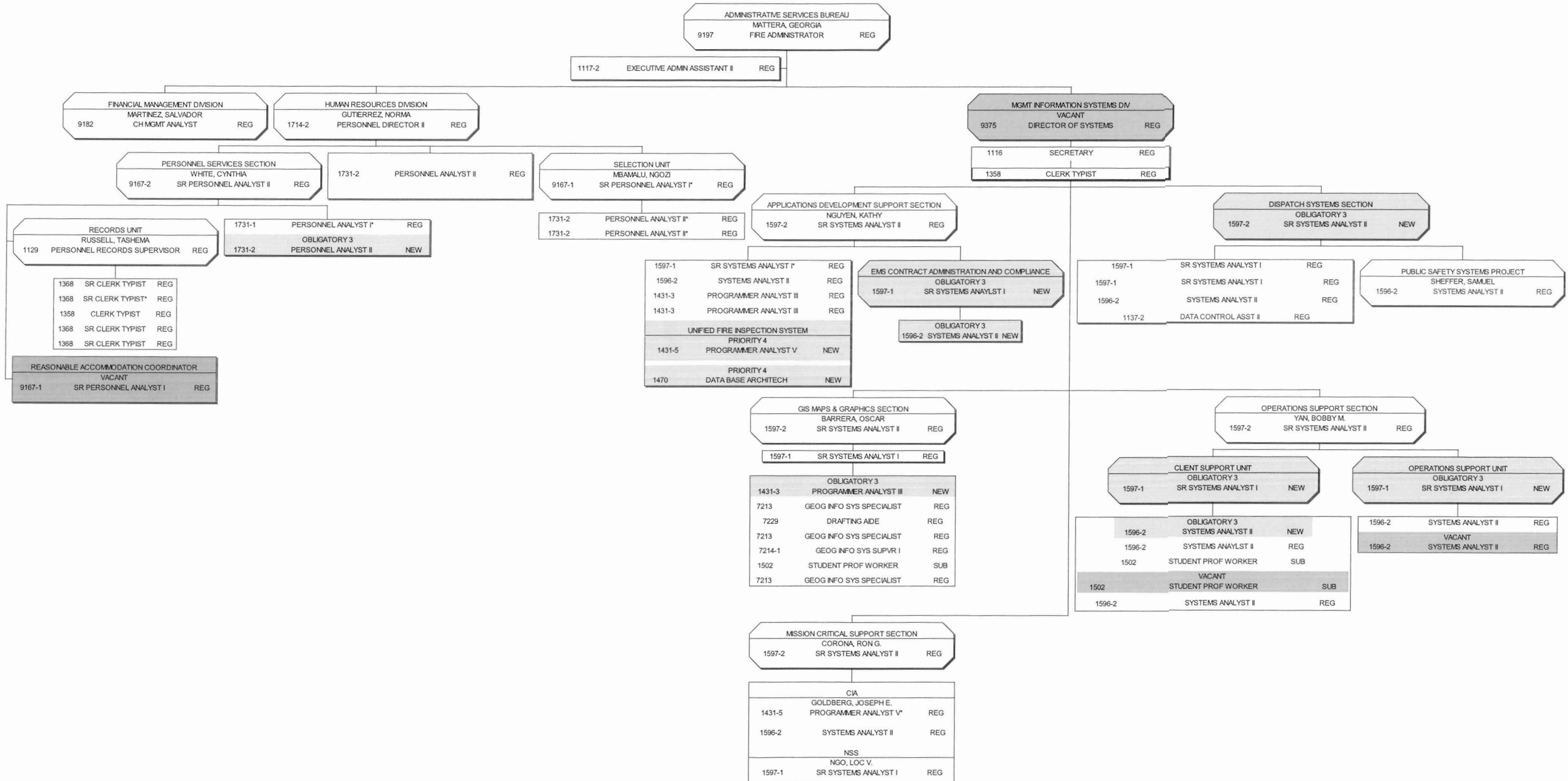
EMERGENCY SERVICES DIVISION - DIVISION 3 SHIFT C



