

# LOS ANGELES FIRE DEPARTMENT




JAMES G. FEATHERSTONE  
INTERIM FIRE CHIEF

November 22, 2013

BOARD OF FIRE COMMISSIONERS  
FILE NO. **13-144**

TO: Board of Fire Commissioners

FROM: James G. Featherstone, Interim Fire Chief 

SUBJECT: PROPOSED BUDGET FOR FISCAL YEAR 2014-15

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 Withdrawn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 Department's Proposed Budget for FY 2014-15 is being developed, to the extent possible, based on the guidelines provided by the Mayor's Office and City Administrative Officer (CAO). The Proposed Budget is due December 20, 2013.

Starting with the FY 2014-15 budget development process, the City will begin to transition to a performance-based budget. The development of the proposed budget is guided by the Mayor's nine Priority Outcomes:

1. Promote good jobs for Angelenos all across Los Angeles
2. Restore the City services that make our neighborhoods livable and attractive
3. Make our communities the safest in the nation
4. Create a more sustainable and livable city
5. Live within our financial means
6. Provide outstanding customer service to our residents and businesses
7. Deploy innovation and technology to modernize city government
8. Restore pride and excellence in public service
9. Partner with citizens and civic groups to build a greater city

Departments are requested to submit their proposed budget at the budgetary program level in alignment with the Priority Outcomes. Based on the Mayor's Priority Outcomes, the estimate for the Fire Department's Proposed Budget submitted for your review totals \$633 million.

The City is projecting a deficit of up to \$242 million for FY 2014-15. As a result, the Mayor has directed that departments do not exceed 95% of their FY 2013-14 Adopted General Fund budget. As part of the new performance budgeting framework, all departments are required to submit each existing budgetary program (see Attachment 1 for Budget Program list), not to exceed 95%, as a budget package. Departments may also submit requests for additional funding to enhance existing services or provide new services that address the goals of the Priority Outcomes. Budget proposals will be evaluated by Interdepartmental Results Teams, the Mayor's Office, and the CAO to determine how effectively they will achieve the Priority Outcomes.

The estimate for the FY 2014-15 Proposed Budget submitted for your review totals \$633 million as follows:

		<b>Estimated Proposed FY 2014-15</b>
95% Salary Base		\$516,394,836
Service Enhancement - Restore 5% Staffing & Funding		31,254,845
Delete One Time Funding		(2,560,938)
New Service Enhancement Packages:		80,876,106
	New Requests:	48,450,671
	MICLA:	31,689,907
	Alteration & Improvements:	500,000
	General Services Dept Service Requests:	235,528
	New Service Enhancement Total:	\$80,876,106
<b>Total FY 2014-15 Proposed Budget</b>		<b>\$625,964,106</b>
Special Funded Positions -		
Local Public Safety Fund		6,000,000
Fire Hydrant Install Fund		861,264
<b>Total Estimated Funding Requested</b>		<b>\$632,826,113</b>
 <b>FY 2013-14 Adopted Budget</b>		 <b>\$550,170,530</b>
MICLA		30,766,000
Fleet Replacement	20,766,000	
Fire Station Alerting System	10,000,000	
<b>Total Budget</b>		<b>\$580,936,530</b>

The proposed operating budget for FY 2014-15 is estimated at \$52 million above the current fiscal year. This increase is primarily due to the restoration of the 5% decrease (\$31million) that all departments were required to make in their proposed budget, and obligatory changes which include salary increases due to salary step/longevity increases.

The 5% decrease from the proposed budget is from the sworn salary account of the Fire Suppression and Emergency Ambulance Service Programs. There are no easy alternatives to further reduce our budget by 5%. The decision to take the \$31 million from those two programs is due to the fact that the sworn salaries are approximately 90% of the Department's current budget (\$493,870,530), with the remaining 10% divided between the civilian salaries (\$25,249,513) and expenses (\$31,050,488). Taking the 5% cut from the civilian salaries and expenses would drastically deplete the funding needed to operate the Department. There are

only 310 regular civilian authorities, and it is extremely challenging to identify position and expense reductions that would not negatively impact operations. A request to restore the 5% decrease will be included in the proposed budget.

