



## **Request for City Council Committee Action from the Fire Department**

**Date:** May 10, 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 Council adopted budget for the Minneapolis Fire Department reflects several actions the Council took to close a projected funding gap. The attached table summarizes those actions. The various strategies and the budget implications are also reflected in the budget status update.

A 2010 contingency fund one-time increase of \$2,000,000 is shown in two different line items. The regular salary line contains \$1,000,000 and there is a dedicated line for the projected 2011 appropriation. The \$2,000,000 increase in funds is available until December 31, 2011. Any remaining funds in 2010 will carry-forward for the 2011 budget. As a footnote, you will see the amount estimated to be available at the end of the year.

Two additional appropriations are also applied towards meeting salary projections. First, the budget contains 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 5<sup>th</sup> and will continue through the end of August, or for seven calendar days after the bridge is reopened. Second, a CDBG appropriation of \$225,000 will be available beginning in June and will allow for the purchase of fire protection equipment to off-set general fund purchases.

The resulting bottom line (as of April 24, 2010) of all the strategies is that the budget for the Fire Department is estimated to be \$231,768.00 over budgeted spending levels.

With regard to non-salary line items, we are projecting a deficit in these categories of \$197,077. The year-to-date projections are very aggressive and are based upon only a few months of experience. There is anticipated to be a large savings in fuel costs, but that will not be calculated into the projections until there is more expenditure history.

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

The attrition rate for the Department remains very low; to date, we have had one separation. 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 7.2% of projected revenue. For 2009 the revenue collection rate was 91%.

**MINNEAPOLIS FIRE DEPARTMENT  
GENERAL FUND 2010 PROJECTIONS**

31.42% OF YEAR ELAPSED

68.58% OF YEAR REMAINING

	2009 ACTUAL	CURRENT BUDGET	Y-T-D ACTUAL 28.22%	AMOUNT REMAINING	PROJECTIONS TO YEAR END	TOTAL ACTUAL & PROJECTED	PROJECTIONS (OVER) UNDER BUDGET AS OF 4/24/10
<b>SALARIES</b>							
Regular *	\$ 31,089,261	\$ 31,414,985	\$ 10,038,078	\$ 21,376,907	\$ 21,998,341	\$ 32,036,419	(621,434)
Vacation Pay off	186,242	152,440	\$ 11	152,429	188,000	188,011	(35,571)
Sick Leave Pay off	243,329	211,239	\$ 2,714	208,525	232,000	234,714	(23,475)
Overtime -FLSA	251,579	153,029	\$ 83,415	69,614	180,584	264,000	(110,971)
Overtime -Holiday	160,828	125,543	\$ -	125,543	170,000	170,000	(44,457)
Overtime -Other	209,410	117,864	\$ 41,492	76,372	158,508	200,000	(82,136)
Retro Pay	(7,394)	-	\$ 1,897	(1,897)	-	1,897	(1,897)
<b>Total Salaries</b>	<b>32,133,255</b>	<b>32,175,100</b>	<b>\$ 10,167,607</b>	<b>22,007,493</b>	<b>22,927,434</b>	<b>33,095,041</b>	<b>(919,941)</b>
<b>FRINGE</b>	<b>12,345,758</b> 38.4%	<b>12,839,178</b> 39.90%	<b>3,191,836</b>	<b>9,647,342</b>	<b>9,797,092</b>	<b>12,988,928</b>	<b>(149,750)</b>
<b>NON SALARY/FRINGE</b>							
Contractual Services	5,984,681	5,713,326	1,582,164	4,131,162	4,280,292	5,862,456	(167,130)
Supplies & Other	1,822,672	1,903,522	459,347	1,444,175	1,515,674	1,975,021	(133,499)
Capital Outlay	0	135,384	-	135,384	-	-	135,384
Grant Match						31,832	(31,832)
<b>Total Non Salary/Fringe</b>	<b>7,807,353</b>	<b>7,752,232</b>	<b>2,041,511</b>	<b>5,710,721</b>	<b>5,795,966</b>	<b>7,869,309</b>	<b>(197,077)</b>
2011 Contingency Fund **		1,000,000	-	1,000,000	-	-	0
Camden Bridge Closure offset		810,000					810,000
CDBG Equipment Allocation offset to General Funds							225,000
	0	1,810,000	0	0	0	0	1,035,000
<b>TOTAL</b>	<b>\$ 52,286,367</b>	<b>\$ 54,576,510</b>	<b>\$ 15,400,954</b>	<b>\$ 37,365,556</b>	<b>\$ 38,520,492</b>	<b>\$ 53,953,278</b>	<b>(231,768)</b>

NOTES:

\*Includes \$1,000,000 contingency funding for 2010

\*\* 2011 Contingency Carry-Forward Balance is \$768,232

## MFD Funding Gap Strategies

Projected 2010 Gap \$2.290

Council Adopted Strategy	Amendment Total 2010	2010 Non- Personnel	2010 Personnel	Amendment Total 2011	2011 Non- Personnel	2011 Personnel	2012 Non- Personnel	2012 Personnel
CDBG Reallocation	\$ 0.225	\$ -	\$ 0.225	\$ 0.225	\$ -	\$ 0.225	\$ -	\$ 0.225
Camden Bridge	\$ 0.810	\$ -	\$ 0.810	\$ -	\$ -	\$ -	\$ -	\$ -
Vacant/Boarded	\$ 0.200	\$ 0.125	\$ 0.075	\$ 0.400	\$ 0.275	\$ 0.125	\$ 0.275	\$ 0.125
\$373k from HFS \$100k, 911 \$80k, BIS \$100k, CR \$93k	\$ 0.373	\$ -	\$ 0.373	\$ -	\$ -	\$ 0.373	\$ -	\$ 0.373
MFD Capital Reallocation CDBG	\$ 0.469	\$ 0.469	\$ -	\$ 0.469	\$ 0.469	\$ -	\$ 0.469	\$ -
Contingency	\$ 1.000	\$ -	\$ 1.000	\$ 1.000	\$ -	\$ 1.000	\$ -	\$ -
<b>Total Additional Money Available for Personnel</b>		<b>\$ 2.483</b>			<b>\$ 1.723</b>		<b>\$ 0.723</b>	
<b>Additional Need (Difference between Gap)</b>		<b>\$ 0.193</b>			<b>\$ (0.567)</b>		<b>\$ (1.567)</b>	