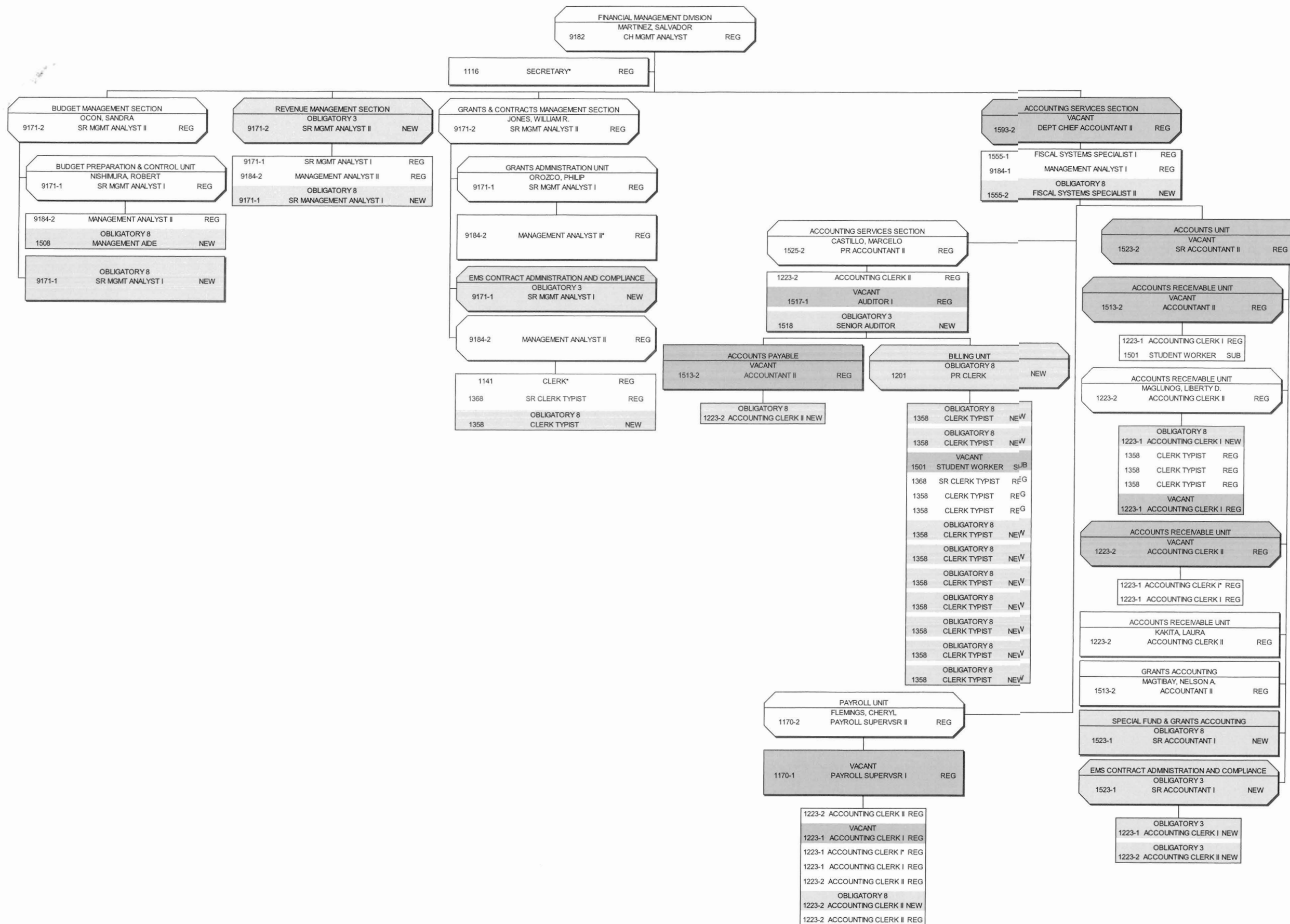
TRAINING AND SUPPORT BUREAU - SUPPLY AND MAINTENANCE DIVISION



ADMINISTRATIVE SERVICES BUREAU



ADMINISTRATIVE SERVICES BUREAU - FINANCIAL MANAGEMENT DIVISION



2011-12 BUDGET REQUEST - PACKAGE RANKING

DEPARTMENT/BUREAU:

