

LOS ANGELES FIRE DEPARTMENT



BRIAN L. CUMMINGS
FIRE CHIEF

November 4, 2011

BOARD OF FIRE COMMISSIONERS
FILE NO. 11-165

TO: Board of Fire Commissioners
FROM: Brian L. Cummings, Fire Chief 
SUBJECT: PROPOSED BUDGET FOR FISCAL YEAR 2012-13

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 Withdrawn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

Recommendations: That the Board:

1. Approve the Proposed Budget for FY 2012-13 and authorize the Department's Financial Management Division to make technical adjustments, as necessary, to implement the Board's intention.
2. Authorize the Department to transmit the Proposed Budget to the Mayor and the Office of the City Administrative Officer, with a final copy submitted to the Board.

Summary: The Department's Proposed Budget for FY 2012-13 is being developed, to the extent possible, based on the guidelines provided by the Mayor's Office and City Administrative Officer ("CAO") while incorporating the department's most critical needs for the upcoming fiscal year. The Mayor and CAO report that the City's overall financial picture for the upcoming fiscal year will continue to present challenges with an estimated deficit of between \$200 million and \$250 million. The projected deficit is due primarily to escalating civilian and sworn pension costs, increases to employee health and dental benefits, and previously agreed upon employee compensation adjustments.

While the budget instructions direct departments to submit proposed budget reductions of 6% and 12%, the Fire Department's Deployment Plan approved in FY 2011-12 was a multi-year program that essentially reduced our budget and size resulting in a permanent structural change and long-term saving to the City of Los Angeles. Over the past three fiscal years our budget has been reduced by \$89 million, from \$561 million for FY 2008-09 to \$472 million for FY 2011-12. The Deployment Plan reduces the number of sworn positions by 318 regular authorities over three years, resulting in a 10% reduction in field authorities. It is estimated that the cumulative cost savings for the three year period will result in a reduction of approximately \$186 million in salaries and \$35 million in pensions and benefits.

The estimate for the Proposed Budget submitted for your review totals \$520 million for the operating budget, \$24 million for fleet replacement (including communication equipment) with MICLA funds, and \$2.4 million for Alterations and Improvements needed at over 100 department facilities. Our proposed operating budget for FY 2012-13 is estimated at \$47 million above the current fiscal year. This is primarily for salary increases due to cost of living increases and constant staffing overtime costs (for Platoon Duty positions). A budget package to replace older radios and Mobile Data Computers is included in this budget to allow us get on track with a replacement cycle.

The MICLA funding for the Department has been reduced significantly over the past three fiscal years, from \$25 million for FY 2008-09, zero MICLA funds in FY 2009-10, \$6.1 million in FY 2010-11, and \$6.8 million for this current fiscal year. Although MICLA funding has been provided for the purchase of new rescue ambulances, the rest of the fleet vehicles are aging and in need of replacement. Further, because the fleet is in constant use, costs to the Field Equipment Expense Account 003090 has escalated, causing yearly deficits. It is also essential that the maintenance needs of older fire stations be addressed in the next budget and beyond. The Alteration and Improvements budget package will include detailed information and estimated costs provided by the General Services Department.

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 service. While the Department continues to review and evaluate its various programs which can change the overall budget, there are also many variables the Mayor and Council will have to consider before a final budget is adopted for FY 2012-13.

Conclusion: The approved proposed budget is to be submitted to the Mayor and Office of the City Administrative Officer by December 9, 2011.

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

BLC:GM:SM:sjo:ln

Attachment

DRAFT

2012-13 BUDGET REQUEST - PACKAGE RANKING

DEPARTMENT/BUREAU: FIRE

APPROVED BY:

BRIAN L. CUMMINGS, FIRE CHIEF

PRTY PROGRAM		PACKAGE TITLE		SALARIES	EXPENSE	EQUIPMENT	SPECIAL	SUB-TOTAL	INTER-DEPARTMENT (ITA/GSD)	LAFD PROPOSED CHANGE DIRECT COSTS	RELATED COSTS BENEFITS* OTHER*		TOTAL COSTS	POS
2011-12 ADOPTED BUDGET MICLA FUNDED ITEMS				\$448,063,905	\$23,352,975	\$350,000 \$6,826,792	\$830,313	\$472,597,193 \$6,826,792		\$0 \$472,597,193 \$6,826,792			\$472,597,193 \$6,826,792	3,537
TOTAL				\$448,063,905	\$23,352,975	\$7,176,792	\$830,313	\$479,423,985		\$0 \$479,423,985	0	0	\$479,423,985	3,537
BUR OBLIGATORY REQUESTS:														
VAR	OB01		Salary Account Increases (Pending Final Salary Analysis/Wages & Counts): Cost of Living increases: Approx \$6 million for Sworn; \$2 million civilian; Const Staffing Overtime increase est at \$25 million	33,000,000				\$33,000,000		\$33,000,000			\$33,000,000	
VAR	OB02		Expense Account Increases		2,773,831			\$2,773,831		\$2,773,831			\$2,773,831	
VAR	OB03		Deployment Plan Resolution Authorities Cost (Update Pending)					\$0		\$0			\$0	
VAR	OB04		Regularize/Continue Resolution Authorities: 9 PSD Staff & 1 Asst Chief for the Harbor	1,074,650				\$1,074,650		\$1,074,650			\$1,074,650	10
VAR	OB05		Regularize Substitute Authorities: 4 Sworn & 9 Civilian Authorities	938,441				\$938,441		\$938,441			\$938,441	13
ADM	OB06		Risk Management Program-1 Risk Mgr III and 1 MA II	222,167				\$222,167		\$222,167			\$222,167	2
FPB	OB07		1-Inspector I, 2-Inspector II LAX (Board Report pending FY 11/12)	330,517	20,040			\$350,557		\$350,557			\$350,557	3
FPB	OB08		1-Inspector II Farmers Field (Report pending)	112,293	6,680			\$118,973		\$118,973			\$118,973	1
VAR	OB09		Delete One-Time Funding (ERIP Payout)				(830,313)	(830,313)		(830,313)			(830,313)	
SUB-TOTAL CURRENT LEVEL				\$35,678,068	\$2,800,551	\$0	(\$830,313)	\$37,648,306	\$0	\$37,648,306	\$0	\$0	\$37,648,306	29
NEW FUNDING REQUESTS:														
BUR PRIORITY REQUESTS:														
TSB	PR1		Recruitment: 9 Sworn Authorities and 3 Civilian Authorities: Exp & Equip Costs	1,071,334	105,540	72,000		\$1,248,874		\$1,248,874			\$1,248,874	12
TSB	PR2		Dispatch Center Staffing - Civilianization cost 9 Months	1,080,000	0			\$1,080,000		\$1,080,000			\$1,080,000	24
TSB	PR3		Communications - Radios and Mobile Data Computers Replacement (not MICLA funded Multi-Year Plan)			5,331,163		\$5,331,163		\$5,331,163			\$5,331,163	
TSB	PR4		Vehicle Management System (VMS) Upgrade		400,000			\$400,000		\$400,000			\$400,000	
ASB	PR5		HIPPA Requirements Monitoring, Training and Compliance (Training for Paramedics, Accounting, and Civilians) Sr MA II + Expense	116,398	10,635	6,000		\$133,033		\$133,033			\$133,033	1
TSB	PR6		Human Relations Staff and Training	152,547				\$152,547		\$152,547			\$152,547	1
ADM	PR7		California Public Records Act (CPRA) Staff	287,719	50,990	24,000		\$362,709		\$362,709			\$362,709	
ESB	PR8		International USAR Team	254,064	16,000	1,500,000		\$1,770,064		\$1,770,064			\$1,770,064	2
SUB-TOTAL PRIORITY				\$2,962,062	\$583,165	\$6,933,163	\$0	\$10,478,390	\$0	\$10,478,390	\$0	\$0	\$10,478,390	40
DELETE ONE-TIME PURCHASE 2011-12 BUDGET (MICLA)				\$0	\$0	(\$6,826,792)		(\$6,826,792)	\$0	(\$6,826,792)	\$0	\$0	(\$6,826,792)	0
SUB-TOTAL										\$520,723,889	\$0	\$0	\$520,723,889	3,606
BUR ALTERATIONS & IMPROVEMENT														
TSB	A01	Various	Alterations and Improvements					0	2,420,400	\$0			\$0	0
SUB-TOTAL ALTERATION & IMPROVEMENT				\$0	\$0	\$0	\$0	\$0	\$2,420,400	\$0	\$0	\$0	\$0	0
BUR MICLA														
TSB	M01	AG - 3849 Support of F	Fleet Replacement Program			23,949,587		23,949,587		\$23,949,587			\$23,949,587	0
SUB-TOTAL MICLA				\$0	\$0	\$23,949,587	\$0	\$23,949,587	\$0	\$23,949,587	\$0	\$0	\$23,949,587	0

<u>PRTY PROGRAM</u>	<u>PACKAGE TITLE</u>	<u>SALARIES</u>	<u>EXPENSE</u>	<u>EQUIPMENT</u>	<u>SPECIAL</u>	<u>SUB-TOTAL</u>	INTER-	LAFD	RELATED COSTS		TOTAL	<u>POS</u>
							DEPARTMN	PROPOSED	BENEFITS*	OTHER*	COSTS	
							(ITA/GSD)	CHANGE				
								DIRECT COSTS				
2012-13 BUDGET REQUEST		\$486,704,035	\$26,736,691	\$31,232,750	\$0	\$544,673,476	\$2,420,400	\$544,673,476	\$0	\$0	\$544,673,476	3,606
CHANGE FROM PRIOR YEAR		\$38,640,130	\$3,383,716	\$24,055,958	(830,313)	\$65,249,491	\$2,420,400	\$65,249,491	\$0	\$0	\$65,249,491	69
PERCENT CHANGE		8.62%	14.49%	335.19%	-100.00%	13.61%	100.00%	13.61%	100.00%	100.00%	13.61%	1.95%

*Note: Benefits and Other Related Costs for FY 2012-13 not yet available