The Fire Department Fiscal Year 2014-15 Proposed Budget reflects the additional resources, technology and other funding requirements to achieve my priorities for the Department that would comply with the Mayor's Priority Outcomes and Goals for safer communities; providing outstanding service; and deploying innovation and technology. The Department priorities are:

1. Service Delivery
2. Training/Recruitment
3. Leadership Development
4. Technology

The new service enhancement requests, provided in priority order, are submitted to the Fire Commission for its consideration and approval.

Dept Priority	Service Delivery Enhancement Package Description
3	<b>Additional Sworn Resources and Safety Equipment: \$11,732,291</b> <ol style="list-style-type: none"> <li>a) Restoration of 21 Emergency Incident Technicians</li> <li>b) Upgrade 25 Fire Companies to Advance Life Support Assessment Companies (Firefighter III to Firefighter III/Paramedic and equipment)</li> <li>c) Purchase of critical safety equipment such as Self Contained Breathing Apparatus face pieces and air bottles and a second set of turnouts for each sworn member</li> </ol>
4	<b>Recruitment and Recruit Training: \$14,839,550</b> <ol style="list-style-type: none"> <li>a) Staff at two Drill Towers for five classes (3 classes at Drill Tower 81 and 2 classes at Drill Tower 40) for a total of 280 recruits. As a result of members exiting the Deferred Retirement Option Plan (DROP), there will be an average of 139 vacancies in FY 2014-15.</li> <li>b) Additional staff to oversee the Recruitment Program and funding for a recruitment contractor with expertise in this activity.</li> </ol>
5	<b>Civilian Support Staff &amp; Funding of Audits: \$1,551,214</b> <ol style="list-style-type: none"> <li>a) Restoration of previously deleted (filled) civilian authorities</li> <li>b) Additional civilian staff to address workload demands, with an emphasis on budget, contracts, auditing and accounting, and areas that pose high risk and potential liability for the City such as HIPAA; funding for audits to ensure compliance.</li> </ol>
6	<b>Technology Enhancements: \$3,291,761</b> <ol style="list-style-type: none"> <li>a) Additional staffing and expenses for the Network Staffing Systems which currently has only one dedicated position to manage this system 24/7. This service enhancement request is to build a support team that will sustain this application, provide the additional resources to enhance and modernize the user interface, and build additional functionality to integrate with future automation projects like FD-Time, Fair Labor Standards Act (FLSA) compliance, position control, and Firestat.</li> <li>b) Personnel, expense and equipment dedicated to technology improvements throughout the Department and replacement of obsolete technology equipment. Focus on technology changes to allow Department staff to be more efficient and provide better customer service.</li> <li>c) Start-up costs for False Alarm Program</li> </ol>

7	<b>Supply and Maintenance: \$1,486,010</b> a) Personnel, expense and equipment dedicated to improvement of fleet maintenance services, including adding a swing shift at S&M to address fleet repair needs b) Fleet Management Software annual software cost associated with new software upgrade to manage/track fleet repairs c) Funding to purchase approximately 750 computer modules to be installed on Fire Department vehicles as part of the Fuel Management System which prevents the unauthorized use of fuel, eliminates data entry errors of mileage and provides for accurate miles-per-gallon tracking of vehicles. This is the final phase of a multi-year program to equip all Department fleet with this system.
8	<b>Fire Chief's Office Staff: \$1,082,579</b> a) Labor Relations Manager – Highly trained and experienced civilian to manage the complex labor relations issues facing the Department, including FLSA. b) Community Relations Office - Civilian Public Information Director, Public Relations Specialist II, Captain I, Management Analyst II. Professional public information/relations staff to provide media relations and address workload demands. c) Fire Administrator, Management Analyst II, Captain II – Currently the Fire Chief's office does not have professional civilian staff and only three Captains to provide support for the Fire Chief's major projects.
9	<b>Department Training Plan: \$545,453</b> Sworn and civilian training and development. Add a Captain II to manage the Leadership Program which is essential to the success of future managers within the Department.
10	<b>Fire Prevention Bureau Support: \$1,000,000</b> Additional staffing and expenses to meet various Bureau compliance requirements.
11	<b>Dispatch Center Enhancement: \$2,820,001</b> Personnel, expense, and equipment dedicated to operational improvements of the dispatch centers.
12	<b>Fleet Replacement, including communication equipment: \$31,689,907</b> The Department's fleet includes a total of 1024 various types of vehicles. The Proposed Budget includes a request for \$31.7 Million for the replacement of 140 various types of vehicles.
13	<b>Expense Account Increase: \$2,347,145</b> Primarily addresses funding shortages in the Field Equipment Expense Account which is used to pay for fleet repair and an anticipated increase to the Helitanker contract.
14	<b>Alterations &amp; Improvements: \$500,000</b> Harbor Dock repairs needed at Fire Station 49.
15	<b>General Services Department Service Requirements: \$235,528</b> Covers maintenance needs provided by GSD at various new fire stations.

