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City of Detroit

CITY COUNCIL

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ANNE MARIE LANGAN
DEPUTY DIRECTOR
(313) 224-1078

TO: Tyrone C. Scott, Executive Fire Commissioner
Fire Department

FROM: Irvin Corley, Jr., Fiscal Analysis Director

DATE: April 30, 2008

RE: 2008-2009 Budget Analysis

Attached is our budget analysis regarding your department's budget for the upcoming 2008-2009 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing. We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:ss

Attachment

cc: Councilmembers
Council Divisions
Auditor General
Norman White, Finance Director
Pamela Scales, Budget Director
Charleta McInnis, Budget Manager
Chief Charlene Graham, Fire Department
Kerwin Wimberley, Mayor's Office

Fire (24)

FY 2008-2009 Budget Analysis by the Fiscal Analysis Division

Summary

The Fire Department is a General Fund agency. The recommended 2008-2009 General Fund appropriation budget is $187.19 million, a $2.4 million increase over the current year's Redbook budget. The department's capital improvement appropriation is $5.5 million, an increase of $2.0 million over the current year's budget.

The Fire Department protects life and property through fire, rescue and emergency response services and resources. The department provides pre-hospital medical service and enforces all laws, ordinances and regulations relating to fire prevention and suppression, as well as maintains a high state of emergency management preparedness.

2007-2008 Surplus/Deficit

The Budget Department has projected a $3.12 million net surplus for the Fire Department - $4.97 million appropriation surplus due to vacancies and a $1.8 million revenue deficit.

Overtime

The department has a 2007-2008 overtime budget of $4 million, and $5.8 million has already been paid out as of March 31, 2008.

The 2008-2009 Budget recommends an overtime budget of $4 million.

Personnel and Turnover Savings

Appropriation/Program	Redbook Positions FY 2007-08	Filled Positions 03/31/2008	Mayor's Budget Positions FY 2008-09	Over/(Under) Actual to 07/08 Budget	Mayor's Recommended Turnover
Fire Department (24):					
240010 Administration General Office	9	9	9	0	$ -
240020 Admin.-Community Relations	6	6	6	0	$ -
240030 Admin.-Research & Devel.	5	4	5	(1)	$ -
240040 Admin.-Medical Services	5	5	5	0	$ -
240220 Training Division	8	8	8	0	$ -
00064 Executive Management	**33**	**32**	**33**	**(1)**	**$ -**
240240 Fire Marshal-Administration	17	18	17	1	$ -
240250 Fire Marshal-Inspection	10	13	10	3	$ -
240260 Fire Marshal-Arson Invest.	18	17	18	(1)	$ -
240290 Fire Marshal-General Office	4	3	4	(1)	$ -

Appropriation/Program	Redbook Positions FY 2007-08	Filled Positions 03/31/2008	Mayor's Budget Positions FY 2008-09	Over/(Under) Actual to 07/08 Budget	Mayor's Recommended Turnover
Fire Department (24):					
00065 Ordinance Enforcement	**49**	**51**	**49**	**2**	**$ -**
240320 EMS Administration	24	24	24	0	$ -
240340 EMS Field Operations	273	256	273	(17)	$ 1,251,365
240350 EMS Training	3	3	3	0	$ -
00067 Emergency Medical Service	**300**	**283**	**300**	**(17)**	
240103 Apparatus-Administration	0		0	0	$ -
240105 Apparatus-Repair	2	3	2	1	$ -
240110 Apparatus-Stores	1	2	1	1	$ -
00715 Vehicle Management & Supply	**3**	**5**	**3**	**2**	**$ -**
240191 Fire Fighting-Administration	32	32	32	0	$ -
240195 Fire Fighting Operations	1,037	1,019	1,037	(18)	$ 1,003,342
240205 Marine Operations - Fireboat	3	0	3	(3)	$ -
240215 Airport Operations-Crash Crew	11	8	11	(3)	$ -
00718 Fire Fighting Operations	**1,083**	**1,059**	**1,083**	**(24)**	
240065 Fire Communication-Admin.	4	4	4	0	$ -
240075 Fire Communication-Dispatch	27	27	27	0	$ -
00760 Communication System Support	**31**	**31**	**31**	**0**	**$ -**
241000 Fire Fighting-Casino Mun. Svc.	21	0	21	(21)	$ -
241010 Fire Marshal-Casino Mun. Svc.	7	0	7	(7)	$ -
241015 EMS Casino Municipal Svc.	8	0	8	(8)	$ -
10151 Casino Municipal Service	**36**	**0**	**36**	**(36)**	**$ -**
10580 Emergency Management	**0**	**0**	**0**	**0**	**$ -**
24XXXX Leave of Absence	0	(14)	0	(14)	$ -
24XXXX Worker's Comp.	0	(12)	0	(12)	$ -
24XXXX Unmatched Positions	0	0	0	0	$ -
	1,535	**1,435**	**1,535**	**(100)**	**$ 2,254,707**

Significant Funding by Appropriation

Fire (24)

Budgeted Professional and Contractual Services by Activity	FY 2007-08 Budget	FY 2008-09 Recommended	Increase (Decrease)
Fire Suppression & Control	$ 1,522,822	$ 1,540,717	$ 17,895
Fire Prevention & Investigation	-	-	-
Physical Health	1,680,800	1,623,400	(57,400)
Total	$ 3,203,622	$ 3,164,117	$ (39,505)

Significant Revenue Changes by Appropriation and Source

EMS revenues are projected to decrease $1.024 million in 2008-2009. This follows the $1.3 million increase in the current year to reflect increased actual collections in 2005-2006.

DWSD continues to pay $1.2 million for overtime for 24-hour haz/mat service from four fire staff.

Fire staffs a specially trained Airport Crash Crew that is also 24/7 and costs $1.3 million annually to operate. The Airport does not reimburse the general fund for that service.

Issues and Questions

1. Please explain the projected revenue deficit of $1.85 million for 2007-2008.

2. If the Administration wasn't trying to get a credit of $18 million from pension payments due to "over funding" of the pension system, the net tax cost for the Fire Department would be an additional $5.5 million. Between the Fire and Budget Departments please explain if there is an over funded pension system, why the Fire Department is still making an $11.3 million payment to finance an unfunded actuarially accrued liability? Why isn't there a larger debt service payment for the Pension Obligation Certificates under the Retirement of Debt and Interest accounts? Why is it substantially smaller than the Police Department's budget?

3. What will the EMS transport fee structure be for 08-09? Why are the estimated revenues decreasing? Why did the revenues for 06-07 come in so much lower than 05-06? Do these revenues reflect actual cash collections or simply the amounts billed?

4. Are any fee increases planned for 2008-2009? Is the Maximus fee study being used as a basis for fee increases or are changes in fees being determined in a different manner?

5. What are the terms of the current Accu-Med contract? What plans are there, if any to go out for bid?

6. Please explain in detail the uses of the recommended capital funds of $5.5 million, a $2.0 million increase over last year.