

April 2, 2019

# LOS ANGELES FIRE DEPARTMENT



RALPH M. TERRAZAS  
FIRE CHIEF

March 14, 2019

BOARD OF FIRE COMMISSIONERS  
FILE NO. 19-041

TO: Board of Fire Commissioners

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

SUBJECT: MID-YEAR BUDGET REPORT FOR FISCAL YEAR 2018-19

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 Withdrawn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) 2018-19 Budget is \$674 million. A year end expenditure deficit of \$7.1 million is anticipated as reported in the Midyear Financial Status Report to the City Council (C.F. 18-0600-S164). Consistent with recent years, the deficit is mainly attributed to a surge in sworn overtime expenditures earlier this year from emergency response deployments to various wildfires outside the City which are reimbursable. Contributing factors include a historic deficit in the fleet parts account and other expenses. Adjustments have been made in previous Financial Status Reports (FSR) to the Council to address the shortfalls in fleet maintenance and mutual aid overtime.

The requests in LAFD's Midyear report to the City Council include authority to effectuate reimbursements to Fire's salaries accounts from SAFER 16 and Measure B (aeromedical trauma care coordination) funding in the current fiscal year, as well as adjustments to balance operating expenses in the fleet and uniforms accounts. At this time the Department anticipates absorbing the remaining deficit through continued cost control and additional potential reimbursements.

## 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 2018.

	Adopted Budget 2017-18	Total Budget Changes	Pending Adjustments	Revised Budget	Projected Year-End Expenditures	Projected Surplus/Deficit	Midyear Adjustments	Year End Balance
Salaries	638,814,065	1,931,133	4,464,000	645,209,198	652,011,992	(6,802,794)	(184,033)	\$ (6,986,827)
Expense	35,456,702	13,103,324	0	48,560,026	49,081,589	(521,563)	395,598	(125,965)
Total	674,270,767	15,034,457	4,464,000	693,769,224	701,093,581	(7,324,357)	211,565	<u>(7,112,792)</u>

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 have trended below target due to the delayed implementation this year of annual fee adjustments, although the current projected deviation is less than one percent (0.39%) of the budgeted amount of \$210.3 million. Revenue is being closely monitored for any significant swings.

Revised Revenue (\$ in millions)		
FY 2018-19 Adopted Revenue	FY 2018-19 Est Increase/Decrease	FY 2018-19 Revised Revenue
\$210.3	(\$814,540)	\$209.5

The Adopted Budget includes funding for three recruit training classes to support 195 firefighter recruits. Two training classes will be completed this fiscal year and the remaining class in the following year based on the 2018-19 Academy schedule below. Recruit training typically has an attrition rate of 20 percent.

### FY 18-19 Academy Schedule

Drill Tower	Class #	Start Date	Graduation Date	No. of Recruits Authorized	No. of Recruits Appointed	No. of Graduates
DT 81	18-1	07/23/18	12/20/18	65	60	51
DT 81	18-2	01/07/19	06/06/19	65	62	TBD
DT 81	18-3	06/24/19	11/21/19	65	TBD	TBD
<b>Total</b>				<b>195</b>	<b>TBD</b>	

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