



December 4, 2008

Honorable Mayor and  
Common Council

Dear Honorable Mayor and Common Council:

The Fire Chief is requesting permission to transfer \$30,000 from account 101.300.5010 – Salaries, and \$30,000 from account 101.300.5180 – Longevity, to account 213.030.5780 to cover the City's 20% match for the 2008 Federal Emergency Management Agency Fire Act Grant EMW-2008-FO-09001. The Federal Government, FEMA, will be picking up the remaining 80% of the cost for this equipment. It should also be noted, we can now eliminate the 2010 CIP for Self-Contained Breathing Apparatus, since this grant takes its place.

This request will provide the 20% match from the City, along with a contingency in the event we encounter a price increase in the equipment that will be purchased. When this grant was developed in January of 2008, there was no way to anticipate any cost increase or when that equipment may be purchased. This particular grant is competitive in nature and there was never any guarantee the Fire Department would be awarded the grant.

When developing the 2008 Fire Department budget, we were asked to make an intelligent estimate on what our costs would be during 2008, in the summer of 2007. We did refine our budget as we moved forward in that budget process; however, we could never anticipate or estimate how many of our members would retire on December 31<sup>st</sup>, 2007. Consequently, the budget was developed with the assumption there would be no retirements at the end of 2007. With that in mind, we now find that there will be a surplus in the two accounts mentioned above due to the retirement of senior employees who had higher salaries and longevity.

In order to make sure we have adequate funding left in the 2008 budget to cover all of our expenses, we reviewed our budget through GEMS. We also did average what our bi-weekly payroll costs were over 24 pay periods in 2008. With those estimates in hand, we did projections on what would be required for the two remaining pay periods in 2008 – December 19<sup>th</sup> and January 2<sup>nd</sup>.

We are exceptionally confident that based on our estimates, and after the transfer of \$60,000 from the two aforementioned accounts, we will have adequate funds remaining to cover our 2008 salaries budget.

Respectfully submitted,

Steve Hansen, Fire Chief