FIRE

APPROVED BY:


MILLAGE PEAKS, FIRE CHIEF

PRTY	PROGRAM	PACKAGE TITLE	SALARIES	EXPENSE	EQUIPMENT	SPECIAL	SUB-TOTAL	INTER-DEPARTMENTAL (ITA/GSD)	LAFD PROPOSED CHANGE	RELATED COSTS		TOTAL	POS	
									DIRECT COSTS	BENEFITS	OTHER*	COSTS		
		2010-11 ADOPTED BUDGET	\$472,737,406	\$22,271,975	\$0	\$0	\$495,009,381	\$0	\$495,009,381	108,412,539	61,027,531	\$664,449,451	3,891	
		MICLA FUNDED ITEMS			\$6,111,840		\$6,111,840		\$6,111,840			\$6,111,840		
		TOTAL	\$472,737,406	\$22,271,975	\$6,111,840	\$0	\$501,121,221	\$0	\$501,121,221	108,412,539	61,027,531	\$670,561,291	3,891	
BUR OBLIGATORY REQUESTS:														
VAR	OB1	Various	Salary Account Adjustments (Estimate)	4,550,870			4,550,870		\$4,550,870			\$4,550,870	0	
VAR	OB2	AG-3850 Gen Admin & Support	Expense Account Increases		2,411,513		2,411,513		\$2,411,513			\$2,411,513	0	
VAR	OB3	Various	Regularize Resolution Authorities & Continue 1 Authority	2,875,092			2,875,092		\$2,875,092	293,509	833,873	\$4,002,474	26	
PSD	OB4	AG-3850 Gen Admin & Support	PSD - Special Investigators & MAI	1,047,113	41,890		1,089,003		\$1,089,003	88,776	242,945	\$1,420,724	9	
TSB	OB5	AF-3803 Fire Suppression	Fire Station Needs		421,231		421,231		\$421,231			\$421,231	0	
ADM	OB6	AG-3850 Gen Admin & Support	Deletion of 40 Sworn	(4,307,699)			(4,307,699)		(\$4,307,699)			(\$4,307,699)	(40)	
ESB	OB7	AF-3803 Fire Suppression	Restore Funding for 9 EMS Captains & 12 Hazmat Squad (Harbor)	383,778			383,778		\$383,778			\$383,778	0	
ADM	OB8	AG-3850 Gen Admin & Support	Regularize Substitute Authorities	1,575,767			1,575,767		\$1,575,767	236,756	444,063	\$2,256,586	23	
		SUB-TOTAL CURRENT LEVEL		\$6,124,921	\$2,874,634	\$0	\$8,999,555	\$0	\$8,999,555	\$619,041	\$1,520,881	\$11,139,477	18	
NEW FUNDING REQUESTS:														
BUR PRIORITY REQUESTS:														
FPB	PR1	AF - 3803 Fire Suppression	LA Fire Code		150,000		150,000		\$150,000			\$150,000	0	
FPB	PR2	AF - 3803 Fire Suppression	Brush Clearance Expense Account		1,000,000		1,000,000		\$1,000,000			\$1,000,000	0	
FPB	PR3	AF - 3803 Fire Suppression	Replacement of Brush Vegetation Management System		213,900		213,900		\$213,900			\$213,900	0	
FPB	PR4	AF - 3803 Fire Suppression	Unified Fire Inspection System	213,613	1,700,000		1,913,613		\$1,913,613	19,728	55,326	\$1,998,667	2	
							0		\$0			\$0	0	
		SUB-TOTAL PRIORITY		\$213,613	\$3,063,900	\$0	\$3,277,513	\$0	\$3,277,513	\$19,728	\$55,326	\$3,352,567	2	
		DELETE ONE-TIME PURCHASE 2010-11 BUDGET (MICLA)		\$0	\$0	(\$6,111,840)	(\$6,111,840)	\$0	(\$6,111,840)	\$0	\$0	(\$6,111,840)	0	
		SUB-TOTAL							\$507,286,449	\$109,051,308	\$62,603,738	\$678,941,495	3,911	
BUR ALTERATIONS & IMPROVEMENT														
TSB	A01	Various	Alterations and Improvements				0	TBD	\$0			\$0	0	
		SUB-TOTAL ALTERATION & IMPROVEMENT		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	
BUR MICLA														
TSB	M01	AG - 3849 Support of Fire Dept	Fleet Replacement Program			26,697,548	26,697,548		\$26,697,548			\$26,697,548	0	
		SUB-TOTAL MICLA		\$0	\$0	\$26,697,548	\$26,697,548	\$0	\$26,697,548	\$0	\$0	\$26,697,548	0	
2011-12 BUDGET REQUEST				\$479,075,940	\$28,210,509	\$26,697,548	\$0	\$533,983,997	\$0	\$533,983,997	\$109,051,308	\$62,603,738	\$705,639,043	3,911
CHANGE FROM PRIOR YEAR				\$6,338,534	\$5,938,534	\$20,585,708	\$0	\$32,862,776	\$0	\$32,862,776	\$638,769	\$1,576,207	\$35,077,752	20
PERCENT CHANGE				1.34%	26.66%	336.82%	100.00%	6.56%	100.00%	6.56%	0.59%	2.58%	5.23%	0.51%

