



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

**Date:** October 27, 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 slight progress over the last reporting before the Committee. At that time we reported the expenditures were estimated to be \$816,622 over budget. The attached report reflects a new deficit of \$764,443 or an improvement of \$52,179.00. The increase is largely attributable to an improvement in the fringe benefit salary line; the last report showed a deficit of \$414,175 and it has improved to \$296,534.

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. 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 has increased to \$235,557.00

- 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 the project was completed on August 21<sup>st</sup>. 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.

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 three separations.

### Revenue

To date, the Fire Department has collected 81% 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**

77.39% OF YEAR ELAPSED

22.61% OF YEAR REMAINING

	2009 ACTUAL	CURRENT BUDGET	Y-T-D ACTUAL 75.61%	AMOUNT REMAINING	PROJECTIONS TO YEAR END	TOTAL ACTUAL & PROJECTED	PROJECTIONS (OVER) UNDER BUDGET AS OF 10/9/10
<u>SALARIES</u>							
Regular <sup>1</sup>	\$ 31,089,261	\$ 30,414,985	\$ 24,765,422	\$ 5,649,563	\$ 7,268,113	\$ 32,033,535	\$ (1,618,550)
Vacation Pay off	186,242	152,440	22,005	130,435	188,000	210,005	(57,565)
Sick Leave Pay off	243,329	211,239	2,714	208,525	232,000	234,714	(23,475)
Overtime -FLSA	251,579	153,029	186,142	(33,113)	54,368	240,510	(87,481)
Overtime -Hireback	132,013	58,586	301,580	(242,994)	80,000	381,580	(322,994)
Overtime -Holiday	160,828	125,543	97,851	27,692	72,149	170,000	(44,457)
Overtime -Other	77,397	59,278	68,780	(9,502)	17,299	76,526	(17,248)
Retro Pay	(7,394)	-	5,088	(5,088)	-	5,088	(5,088)
<b>Total Salaries</b>	<b>32,133,255</b>	<b>31,175,100</b>	<b>\$ 25,449,584</b>	<b>5,725,517</b>	<b>7,911,929</b>	<b>33,351,959</b>	<b>(2,176,859)</b>
<b>FRINGE</b>	<b>12,345,758</b> 38.4%	<b>12,839,178</b> 41.18%	<b>9,894,658</b>	<b>2,944,520</b>	<b>3,241,054</b>	<b>13,135,712</b> 39.39%	<b>(296,534)</b>
<u>NON SALARY/FRINGE</u>							
Contractual Services	5,984,681	5,695,326	4,472,599	1,222,727	1,380,543	5,853,142	(157,816)
Supplies & Other	1,822,672	1,841,522	1,277,288	564,234	699,815	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)
<b>Total Non Salary/F</b>	<b>7,807,353</b>	<b>7,672,232</b>	<b>5,749,886</b>	<b>1,922,346</b>	<b>2,102,387</b>	<b>7,854,316</b>	<b>(182,084)</b>
2010/2011 Contingency Fund <sup>2</sup>		2,000,000	-	2,000,000	-	-	1,000,000
Camden Bridge Closure offset		666,034					666,034
CDBG Equipment Allocation offset to General Funds							225,000
	0	2,666,034	0	2,000,000	0	0	1,891,034
<b>TOTAL</b>	<b>\$ 52,286,367</b>	<b>\$ 54,352,544</b>	<b>\$ 41,094,128</b>	<b>\$ 12,592,382</b>	<b>\$ 13,255,371</b>	<b>\$ 54,341,987</b>	<b>\$ (764,443)</b>

<sup>2</sup> 2011 Projected Contingency Carry-Forward Balance is: \$ 235,557