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 2014-15.

**RECOMMENDATION**

That the Board:

1. Approve the Proposed Budget for FY 2014-15 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.

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

Attachments

## Attachment 1

Departments are requested to submit their proposed budget at the budgetary program level in alignment with the Priority Outcomes. There are twelve budget programs within the Fire Department:

	<b>Budget Program No.</b>	<b>Budget Program Title</b>	<b>FY 13/14 Adopted Budget</b>	<b>Total No. of Positions</b>
1.	AC3801	<b>Arson Investigation &amp; Counter Terrorism:</b> Investigates incidents that may be related to terrorist activity, as well as fires in which deaths, serious injuries, or extensive property damage have occurred.	\$4,518,110	34
2.	AF3802	<b>Legal, Liaison and Research:</b> Inspects structures, devices and materials subject to the Fire Code, enforces code provisions, investigates permit applications, checks building plans, and provides fire prevention and control education and research.	\$1,275,777	11
3.	AF3803	<b>Fire Suppression:</b> Responds to all alarms and requests related to fire suppression, extinguishes fires, protects/salvages property, and rescues endangered persons.	\$277,338,451	1,771
4.	AF3804	<b>Operations, Control and Dispatch:</b> Responsible for dispatching resources and equipment to the scene of emergencies.	\$15,064,771	114
5.	AF3805	<b>Hazardous Materials Enforcement:</b> Enforces the regulation of storage, use and handling of hazardous materials.	\$3,022,347	29
6.	AF3806	<b>Inspect of Existing Structure, Devices &amp; Materials:</b> Performs Fire/Life safety functions to ensure uniform application of the Fire Code.	\$21,266,835	117
7.	AF3807	<b>New Construction Inspection:</b> Reviews new construction plans, issues permits under Division 5 of the Fire Code, and certifies Fire/Life Safety systems testing.	\$3,560,238	32
8.	AH3808	<b>Emergency Ambulance Services:</b> Provides basic and advanced medical life support, transportation and rescue.	\$162,880,663	1,065
9.	AG3847	<b>Training:</b> Responsible for the Department training programs, recruitment, recruit training, and provides quality assurance.	\$13,637,395	72
10.	AG3848	<b>Procurement, Maintenance and Repair:</b> Manages the procurement, maintenance and repair of fire apparatus and equipment, and the purchasing of supplies.	\$23,647,936	111
11.	AG3849	<b>Technology Support:</b> Provides the necessary support to field forces for the Fire Suppression and Emergency Ambulance Services Programs.	\$6,493,951	39
12.	AG3850	<b>General Administration &amp; Support:</b> Performs management and administrative functions.	\$17,464,057	149
		<b>FY 2013-14 Total Adopted Budget:</b>	<b>\$550,170,531</b>	<b>3,544</b>

