



Request for City Council Committee Action from the Fire Department

Date: November 30 2010

To: Betsy Hodges, Chair, Ways & Means/Budget Committee

Subject: Fire Department Budget Update

Recommendation: Receive and File

Previous Directives: The MFD will provide a monthly update on the budget status

Prepared by: Karen Lowery Wagner, Director of Finance & Logistics

Approved by: Alex Jackson, Chief

Presenters in Committee: Karen Lowery Wagner

Supporting Information

The 2010 budget for the Minneapolis Fire Department is showing a decline over the last reporting before the Committee. At that time we reported the expenditures were estimated to be \$764,443 over budget. The attached report reflects a new deficit of \$929,089, a difference of \$164,646. The increase is largely attributable to an updated figure for CDBG spending on fire equipment. In previous reports we included the total amount of the off-set of \$225,000. The attached reports updates the amount to reflect what has been spent to date and the projected balance that will be available for 2011.

For the salaries portion of the budget, there was a slight worsening of the projections of \$39,646 and there was no change in the fringe expenses. However, fringe would have reflected an increase if not for a larger than expected charges for premium costs to continue medical insurance benefits for disabled firefighters. In the past, the state has assumed a larger portion of this payment, but this year a larger share is being borne by the City.

With regard to non-salary line items, we continue to project a deficit in these categories. The current amount is \$182,084. As previously stated, the year-to-date projections are conservative and have been established to accurately reflect actual spending based upon prior year experiences.

There continues to be an anticipated savings within our fleet service charges of approximately \$140,000. This is a smaller than previously projected savings due

to large charges for contractual reports. No savings are reflected in the attached report.

As previously reported, three additional appropriations were applied towards the Fire Department budget to help off-set personnel expenses.

- A contingency fund one-time increase of \$2,000,000; one-half of that funding is reflected in the 2010 budget and one-half is projected to carry over for the 2011 budget. The amount estimated to be available at the end of the year for carry forward has decreased to \$70,911.00. This large change is also attributable to how the CDBG one-time funding is reflected in the attached report.
- A one-time appropriation of \$810,000 to adjust fire protection coverage during the outage of the Camden Bridge. The funding for coverage began on April 5th and the project was completed on August 21st. Because of acceleration in the construction schedule, the total amount received is \$143,966 less than the originally projected amount. This reduction is shown in the attached report and contributes to the reduced amount of the expected 2011 carry-forward balance.
- A CDBG appropriation of \$225,000 became available beginning June 1 and is being used for the purchase of fire protection equipment. Use of these federal dollars helps to "off-set" general fund purchases.

As a final point, the attrition rate for the Department remains very low; to date, we have had four separations.

Revenue

To date, the Fire Department has collected 83% of projected revenue. For 2009, the comparable collection rate was 82%; the total revenue collection rate was 91%.

**MINNEAPOLIS FIRE DEPARTMENT
GENERAL FUND 2010 PROJECTIONS**

88.89% OF YEAR ELAPSED

11.11% OF YEAR REMAINING

	2009 ACTUAL	CURRENT BUDGET	Y-T-D ACTUAL 85.86%	AMOUNT REMAINING	PROJECTIONS TO YEAR END	TOTAL ACTUAL & PROJECTED	PROJECTIONS (OVER) UNDER BUDGET AS OF 11/20/10
<u>SALARIES</u>							
Regular ¹	\$ 31,089,261	\$ 30,414,985	\$ 28,475,647	\$ 1,939,338	\$ 3,587,276	\$ 32,062,924	\$ (1,647,939)
Vacation Pay off	186,242	152,440	208,451	(56,011)	-	208,451	(56,011)
Sick Leave Pay off	243,329	211,239	2,714	208,525	232,000	234,714	(23,475)
Overtime -FLSA	251,579	153,029	221,114	(68,085)	27,639	248,754	(95,725)
Overtime -Hireback	132,013	58,586	342,579	(283,993)	40,000	382,579	(323,993)
Overtime -Holiday	160,828	125,543	97,851	27,692	72,149	170,000	(44,457)
Overtime -Other	77,397	59,278	70,307	(11,029)	8,788	79,096	(19,818)
Retro Pay	(7,394)	-	5,088	(5,088)	-	5,088	(5,088)
Total Salaries	32,133,255	31,175,100	\$ 29,423,752	1,751,348	3,967,853	33,391,605	(2,216,505)
FRINGE	12,345,758 38.4%	12,839,178 41.18%	10,957,034	1,882,144	2,178,678	13,135,712 39.34%	(296,534)
<u>NON SALARY/FRINGE</u>							
Contractual Services	5,984,681	5,695,326	4,833,885	861,441	1,019,256	5,853,142	(157,816)
Supplies & Other	1,822,672	1,841,522	1,450,351	391,171	526,752	1,977,103	(135,581)
Capital Outlay	0	135,384	-	135,384	22,029	22,028.90	113,355
Grant Match						2,042	(2,042)
Total Non Salary/Fringe	7,807,353	7,672,232	6,284,237	1,387,995	1,568,037	7,854,316	(182,084)
2010/2011 Contingency Fund ²		2,000,000	-	2,000,000	-	-	1,000,000
Camden Bridge Closure offset		666,034					666,034
	0	2,666,034	0	2,000,000	0	0	1,666,034
TOTAL	\$ 52,286,367	\$ 54,352,544	\$ 46,665,023	\$ 7,021,487	\$ 7,714,568	\$ 54,381,633	\$ (1,029,089)
CDBG Equipment Allocation offset to General		225,000				125,000	100,000
							(929,089)

2011 Projected Contingency Carry-Forward Balance is: \$ 70,911