

February 6, 2018

# LOS ANGELES FIRE DEPARTMENT



RALPH M. TERRAZAS  
FIRE CHIEF

January 23, 2017

BOARD OF FIRE COMMISSIONERS  
FILE NO. 18-013

TO: Board of Fire Commissioners

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

SUBJECT: MID-YEAR BUDGET REPORT FOR FISCAL YEAR 2017-18

FINAL ACTION:	<input type="checkbox"/> Approved	<input type="checkbox"/> Approved w/Corrections	<input type="checkbox"/> Withdrawn
	<input type="checkbox"/> Denied	<input type="checkbox"/> Received & Filed	<input type="checkbox"/> Other

## SUMMARY

The Fire Department's Fiscal Year (FY) 2017-18 Budget is \$657 million. The Department is projecting a year end deficit of \$16.9 million attributed to a spike in overtime expenditures for various wildfire deployments outside the City, fire boat overhaul costs, a fleet parts deficit, and an increase in contracted brush clearance costs. Various transfers have been requested in previous Financial Status Reports (FSR) to the Council to address operating shortfalls including fleet maintenance, mutual aid overtime and brush clearance.

LAFD's Midyear report to the Council's Budget and Finance Committee, currently under review by the City Administrative Officer (CAO), addresses additional adjustments between salaries and expense accounts to meet funding needs through year end, including boat repairs and projected gaps in operating expense accounts (see Attachment). However, given ongoing citywide fiscal challenges, the potential impact to LAFD's Midyear requests will not be known until the CAO has released a report to the Committee which is anticipated in February or March 2018. Any LAFD requests for new General Fund appropriations to close its deficit will be addressed in the Year End FSR based on the latest available expenditure data. It should be noted that mutual aid overtime, fire boat repairs and contracted brush clearance are subject to reimbursement.

## RECOMMENDATION

That the Board:  
Receive and File.

## FISCAL IMPACT

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

## DISCUSSION

The following reflects the status of the Department's budget as of December 2017.

	Adopted Budget 2017-18	Total Budget Changes	Revised Budget	Projected Year-End Expenditures	Projected Surplus/ Deficit
Salaries	622,427,628	(4,620,236)	617,807,392	628,332,920	(10,525,528)
Expense	34,945,542	17,943,130	52,888,672	59,300,204	(6,411,532)
Total	657,373,170	13,322,894	670,696,064	687,633,124	(16,937,060)

The Department is not requesting new appropriations at this time. It is closely monitoring all accounts to reduce the deficit to the extent possible. General Fund receipts from fees and billings are expected to meet revenue targets.

The Adopted Budget includes funding for three recruit training classes to support 190 firefighter recruits. This includes training for 48 new firefighters to be funded under a SAFER grant. Two training classes will be completed this fiscal year and the remaining class in the following year based on the 2017-18 Academy schedule below. Recruit training typically has an attrition rate of 20 percent.

### FY 17-18 Academy Schedule

Drill Tower	Class #	Start Date	Graduation Date	Recruits Authorized	Recruits Appointed	No. of Graduates
DT 81	17-1	08/21/17	01/05/18	65	60	52
DT 40	17-2S	01/22/18	06/07/18	60	48	TBD
DT 81	17-3	03/05/18	07/22/18	65	TBD	TBD
<b>Total</b>				<b>190</b>	<b>TBD</b>	

For information purposes, an update of the 2016-17 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):

### FY 16-17 Academy Schedule

Drill Tower	Class #	Start Date	Graduation Date	Recruits Authorized	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	54
DT 40	16-4	05/01/17	09/14/17	50	53	45
<b>Total</b>				<b>230</b>	<b>231</b>	

Board report prepared by Emilio Rodriguez, Senior Management Analyst II, ASB.

