



# LOS ANGELES FIRE DEPARTMENT

RALPH M. TERRAZAS  
FIRE CHIEF

October 27, 2014

BOARD OF FIRE COMMISSIONERS  
FILE NO. 14-125

TO: Board of Fire Commissioners

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

SUBJECT: STATUS OF ADOPTED 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 Withdrawn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 Fire Department Fiscal Year 2014-15 Adopted Budget totaled \$585.4 million which includes \$20.3 million in MICLA funds for the fleet replacement program. The table below summarizes the current Budget status, including a Revised Budget amount of \$567.3 million resulting from reappropriations from the FY 2013-14 Budget amounting to approximately \$2 million for the Automatic Vehicle Location Project and development of the Department Medical Dispatch Cards. As of the date of this report, the Year-End Projected Expenditures will amount to approximately \$587.8 million.

Fiscal Year 2014-15					
	Adopted Budget	Revised* Budget	Total Committed Amount	Total Uncommitted Balance	Year-End Projected Expenditures
Salaries	\$531,089,643	\$531,009,751	\$141,720,626	\$389,289,125	\$550,996,199
Expense	34,034,188	36,330,545	10,418,943	\$ 25,911,604	36,812,156
<b>Total</b>	<b>\$565,123,831</b>	<b>\$567,340,298</b>	<b>\$152,139,569</b>	<b>\$415,200,729</b>	<b>\$587,808,354</b>
*Revised Budget includes transfers made throughout the year.					
<b>MICLA</b>	\$ 20,300,000		\$ 20,300,000		

In addition to the above, the FY 14-15 Budget included \$7.24 million allocated to the Unappropriated Balance (UB) for the Fire Department as follows:

- 1) \$3,340,000 for Ambulance Augmentation Plan
- 2) \$3,000,000 for Firefighter Hiring
- 3) \$ 500,000 for the Helitanker contract
- 4) \$ 400,000 for the Standards of Cover

The funds in the UB are released to the Department upon approval of the City Council and Mayor. The Department has requested the appropriation of \$3.34 million for Ambulance Augmentation and \$500,000 for the Helitanker contract. The City Administrative Officer has included recommendations for these appropriations in the First Financial Status Report, which is anticipated to be scheduled for the November 3, 2014 Budget and Finance Committee meeting. The Department will request funding for Firefighter Hiring and the Standards of Cover study at the appropriate time.

After factoring in the UB funding, the Fire Department projects a year-end deficit of \$16.7 million: \$16.1 million in the Constant Staffing Overtime Account and \$536,000 in the Overtime Sworn Account. The deficit is primarily attributable to the areas discussed below:

- 1) Ambulance Augmentation Plan - Projected Deficit: \$5 million  
The FY 2014-15 Adopted Budget included \$5 million (\$1.6 million in the Fire Department Budget and \$3.34 million in the Unappropriated Balance) for six months (July to December 2014) funding to continue staffing 66 Firefighter III positions on 11 ambulances by using overtime (Constant Staffing). It is assumed that staffing of these positions will continue from January to June 2015, at an unfunded cost of \$5 million.
- 2) Fire Dispatch Center - Projected Deficit: \$4 million  
The FY 2014-15 Adopted Budget assumed overtime savings in anticipation of the schedule change for the Dispatchers from platoon duty to administrative duty. This schedule change and anticipated salary savings was initially included as part of the FY 2012-13 Adopted Budget. However, the Department has not been able to achieve any savings over the past two years from the proposed schedule change because the meet and confer process has been on-going. It is assumed that the Dispatchers will remain on platoon duty for the entire fiscal year at an unfunded overtime cost of \$4 million.
- 3) Sworn Resources Deployed Outside the City – Projected Deficit: \$535,593  
The Sworn Overtime Account is projected to have a deficit of \$535,593 due to unfunded overtime for sworn resources assisting with fire suppression efforts outside of the City. Requests for reimbursement from the State and other sources will be processed. If reimbursements are received by end of the fiscal year, this projected deficit will be resolved.
- 4) Pending Completion of Contract (MOU 23) Negotiations with UFLAC – Projected Deficit: \$6.57 million  
A sunset clause in this MOU stipulates that, *“unless the parties agree to extend the provision in writing, as of October 4, 2014, vacation leave time shall once again be credited toward hours worked for the calculation of platoon duty overtime effective October 5, 2014.”* The Department estimates the additional constant staffing overtime cost at \$657,000 per FLSA pay period, which would amount to \$6.57 million from October 2014 to June 2015. This provision in its entirety is as follows:

Effective October 9, 2011, only hours worked shall be credited toward computation of overtime. Hours paid but not worked (e.g., holiday, vacation, sick, jury duty, IOD) shall not be considered hours worked. This method of calculation shall remain in effect for seventy-eight (78) pay periods (through October 4, 2014), unless the parties agree to extend this provision in writing. If the parties fail to agree to extend beyond October 4, 2014, vacation leave time shall once again be credited toward hours worked for the calculation of platoon duty overtime effective October 5, 2014.

