

RALPH M. TERRAZAS FIRE CHIEF

June 6, 2017

BOARD OF FIRE COMMISSIONERS FILE NO. 17-077

TO: Board of Fire Commissioners FROM: Ralph M. Terrazas, Fire Chief

SUBJECT: YEAR END BUDGET REPORT FOR FISCAL YEAR 2016-17

| FINAL ACTION: | Approved Denied | Approved w/Corrections Received & Filed | Withdrawn Other |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

SUMMARY

The Department's Fiscal Year (FY) 2016-17 Adopted Budget was \$633 million. The following reflects the status of the Department's budget as of March 2017 and projecting through year end (see Attachment 1 for more detail).

| | Adopted | Total | | Projected Year- | Projected |
|----------|-------------|-------------|-------------|-----------------|--------------|
| | Budget | Budget | Revised | End | Surplus/ |
| | 2016-17 | Changes | Budget | Expenditures | Deficit |
| Salaries | 593,174,475 | (3,862,711) | 589,311,764 | 601,881,072 | (12,569,308) |
| Expense | 40,046,461 | 14,636,762 | 54,683,223 | 54,582,079 | 101,144 |
| Total | 633,220,936 | 10,774,051 | 643,994,987 | 656,463,151 | (12,468,164) |

The Fire Department is ending the fiscal year with a \$12.5 million deficit, primarily due to an unbudgeted labor agreement with the Firefighters and Fire Captains Representation Unit (MOU 23) that was approved earlier this year. It is lower than the approximately \$20 million deficit anticipated at the beginning of the year. The deficit has been reduced as a result of a higher than anticipated pace of recruit hiring over attrition and judicious spending on operating costs. Next year's budget has been adjusted for the salary increases.

Various transfers have been approved in the year-end Financial Status Report to Council to balance salary accounts. The Department's deficit will be addressed with Intergovernmental Transfer (IGT) program funds received this year in the amount of \$6.39 million, as recommended by the CAO, and the balance from the General Fund.

A total of \$858,500 will also be re-appropriated to FY 17-18 to continue implementation of the Automated Vehicle Locator (AVL) project, integration of the Computer Aided Dispatch (CAD) system to the AVL, and implementation of the SOBER unit.

The Department is projecting year-end revenue of \$180.2 million which exceeds budgeted revenue by \$0.5 million. The difference is due to changes in receipts among the following: mutual aid reimbursements, increased permits and fees, reimbursements from proprietary departments, and receipts for Ground Emergency Medical Transport and emergency ambulance services.

The Adopted Budget includes funding for four recruit training classes to support a total of 230 firefighter recruits. Two training classes will be completed this fiscal year and the remaining two in 2017-18 based on the following 2016-17 Academy schedule. Recruit training has an attrition rate of approximately 20 percent.

| Drill Tower | Class # | Start Date | Graduation Date | No. of Recruits Authorized | No. of Recruits Appointed | No. of Graduates |
|-------------|---------|------------|--------------------|----------------------------------|---------------------------------|---------------------|
| DT 81 | 16-1 | 10/17/16 | 03/02/17 | 65 | 66 | 45 |
| DT 40 | 16-2 | 11/28/16 | 04/13/17 | 50 | 49 | 46 |
| DT 81 | 16-3 | 03/20/17 | 08/03/17 | 65 | 63 | TBD |
| DT 40 | 16-4 | 05/01/17 | 09/14/17 | 50 | 50 | TBD |
| Total | | | | 230 | 228 | |

For information purposes, an update of the 2015-16 recruit training schedule follows which includes the completion of two classes in the current year (i.e., a total of four classes are graduating this fiscal year, as highlighted):

| 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 | 09/28/16 | 65 | 60 | 49 |
| DT 40 | 15-6 | 06/27/16 | 11/09/16 | 50 | 58 | 42 |
| Total | | | | 345 | 347 | 281 |

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, Budget Unit.

Attachment

2016-17 MONTHLY FINANCIAL SUMMARY LOS ANGELES FIRE DEPARTMENT

Reporting Month: March 2017 - PP 1-19 (Year End FSR)
Completed by: Emilio Rodriguez, Sr. Management Analyst II

