

## MEMO

**TO:** Finance Committee  
**FROM:** Tony Saucerman, Finance Director *TS*  
**DATE:** March 5, 2015  
**RE:** Fire Department 2014 Budget Variance

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Preliminary results for the general fund for 2014 show just the Fire Department exceeding their budget appropriations for the year. The \$116,714 variance is due to a 3% wage increase for represented staff that was negotiated after the budget was prepared. Since the increase was not certain at the time of budget preparation, it was not factored into the Department's salary budget at the time.

The total estimated cost for the 3% increase was \$253,272, so Fire Department staff did a good job saving in other areas to bring the total variance to only \$116,714.

Although the variance is eligible to be funded by the Wage Reserve, in order to preserve that funding for future years, I'm recommending no wage reserve be allocated in 2014 and the variance be absorbed by other general fund department's budget surpluses. For audit purposes, no budget adjustments are necessary since the department is part of the general fund, and the general fund, in total, shows a positive budget variance.

Please feel free to contact me if you have any questions or concerns regarding this matter.