RALPH M. TERRAZAS FIRE CHIEF

September 30, 2015

BOARD OF FIRE COMMISSIONERS FILE NO. 15-110

TO:

Board of Fire Commissioners

FROM: W \ Ralph M. Terrazas, Fire Chief

SUBJECT: FISCAL YEAR 2015-16 BUDGET STATUS

FINAL ACTION: —— Approved —— Denied	Approved w/Corrections Received & Filed	Withdrawn Other

SUMMARY

The Department's Fiscal Year (FY) 2015-16 Budget is \$626 million. During the year, the Department's budget will reflect changes due to various transfers and reimbursements such as those for grants or other Council and Mayor approved funding modifications. The revised budget below reflects re-appropriations from the prior fiscal year.

RECOMMENDATION

That the Board Receive and File.

FISCAL IMPACT

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

DISCUSSION

The following reflects the status of the Department's budget as of August 2015.

	Adopted	Total			Projected Year-	Projected
	Budget	Budget	Revised	YTD	End	Surplus/
	2015-16	Changes	Budget	Expenditures	Expenditures	Deficit
Salaries	591,139,390	217,284	591,356,674	84,091,761	523,089,104	(15,824,191)
Expense	35,058,116	1,761,852	36,819,968	9,436,923	27,383,045	0
Total	626,197,506	1,979,136	628,176,642	93,528,684	550,472,149	(15,824,191)

The Department is projecting a year-end deficit of \$15.8 million resulting primarily from shortfalls in sworn overtime accounts and one-time payouts to retiring members. Contributing factors are itemized as follows:

Board of Fire Commissioners Page 2

- \$4.0 million maintaining dispatchers on platoon duty (56-hour work week), requiring payment of 16 hours overtime per work week for each dispatcher;
- \$3.6 million compliance with the Fair Labor Standards Act (FLSA) to ensure that all sworn members are paid overtime after working a 40-hour work week if they do not qualify for Section 7(k) pay (i.e., sworn personnel engaged in fire suppression work);
- \$2.9 million constant staffing overtime due to staffing shortages, DROP exits and compensated time off (e.g., vacation, sick, injuries, etc.)
- \$2.6 million excess sick time payouts in connection with DROP exits; and,
- \$2.3 million overtime for sworn resources deployed outside of the City.

Savings may be generated in a few areas such as sworn and civilian salaries due to the number of vacancies and time it takes to fill positions, and potentially some contractual service and expense savings. However, it is too early to anticipate any true offsets given historical trends on certain spending such as parts and maintenance for the fleet.

Drought conditions continue to be a major concern, especially in the current dry weather where above normal wildfire events have and continue to occur throughout the state and beyond. The Department has deployed resources in July and August to assist in fires outside the City. Mutual aid reimbursements amounting to approximately \$1.4 million will be received as revenue to the General Fund. The Department will deploy additional resources within the City, as necessary, such as on Red Flag days, to minimize the impact of brush fires.

The Adopted Budget includes funding for five recruit training classes to support a total of 270 firefighter recruits. On July 28, 2015, Council authorized the Department to appoint, in each class, up to 65 at Drill Tower 81 and up to 50 at Drill Tower 40 for a total of 295 recruits (C.F. 15-0826). Three training classes will be completed this fiscal year and the remaining two in the following year based on the following Academy schedule.

Drill Tower	Start Date	Graduation	No. of	No. of
		Date	Recruits	Recruits
			Authorized	Appointed
DT 81	07/13/15	11/26/15	65	63
DT 40	09/21/15	02/11/16	50	50
DT 81	12/14/15	04/28/16	65	TBD
DT 81	05/16/16	09/29/16	65	TBD
DT 40	06/27/16	11/17/16	50	TBD
Total			295	

Board report prepared by Emilio Rodriguez, Senior Management Analyst II, Administrative Services Bureau.