



Request for City Council Committee Action from the Fire Department

Date: August 26, 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 deterioration over the last reporting before the Committee. At that time we reported the expenditures were estimated to be \$103,460 over budget. The attached report reflects an increased deficit of \$816,622. The increase is largely attributable to the fringe benefit salary line; the last report showed a deficit of \$70,063 and the new report projects a deficit of \$414,175.

With regard to non-salary line items, we continue to project a deficit in these categories. The current amount is \$189,845 a slight increase due to a contract for services related to departmental health assessments. As previously stated, the year-to-date projections are very aggressive and will need to be reviewed and update with year-to-date expenditures.

There continues to be an anticipated savings within our fleet service charges. These savings are not reflected in the attached report because we have experienced some large equipment repairs to fire apparatus in the past.

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 is down to \$183,378. At the last report the projection was \$896,540.

- 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 projected \$810,000. 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.

The Department also received a second CDBG appropriation of \$469,000 which is available for fire protection equipment purchases. This additional funding will be used as an off-set in the operating supply line of the budget.

As a final point, the attrition rate for the Department remains very low; to date, we have had two separations. For 2009 there were a total of 9 separations and 12 in 2008. Over the last decade, the average has been 28.

Revenue

To date, the Fire Department has collected 16% of projected revenue. For 2009, the comparable collection rate was 13%; the total revenue collection rate was 91%.

MINNEAPOLIS FIRE DEPARTMENT
GENERAL FUND 2010 PROJECTIONS

62.07% OF YEAR ELAPSED

37.93% OF YEAR REMAINING

	2009 ACTUAL	CURRENT BUDGET	Y-T-D ACTUAL 59.87%	AMOUNT REMAINING	PROJECTIONS TO YEAR END	TOTAL ACTUAL & PROJECTED	PROJECTIONS (OVER) UNDER BUDGET AS OF 8/14/10	PREVIOUS PROJECTIONS BUDGET AS OF 7/17/10	2010 VARIANCE
SALARIES									
Regular ¹	\$ 31,089,261	\$ 30,414,985	\$ 19,852,893	\$ 10,562,092	\$ 12,115,238	\$ 31,968,131	\$ (1,553,146)	\$ (1,568,958)	\$ 15,812
Vacation Pay off	186,242	152,440	22,005	130,435	188,000	210,005	(57,565)	(57,565)	0
Sick Leave Pay off	243,329	211,239	2,714	208,525	232,000	234,714	(23,475)	(23,475)	0
Overtime -FLSA	251,579	153,029	159,660	(6,631)	104,340	264,000	(110,971)	(84,806)	(26,165)
Overtime -Hireback	132,013	58,586	217,168	(158,582)	134,794	351,962	(293,376)	(260,951)	(32,425)
Overtime -Holiday	160,828	125,543	66,127	59,416	103,873	170,000	(44,457)	(44,457)	0
Overtime -Other	77,397	59,278	46,514	12,764	28,425	74,939	(15,661)	0	(15,661)
Retro Pay	(7,394)	-	4,985	(4,985)	-	4,985	(4,985)	(4,998)	13
Total Salaries	32,133,255	31,175,100	\$ 20,372,066	10,803,034	12,906,671	33,278,737	(2,103,637)	(2,045,210)	(58,426)
FRINGE	12,345,758	12,839,178	7,763,917	5,075,261	5,489,435	13,253,353	(414,175)	(89,037)	(325,138)
	38.4%	41.18%							
NON SALARY/FRINGE									
Contractual Services	5,984,681	5,695,326	3,439,624	2,255,702	2,413,517	5,853,142	(157,816)	(152,716)	(5,100)
Supplies & Other	1,822,672	1,841,522	965,197	876,325	1,011,906	1,977,103	(135,581)	(135,581)	0
Capital Outlay	0	135,384	-	135,384	22,029	22,028.90	113,355	113,355	0
Grant Match						9,803	(9,803)	(9,803)	0
Total Non Salary/Fringe	7,807,353	7,672,232	4,404,822	3,267,410	3,447,452	7,862,077	(189,845)	(184,745)	(5,100)
2010/2011 Contingency Fund ²		2,000,000	-	2,000,000	-	-	1,000,000	1,000,000	0
Camden Bridge Closure offset		666,034					666,034	810,000	(143,966)
CDBG Equipment Allocation offset to General Funds							225,000	225,000	0
	0	2,666,034	0	2,000,000	0	0	1,891,034	2,035,000	(143,966)
TOTAL	\$ 52,286,367	\$ 54,352,544	\$ 32,540,805	\$ 21,145,705	\$ 21,843,558	\$ 54,394,166	(816,622)	(283,992)	(532,630)