Attachment

**2017-18 MONTHLY FINANCIAL SUMMARY**  
**LOS ANGELES FIRE DEPARTMENT**

Reporting Month: October 2017 - PP 1-13 (Midyear FSR)

Completed by: Emilio Rodriguez, Sr. Management Analyst II

Dept: Fire Fund: 100		2017-18 BUDGETED EXPENDITURES			YEAR-END PROJECTIONS		REVISED YEAR-END PROJECTIONS	
Acct. No.	Account Title	Total Adopted Budget (1)	Interim Appropriations or Adjustments** (2)	Total Adjusted Budget (1 + 2 = 3)	Total Projected Expenditures At Year-End (4)	Year-End Projected Surplus or (Deficit) (3 - 4 = 5)	Requested Interim Appropriations or Adjustments*** (6)	Revised Projected Year-End Balance (5 + 6 = 7)
001010	Salaries, General	32,714,025	234,000	32,948,025	32,560,566	387,459	(90,274)	297,184
001012	Salaries, Sworn	381,628,866	(2,133,005)	379,495,861	383,803,730	(4,307,869)	(12,977,948)	(17,285,817)
001030	Sworn Bonuses	5,620,945	200,000	5,820,945	5,839,058	(18,113)	-	(18,113)
001050	Unused Sick Time	3,381,709	(450,000)	2,931,709	2,652,465	279,244	(181,761)	97,483
001070	Salaries, As-Needed	-	6,000	6,000	5,888	112	-	112
001090	Overtime General	1,387,364	250,000	1,637,364	1,636,371	993	-	993
001092	Overtime Sworn	6,464,283	6,050,000	12,514,283	19,410,959	(6,896,676)	7,000,000	103,324
001093	Overtime Constant Staffing	176,180,259	(8,377,231)	167,803,028	167,782,944	20,084	-	20,084
001098	Overtime Variable Staffing	15,050,177	(400,000)	14,650,177	14,640,939	9,238	-	9,238
	Subtotal Salaries	622,427,628	(4,620,236)	617,807,392	628,332,920	(10,525,528)	(6,249,984)	(16,775,512)
002120	Printing and Binding	368,105	(80,000)	288,105	275,000	13,105	-	13,105
002130	Travel Expense	23,070	20,000	43,070	42,500	570	-	570
003030	Construction Materials	283,755	(1,444)	282,311	275,000	7,311	-	7,311
003040	Contractual Services	12,883,672	11,768,512	24,652,184	25,627,948	(975,764)	977,948	2,184
003070	Contract Brush Clearance	2,175,000	2,500,000	4,675,000	4,675,000	-	-	-
003090	Field Equipment Expense	3,709,604	2,000,000	5,709,604	10,429,660	(4,720,056)	4,500,000	(220,056)
003120	Investigations	5,400	-	5,400	5,000	400	-	400
003260	Rescue Supplies and Exp	3,588,420	-	3,588,420	3,587,457	963	-	963
003310	Transporation Expense	3,158	20,000	23,158	23,000	158	-	158
004430	Uniforms	4,066,370	-	4,066,370	4,060,000	6,370	-	6,370
004450	Water Control Devices	816,060	-	816,060	810,000	6,060	-	6,060
006010	Office and Administrative	2,025,888	1,246,405	3,272,293	3,291,185	(18,892)	20,000	1,108
006020	Operating Supplies	4,997,040	469,657	5,466,697	6,198,454	(731,757)	752,036	20,278
	Subtotal Expense	34,945,542	17,943,130	52,888,672	59,300,204	(6,411,532)	6,249,984	(161,549)
007300	Furn, Office & Tech Equip	-	-	-	-	-	-	-
007340	Transporation Equipment	-	-	-	-	-	-	-
	Subtotal Equipment	-	-	-	-	-	-	-
	None	-	-	-	-	-	-	-
	Subtotal Special	-	-	-	-	-	-	-
<b>Total Budget</b>		<b>657,373,170</b>	<b>13,322,894</b>	<b>670,696,064</b>	<b>687,633,125</b>	<b>(16,937,061)</b>	<b>(0)</b>	<b>(16,937,061)</b>

COMMENTS: Accounts 1012 and 1092 in Column (6) reflect transfer of \$7M for Sworn Overtime per C.F. 17-1179-S1.  
Accounts 1012 and 3040 reflect \$977,948 for Erickson helitanker contract cost increase per C.F. 14-0750.

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

\*\*"Interim Appropriations or Adjustments" column should reflect data in FMIS and transfers approved by Council and/or Mayor.

\*\*\*"Requested Interim Appropriations or Adjustments" column should reflect unrecorded transfers (e.g., prior CAO FSRs pending Council approval or any other unrecorded actions)