



Request for City Council Committee Action from the Department of

Date: September 29, 2008

To: Paul Ostrow, Chair, Ways & Means/Budget Committee

Subject: Fire Department Budget Update

Recommendation: Receive and File

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

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

Approved by: Chief Alex Jackson

Presenters in Committee: Karen Lowery Wagner & Chief Alex Jackson

Financial Impact

- No financial impact
- Action requires an appropriation increase to the ___ Capital Budget or ___ Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Action is within the Business Plan
- Action requires a change to the Business Plan
- Other financial impact
- Request provided to the Finance Department when provided to the Committee Coordinator

Supporting Information

The last report to the Ways & Means/Budget Committee occurred on August 18. At that time, the budget for the MFD was estimated to be \$ 62,367.00 over projections.

As of September 17, the 2008 budget for MFD is projected to be \$1,107,151.00 over projections. The large increase in the deficit amount is attributable to several factors all related to personnel costs:

- **the inclusion of retro pay for the Fire Chiefs Unit contract settlement;**
- **projections for October step increases contained in the contracts for both Firefighters and Chiefs units;**

- a growing projection for salaries which reflects the low number of separations from the department; and,
- the largest increase is due to fringe calculations increasing from a positive of \$617,849.00 to a negative of \$228,296.00.

The Fire Department continues to take the following actions to address the projected deficit:

- Closely monitor and manage overtime costs
- Reevaluate all contractual services (those that are not internal rate models) and make adjustments for reduced spending
- filling vacant positions
- Reassess fleet and apparatus purchases
- Reallocate within the existing budget where possible. The projected deficit of \$50,993.00 for fuel charges that we previously reported has been reallocated within existing funds.

**MINNEAPOLIS FIRE DEPARTMENT
GENERAL FUND 2008 PROJECTIONS**

66.41% OF YEAR LASPED

33.59% OF YEAR REMAINING

	2007 ACTUAL	CURRENT BUDGET	Y-T-D ACTUAL 65.85%	AMOUNT REMAINING	PROJECTIONS TO YEAR END	TOTAL ACTUAL & PROJECTED	PROJECTIONS (OVER) UNDER BUDGET AS OF 8/30/08	PREVIOUS PROJECTIONS BUDGET AS OF 8/16/08	2008 VARIANCE
SALARIES									
Regular	\$ 28,319,740	\$ 30,125,076	\$ 20,462,704	\$ 9,662,372	\$ 10,487,503	\$ 30,950,207	\$ (825,131)	\$ (834,424)	\$ 9,293
Vacation Pay off	159,546	141,800	3,633	138,167	138,167	141,800	0	0	-
Sick Leave Pay off	202,044	194,371	-	194,371	194,371	194,371	0	0	-
Overtime	717,572	584,662	356,708	227,954	\$ 230,141	586,849	(2,187)	(3,530)	1,343
Retro Pay /Step Increase	0	355,000	296,537	58,463	110,000	406,537	(51,537)	(110,000)	58,463
Total Salaries	29,398,903	31,400,909	21,119,581	10,281,328	11,160,183	32,279,764	(878,855)	(947,954)	69,099
FRINGE	10,118,652	10,948,562	7,097,497	3,851,065	4,079,362	11,176,858	(228,296)	617,849	(846,145)
NON SALARY/FRINGE									
Contractual Services	6,262,059	5,766,474	3,766,744	1,999,730	1,999,730	5,766,474	0	0	-
Supplies & Other	2,533,038	2,258,130	1,279,115	979,015	979,015	2,258,130	0	(50,993)	50,993
Capital Outlay	158,640	142,458	731	141,727	141,727	142,458	0	0	-
Total Non Salary/Fringe	8,953,738	8,167,062	5,046,590	3,120,472	3,120,472	8,167,062	0	(50,993)	50,993
TOTAL	\$ 48,471,293	\$ 50,516,533	\$ 33,263,667	\$ 17,252,866	\$ 18,360,017	\$ 51,623,684	\$ (1,107,151)	\$ (381,099)	\$ (726,052)

Note:							1,107,151		
* Previous Projection (08/28/08 meeting):			\$ 381,099				Retro Pay (296,537)		
* Current Projection (09/11/08):			\$ (1,107,151)				FLSA Pay (94,099)		
* Difference between Previous and Current Projection:			\$ (726,052)				Fringe (228,296)		
							COLA Projection (150,000)		
							Others (staff) (304,948)		
									33,271.46