## List of Proposed Budget Service Enhancement Requests FY 2014-15

Dept Priority	Description	NEW Positions Sworn	NEW Positions Civilian	Estimated Salaries	Estimated Expenses	Estimated Equipmt Costs	Estimated Total
	Delete one time FY 2013-14 funding for one time purchases/expenses	0		\$ -	\$ (2,560,938)	\$ -	\$ (2,560,938)
1	Restore 5% funding to return to FY 2013/14 staffing level (Fire Suppression & Emergency Ambulance Service)						
	Fire Suppression	163		\$ 17,478,766			\$ 17,478,766
	Emergency Ambulance Service	92		\$ 9,699,911			\$ 9,699,911
	Salary changes due to MOU or other obligatory changes						
	Salaries General - Account 001010			\$ 531,168			\$ 531,168
	Sworn Salaries - Account 001012	35		\$ 3,545,000			\$ 3,545,000
	Restore 5% funding to return to FY 2013/14 staffing level	290		\$ 31,254,845			\$ 31,254,845
2	Other salary increases to properly fund Constant Staffing Overtime and Sworn Salary accounts						
	Overtime Sworn - Account 001092			\$ 1,000,000			\$ 1,000,000
	Overtime Constant Staffing - Account 001093 (includes 6 mths funding for MFC Dispatchers OT			\$ 6,753,873			\$ 6,753,873
	Note Acct 001093 does not include \$10 million for 66 additional FFIII on OT for the Task Forces						
	Salary account changes			\$ 7,753,873	\$ -	\$ -	\$ 7,753,873
3	Additional sworn resources for safety/health of sworn /EMS resources	21	0	\$ 2,967,866	\$ 8,764,425	\$ -	\$ 11,732,291
4	Recruitment and Recruit Training (Drill Towers 81 & 40)	26	6	\$ 12,071,256	\$ 2,764,294	\$ 4,000	\$ 14,839,550
5	Civilian support to meet workload demands and staffing shortages	0	14	\$ 1,251,214	\$ 300,000	\$ -	\$ 1,551,214
6	Technology Enhancements/Improvements	0	5	\$ 555,261	\$ 2,436,500	\$ 300,000	\$ 3,291,761
7	Fleet Maintenance Improvements	0	11	\$ 1,016,010	\$ 470,000	\$ -	\$ 1,486,010
8	Fire Chief's Office for media relations/risk mgmt/employee relations	2	6	\$ 978,079	\$ 104,500	\$ -	\$ 1,082,579
9	Department Training Plan/Development Program	1	2	\$ 495,453	\$ 50,000	\$ -	\$ 545,453
10	Fire Prevention Bureau Enhancements/Improvements	0	1	\$ 844,094	\$ 139,600	\$ 17,100	\$ 1,000,794
11	Dispatch Centers Enhancements/Improvements	3	0	\$ 1,175,330	\$ 272,826	\$ 1,371,845	\$ 2,820,001
12	Fleet Replacement (including communications equipment)						
13	Expense Account Increase				\$ 2,347,145		\$ 2,347,145
	SUB TOTAL	343	45	\$ 29,108,436	\$ 17,649,290	\$ 1,692,945	\$ 48,450,671

## Off Budget

Municipal Improvement Corporation of Los Angeles (MICLA)				Estimated Expenses	Estimated Equipmt Costs	Total
12	Fleet Replacement & communications equipment				\$ 31,689,907	\$ 31,689,907
Alterations & Improvements (A&I)				Estimated Expenses	Estimated Equipmt Costs	Total
14	Fire Facilities - Harbor/Dock repair (Fire Station 49)			\$ 500,000		\$ 500,000
General Services Dept (GSD) Service Requirements				Estimated Expenses	Estimated Equipmt Costs	Total
15	General Services Dept Service Requirements			\$ 235,528		\$ 235,528
Total Est for Budget Requests, MICLA, A&I's, GSD				\$ 60,363,281	\$ 33,382,852	\$ 109,570,013

## LAFD Six Year Adopted Budget Summary

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
<b>Adopted Budget</b>	<b>\$ 561,730,473</b>	<b>\$ 505,655,091</b>	<b>\$ 495,009,381</b>	<b>\$ 472,597,193</b>	<b>\$ 513,444,773</b>	<b>\$ 550,170,530</b>
MICLA: Fleet + Equipment	\$ 25,150,830	\$ -	\$ 6,111,840	\$ 6,826,795	\$ 14,975,000	\$ 20,766,000
MICLA: Fire Station Alerting System	\$ -	\$ -		\$ -	\$ 5,000,000	\$ 10,000,000
MICLA: AO 2002F Acquisition Fund	\$ -	\$ -		\$ -	\$ 4,100,000	\$ -
MICLA: ITA Dispatch Radio Tower	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -
MICLA: Dispatch System	\$ -	\$ -	\$ -	\$ -	\$ 12,000,000	\$ -
<b>Total MICLA</b>	<b>\$ 25,150,830</b>	<b>\$ -</b>	<b>\$ 6,211,840</b>	<b>\$ 6,826,795</b>	<b>\$ 36,075,000</b>	<b>\$ 30,766,000</b>
Positions: Civilian	353	353	303	319	315	310
Positions: Sworn	3586	3588	3588	3218	3222	3234
<b>Total Positions</b>	<b>3939</b>	<b>3941</b>	<b>3891</b>	<b>3537</b>	<b>3537</b>	<b>3544</b>