

July 5, 2016

LOS ANGELES FIRE DEPARTMENT



RALPH M. TERRAZAS
FIRE CHIEF

June 9, 2016

BOARD OF FIRE COMMISSIONERS
FILE NO. **16-059**

TO: Board of Fire Commissioners

FROM: *RMT* Ralph M. Terrazas, Fire Chief

SUBJECT: YEAR END BUDGET REPORT FOR FISCAL YEAR 2015-16

FINAL ACTION: ☐ Approved ☐ Approved w/Corrections ☐ Withdrawn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

SUMMARY

The Department's Fiscal Year (FY) 2015-16 Adopted Budget was \$626 million. The following reflects the status of the Department's budget as of March 2016.

	Adopted Budget 2015-16	Total Budget Changes	Revised Budget	Projected Year- End Expenditures	Projected Surplus/ Deficit
Salaries	591,139,390	2,273,061	593,412,451	593,206,779	205,672
Expense	35,058,116	6,139,123	41,197,239	41,190,854	6,385
Total	626,197,506	8,412,184	634,609,690	634,397,633	212,057

The LAFD will end the fiscal year without a deficit for the first time in well over a decade. Initially, a deficit was anticipated due to underfunding of overtime costs in the Adopted Budget, but as expenditure patterns emerged, it has become evident that a spike in retirements and ongoing academy recruitment has eased the burden on sworn salary and overtime accounts. Various transfers have been approved in year-end Financial Status Reports to Council to balance salary accounts and address shortages in field expenses including supplies and maintenance. In this process, re-appropriations to FY 16-17 have been approved to continue critical boat repairs and to maintain funding for the Standards of Cover analysis and the Automated Vehicle Locator (AVL) project. Operational savings have also enabled the Department to move forward with a consultant contract to begin the process of developing an information technology strategic plan.

Utilization of Unappropriated Balance funds earlier in the year allowed for expedited staffing restoration of Engine Company 69 in the West Bureau. These positions were continued under regular authority in the FY 16-17 Adopted Budget.

General Fund revenues are expected to exceed the budgeted amount of \$160 million by approximately \$23 million for a revised total of \$183 million. The increase is primarily due to additional MediCal receipts for Ground Emergency Medical Transport and emergency ambulance services, reimbursements for mutual aid resources deployed to wildland fires outside the City, and reimbursements from Proprietary Departments.

Six recruit training classes were held during FY 15-16. As shown in the following Academy schedule, four training classes have been completed this fiscal year, and the remaining two classes will be completed next year. Although recruit training has an attrition rate of 20 percent, the heightened recruitment activity with both drill towers in operation has helped accelerate staffing in the field and reduce overtime costs.

Drill Tower	Class #	Start Date	Graduation Date	No. of Recruits Authorized	No. of Recruits Appointed	No. of Graduates
DT 81	15-1	07/13/15	11/24/15	65	65	52
DT 40	15-2	09/21/15	02/04/16	50	49	45
DT 81	15-3	12/14/15	04/28/16	65	65	48
DT 40	15-4A	02/08/16	06/09/16	50	50	45
DT 81	15-5	05/16/16	09/29/16	65	60	TBD
DT 40	15-6	06/27/16	11/10/16	50	TBD	TBD
Total				345		

RECOMMENDATION

That the Board Receive and File.

FISCAL IMPACT

There is no fiscal impact inasmuch as this report is for informational purposes only.

Board report prepared by Emilio Rodriguez, Senior Management Analyst II, Administrative Services Bureau.