*Note: Benefits and Other Related Costs for FY 2010-11 not yet available

2011-2012 BUDGET REQUEST - SOURCE OF FUNDING

DEPARTMENT/BUREAU: FIRE

APPROVED BY:

MILLAGE PEAKS, FIRE CHIEF

Priority	Package Title	General Fund	Local Public Safety Fund	Fire Hydrant Install Fund	Total
2010-11 ADOPTED BUDGET		\$488,148,117.00	\$6,000,000.00	\$861,264.00	\$495,009,381.00
Current Level Requests:					
1 OB1	Salary Account Adjustments (Estimate)	\$4,550,870.00	\$0.00	\$0.00	\$4,550,870.00
2 OB2	Expense Account Increases	\$2,411,513.00	\$0.00	\$0.00	\$2,411,513.00
3 OB3	Regularize Resolution Authorities & Continue 1 Authority	\$2,875,092.00	\$0.00	\$0.00	\$2,875,092.00
4 OB4	PSD - Special Investigators & MAIL	\$1,089,003.00	\$0.00	\$0.00	\$1,089,003.00
5 OB5	Fire Station Needs	\$421,231.00	\$0.00	\$0.00	\$421,231.00
6 OB6	Deletion of 40 Sworn	(\$4,307,699.00)	\$0.00	\$0.00	(\$4,307,699.00)
7 OB7	Restore Funding for 9 EMS Captains & 12 Hazmat Squad (Harbor)	\$383,778.00	\$0.00	\$0.00	\$383,778.00
8 OB8	Regularize Substitute Authorities	\$1,575,767.00	\$0.00	\$0.00	\$1,575,767.00
Subtotal Current Level		\$8,999,555.00	\$0.00	\$0.00	\$8,999,555.00
New Funding Requests:					
1 PR1	LA Fire Code	\$150,000.00	\$0.00	\$0.00	\$150,000.00
2 PR2	Brush Clearance Expense Account	\$1,000,000.00	\$0.00	\$0.00	\$1,000,000.00
3 PR3	Replacement of Brush Vegetation Management System	\$213,900.00	\$0.00	\$0.00	\$213,900.00
4 PR4	Unified Fire Inspection System	\$1,913,613.00	\$0.00	\$0.00	\$1,913,613.00
Subtotal New Funding		\$3,277,513.00	\$0.00	\$0.00	\$3,277,513.00
2011-12 BUDGET REQUEST		\$500,425,185.00	\$6,000,000.00	\$861,264.00	\$507,286,449.00
Change from Prior Year Adopted Budget		\$12,277,068.00	\$0.00	\$0.00	\$12,277,068.00
Percent Change		2.52%	0.00%	0.00%	2.48%

**Due to the large volume of pages of this report
the attachments are not included.**

A copy of the entire report can be obtained by
contacting the Board of Fire Commissioners Office
at (213) 978-3838