



Request for City Council Committee Action from the Department of

Date: August 14, 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: Interim 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 July 21st. At that time, the budget for the MFD was estimated to be \$162,534 over projections.

As of August 13th, the 2008 budget for MFD is projected to be \$62,367.00 over projections. The amount does reflect the adjustment that was made by the Finance Department to address increased salary assumptions. In addition, we expect the labor agreement with the International Association of Fire Fighters, Local 82, Fire Chiefs Unit to be approved by the Council soon. Those salary adjustments are not currently incorporating into the budget projections.

The main area of concern regarding the deficit continues to be personnel costs. As was discussed at the last several committee meetings, the number of separations from the department is very low for 2008; there has been one additional separation bringing the total to five.

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**
- **Delay filling vacant positions**
- **Reassess fleet and apparatus purchases**
- **Reallocate within the existing budget where possible. There remains a projected deficit of \$50,993.00 for fuel charges that we will reassess in the coming months for possible reallocation.**