The Department will closely monitor all accounts to reduce the deficit to the extent possible; however, there are no alternatives to absorb a \$16 million deficit without impacting public safety. The Ambulance Augmentation Plan continues to enhance a critical service to the public and provides additional ambulance services in the areas that need them the most.

**RECOMMENDATION**

That the Board:

Receive and file this report.

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

Attachment

## 2014-15 MONTHLY FINANCIAL SUMMARY BY FUND AND ACCOUNT

Reporting Month:

Payperiod 1-7

Completed by:

Sandra Ocon, Senior Management Analyst II

Dept: Fund:	Fire General Fund	2014-15 BUDGETED EXPENDITURES			YEAR-END PROJECTIONS		REVISED YEAR-END PROJECTIONS	
		Adopted Budget (1)	Interim Appropriations or Adjustments* (2)	Total Adjusted Budget (1+2=3)	Total Projected Expenditures At Year-End (4)	Projected Year-End Balance (3-4=5)	Requested Interim Appropriations or Adjustments** (6)	FSR Revised Projected Year-End Balance (5+6=7)
Acct. No.	Account Title							
001010	Salaries, General	\$ 26,475,452	-	26,475,452	\$ 26,425,212	50,240	(50,240)	0
001012	Salaries, Sworn	\$ 340,623,022	(73,000)	340,550,022	\$ 340,550,022	0		0
001030	Sworn Bonuses	\$ 4,071,044	-	4,071,044	\$ 4,071,044	0		0
001050	Unused Sick Time	\$ 3,381,709	-	3,381,709	\$ 3,381,709	0		0
001070	Salaries, As-Needed	\$ 106,000	(6,532)	99,468	\$ 99,468	0		0
001090	Overtime General	\$ 1,230,910	-	1,230,910	\$ 1,230,910	0		0
001092	Overtime Sworn	\$ 5,464,283	-	5,464,283	\$ 5,999,876	(535,593)		(535,593)
001093	Overtime Constant Staffing	\$ 136,232,157	-	136,232,157	\$ 155,707,891	(19,475,734)	3,340,000	(16,135,734)
001098	Overtime Variable Staffing	\$ 13,505,066	-	13,505,066	\$ 13,505,066	0		0
	<b>Subtotal Salaries</b>	<b>\$ 531,089,643</b>	<b>\$ (79,532)</b>	<b>\$ 531,010,111</b>	<b>\$ 550,971,199</b>	<b>(19,961,087)</b>	<b>3,289,760</b>	<b>(16,671,327)</b>
002120	Printing and Binding	\$ 348,105	(6,609)	341,496	\$ 341,496	0		0
002130	Travel Expense	\$ 23,070	25,000	48,070	\$ 48,070	0		0
003030	Construction Materials	\$ 223,755	-	223,755	\$ 223,755	0		0
003040	Contractual Services	\$ 10,043,895	-	10,043,895	\$ 10,543,895	(500,000)	500,000	0
003070	Contract Brush Clearance	\$ 2,575,000	-	2,575,000	\$ 2,575,000	0		0
003090	Field Equipment Expense	\$ 3,784,604	-	3,784,604	\$ 3,784,604	0		0
003120	Investigations	\$ 5,400	-	5,400	\$ 5,400	0		0
003260	Rescue Supplies and Exp	\$ 3,410,477	-	3,410,477	\$ 3,410,477	0		0
003310	Transporation Expense	\$ 3,158	-	3,158	\$ 3,158	0		0
004430	Uniforms	\$ 5,616,430	-	5,616,430	\$ 5,616,430	0		0
004450	Water Control Devices	\$ 766,060	-	766,060	\$ 766,060	0		0
006010	Office and Administrative	\$ 1,753,138	2,027,968	3,781,106	\$ 3,781,106	0		0
006020	Operating Supplies	\$ 5,481,096	250,000	5,731,096	\$ 5,731,096	0		0
	<b>Subtotal Expense</b>	<b>\$ 34,034,188</b>	<b>\$ 2,296,359</b>	<b>\$ 36,330,547</b>	<b>\$ 36,830,547</b>	<b>(500,000)</b>	<b>\$ 500,000</b>	<b>\$ -</b>
007300	Furn, Office & Tech Equip	-	-	-	-	-		-
007340	Transporation Equipment	-	-	-	-	0		0
007350								
	<b>Subtotal Equipment</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
	<b>Special</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 0</b>	<b>\$ -</b>	<b>\$ 0</b>
	<b>Subtotal Special</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Budget</b>		<b>\$ 565,123,831</b>	<b>\$ 2,216,827</b>	<b>\$ 567,340,658</b>	<b>\$ 587,801,745</b>	<b>\$ (20,461,087)</b>	<b>\$ 3,789,760</b>	<b>\$ (16,671,327)</b>
Reimbursements pending for Sworn members deployed to fires outside of the City								\$535,000
Revised projected year-end deficit:								<b>\$ (16,136,327)</b>

## COMMENTS:

1) Banked Overtime payments during fiscal year estimated at \$5 million. Paid from Account 001093