| Dept; | Fire | 2016-17 BUDGETED EXPENDITURES | | YEAR-END PROJECTIONS | | REVISED YEAR-END PROJECTIONS | | |
|-----------|----------------------------|-------------------------------|------------------|----------------------|--------------|------------------------------|-------------------|--------------|
| Fund: | 100 | | | | | | | |
| | | | | | Total | Year-End | Requested | Revised |
| | | Total | Interim | Total | Projected | Projected | Interim | Projected |
| | | Adopted | Appropriations | Adjusted | Expenditures | Surplus or | Appropriations | Year-End |
| Acct. | | Budget | or Adjustments** | Budget | At Year-End | (Deficit) | or Adjustments*** | Balance |
| No. | Account Title | (1) | (2) | (1 + 2 = 3) | (4) | (3 - 4 = 5) | (6) | (5+6=7) |
| 001010 | Salaries, General | 32,131,331 | (296,841) | 31,834,490 | 30,813,749 | 1,020,741 | (965,000) | 55,741 |
| 001012 | Salaries, Sworn | 356,262,752 | (5,660,256) | 350,602,496 | 368,148,937 | (17,546,440) | 4,775,000 | (12,771,440) |
| 001030 | Sworn Bonuses | 5,591,770 | | 5,591,770 | 5,499,670 | 92,100 | (88,873) | 3,226 |
| 001050 | Unused Sick Time | 3,381,709 | 350,000 | 3,731,709 | 3,282,991 | 448,718 | (415,000) | 33,718 |
| 001070 | Salaries, As-Needed | - | 64,022 | 64,022 | - | 64,022 | (64,022) | - |
| 001090 | Overtime General | 1,433,364 | 250,000 | 1,683,364 | 1,678,721 | 4,643 | - | 4,643 |
| 001092 | Overtime Sworn | 6,464,283 | 3,000,000 | 9,464,283 | 9,407,488 | 56,795 | - | 56,795 |
| 001093 | Overtime Constant Staffing | 169,936,848 | 58,500 | 169,995,348 | 169,300,012 | 695,336 | (658,500) | 36,836 |
| 001098 | Overtime Variable Staffing | 17,972,418 | (1,628,137) | 16,344,281 | 13,729,326 | 2,614,955 | (2,603,782) | 11,173 |
| 1 | Subtotal Salaries | 593,174,475 | (3,862,711) | 589,311,764 | 601,860,895 | (12,549,131) | (20,177) | (12,569,308) |
| | | | | | i | | | |
| 002120 | Printing and Binding | 378,105 | (130,000) | 248,105 | 175,000 | 73,106 | (25,000) | 48,106 |
| 002130 | Travel Expense | 23,070 | 30,000 | 53,070 | 62,824 | (9,754) | 10,000 | 246 |
| 003030 | Construction Materials | 313,755 | (117,786) | 195,969 | 155,096 | 40,873 | - | 40,873 |
| 003040 | Contractual Services | 11,687,009 | 10,310,461 | 21,997,470 | 21,795,079 | 202,391 | (200,000) | 2,391 |
| 003070 | Contract Brush Clearance | 2,175,000 | 360,000 | 2,535,000 | 2,535,000 | - | - | - |
| 003090 | Field Equipment Expense | 3,784,604 | 3,076,303 | 6,860,907 | 7,110,907 | (250,000) | 250,000 | - |
| 003120 | Investigations | 5,400 | 521 | 5,400 | 5,400 | 5 | - | ÷ |
| 003260 | Rescue Supplies and Exp | 3,588,420 | 198 | 3,588,420 | 3,588,420 | * | - | |
| 003310 | Transporation Expense | 3,158 | 50,000 | 53,158 | 53,158 | - | - | × |
| 004430 | Uniforms | 5,858,367 | 506,017 | 6,364,384 | 6,314,384 | 50,000 | (50,000) | - |
| 004450 | Water Control Devices | 841,060 | - | 841,060 | 788,956 | 52,104 | (50,000) | 2,104 |
| 006010 | Office and Administrative | 2,297,988 | (44,477) | 2,253,511 | 2,196,113 | 57,398 | (56,218) | 1,180 |
| 006020 | Operating Supplies | 9,090,525 | 596,244 | 9,686,769 | 9,080,525 | 606,244 | (600,000) | 6,244 |
| | Subtotal Expense | 40,046,461 | 14,636,762 | 54,683,223 | 53,860,861 | 822,362 | (721,218) | 101,144 |
| | | | | | | | | |
| 007300 | Furn, Office & Tech Equip | - | - | - | - | - | - | - 1 |
| 007340 | Transporation Equipment | - | - | - | | - | - | - |
| | Subtotal Equipment | - | - | - | - | - | - | - |
| | | | | | | | | |
| | None | - | - | - | - | | - | |
| T | Subtotal Special | - | 40 994 694 | | - | - (44.700.700) | - (744 00C) | (40,400,404) |
| Total Bud | get | 633,220,936 | 10,774,051 | 643,994,987 | 655,721,756 | (11,726,769) | (741,395) | (12,468,164) |

COMMENTS: An amount of \$150,000 is expected as sworn and \$120,000 as civilian salary reimbursement receivables from FEMA.

Account 3090 Field Equipment Expense is underfunded, so Fireboat 3 repairs will be deferred to FY 17-18.

An amount of \$10,000 was transferred from 1010 to 2130 through FM-2 authority but not reflected in FMS as of PP 19.

An amount of \$43,782 was requested for transfer from 1098 to 6010 through FM-2 authority for Brush Inspection rentals.

An amount of \$50,000 was requested for transfer from 4450 to 3090 through FM-2 authority for non-inventory fleet parts.

An amount of \$50,000 was requested for transfer from 4430 to 3090 through FM-2 authority for non-inventory fleet parts.

NOTES: Insert additional lines for each appropriation account as necessary. Use separate sheets to report on each major source of funds.

^{*&}quot;Interim Appropriations or Adjustments" column should reflect data in FMIS and transfers approved by Council and/or Mayor.

^{**&}quot;Requested Interim Appropriations or Adjustments" column should reflect unrecorded transfers (e.g., prior CAO FSRs pending Council approval or any other unrecorded actions)