



SENT TO COUNCIL:

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City Manager's Office

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: William McDonald
Fire Chief

SUBJECT: SEE BELOW

DATE: January 19, 2011

Approved

Date

1/19/11

INFORMATION

SUBJECT: UPDATE ON THE 2010 FEMA/DHS SAFER (STAFFING FOR ADEQUATE FIRE AND EMERGENCY RESPONSE) GRANT APPLICATION

This Information Memorandum provides an update to the Mayor and City Council regarding the 2010 SAFER Grant and outlines the restrictions of the grant in the context of the 2011-2012 Preliminary General Fund shortfall.

BACKGROUND

On June 29, 2010, the City Council approved the 2010-2011 Adopted Budget closing an unprecedented General Fund shortfall of \$118.5 million, which included the elimination of 79 sworn fire positions. As a result of these actions, on August 1, 2010, 49 firefighters were laid off from City service. Additionally, as part of the 2011-2012 Adopted Budget, the staffing of a fifth Fire Engine is scheduled for elimination effective July 1, 2011.

In mid-August 2010, the 30-day application period for the Department of Homeland Security (DHS)/Federal Emergency Management Agency (FEMA) administered "2010 Staffing for Adequate Fire and Emergency Response" (SAFER) Grant opened. The 2010 SAFER Grant, under the Hiring of Firefighters Category, specifically provides for funds to rehire laid-off firefighters. On September 14, the City Council authorized the City Manager to apply for the grant which would potentially fund the costs for rehiring the 49 laid-off firefighters for a two-year period with no requirement to fund the positions after the two-year period. The memorandum recommending the grant application also outlined potential issues which needed to be addressed as part of the potential acceptance of a grant award including, but not limited to, a review of the City's ability to comply with the no-lay-off provision and costs associated with accepting the grant award.

Following grant application submittal, letters of support were requested from a number of federal and State legislative leaders as well as the Governor. To date, FEMA has received letters of

support for the City's SAFER Grant Application from Senator Barbara Boxer, Congressman Michael M. Honda, Governor Arnold Schwarzenegger, State Senator Elaine Kontominas Alquist, and Assemblymember Jim Beall, Jr..

At the November 18 Special City Council Meeting, based on information available at that time, staff projected that the 2011-2012 Preliminary General Fund Shortfall would be approximately \$70 million. On December 2, 2010, the 2011-2012 Preliminary General Fund Shortfall was updated to at least \$90 million. This shortfall number is still not final and will be revised over the next several months as new information becomes available to more accurately forecast 2011-2012 expenditure and revenue levels. Additionally, at the November 18 Council Meeting, staff was directed to continue prior City Council direction of March 2010 for a 10% total compensation reduction for Fiscal Year 2011-2012 with modifications such as making the entire 10% total compensation reduction ongoing for all employee units.

ANALYSIS

On December 20, 2010, the Fire Department (SJFD) received correspondence from DHS indicating that the SJFD 2010 SAFER Grant Application had been "favorably reviewed" by a panel of peers. It further stated that "this is not a notification of award; it is only a preliminary discussion of your application" and asked that the City respond to 14 questions (see attached GMD Questionnaire).

The majority of questions, except for Question #4 and #5, are administrative in nature to confirm information submitted in the original grant application. Question #4 asks whether the City is willing to commit to rehire the laid-off Fire personnel and Question #5 asks whether the City will be able to comply with the no-lay-off provision.

As discussed above, based on the most recent information available, as of December 2, the City faces a 2011-2012 Preliminary General Fund Shortfall of at least \$90 million. As part of the 2011-2012 budget process, the City Manager will issue the 2012-2016 Five-Year Forecast and Revenue Projections which includes the latest review of all General Fund revenues and expenditures in late February 2011. This forecast will project the 2011-2012 General Fund shortfall, which will be updated as part of the release of the 2011-2012 Proposed Operating Budget.

While the outcome of addressing the current significant 2011-2012 Preliminary General Fund Shortfall is still unknown, the City will attempt to first mitigate the shortfall using alternative options to lay-offs of sworn personnel including reductions in work force through attrition. In addition, the City and the International Association of Fire Fighters, Local 230, will be proceeding to binding interest arbitration and the results of that process will be unknown until the Arbitration Board renders a decision on each issue that is included in the arbitration. As a result, and if the City is awarded the 2010 SAFER Grant, the sworn staffing levels disclosed at the time of application may need adjustment. In accordance with grant regulations the City can request such an adjustment which FEMA would have to approve. Staff anticipates those discussions taking place at the time of notification of grant award.

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Staff will continue to update the City Council as pertinent facts regarding this grant application process and potential grant award arise.

/s/

WILLIAM MCDONALD

Fire Chief

For questions, please contact William McDonald, Fire Chief, at 408-277-5488 or Ron D'Acchioli, Deputy Director, at 408-277-2690.



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From: Bush, Ramon [ramon.bush@dhs.gov]

Sent: Monday, December 20, 2010 12:41 PM

To: D'Acchioli, Ron

Cc: Bush, Ramon

Subject: San Jose Fire Department, California: EMW-2010-FH-00551

GMD QUESTIONNAIRE FOR 2010 SAFER

PLEASE RESPOND AS SOON AS POSSIBLE

I am the Grants Management Specialist from the Federal Emergency Management Agency (FEMA) Grant Programs Directorate, assigned to review your Fiscal Year (FY) 2010 SAFER (Staffing for Adequate Fire and Emergency Response) grant application. Your application was favorably reviewed by a panel of your peers. As such, I have a few matters to discuss/verify with you prior to processing your application any further. Please be advised, **this is not a notification of award; it is only a preliminary discussion of your application. If the Program Office has made reductions to your original request, please maintain a copy of your E-mail accepting the reductions to your original application for your official records.**

1. If you are selected for a grant award, would you accept?

Yes and please note the City's response to Question #5.

2. Please verify that the department and/or organization's name is correct?

The Department name is accurate.

3. As you may know, the Hiring New Firefighters Activity requires grantees to commit to retaining the SAFER-funded firefighters for a full year beyond the grant's two-year performance period at 100 percent local funding. As such, it is imperative that the local governing body be aware of, and support, this application. If your department is requesting funding for Hiring New Firefighters, have you discussed this application and its long-term obligations with your governing body and is your governing body willing to accept this long term commitment? (If you are applying under "Rehiring Laid-off Firefighters" or "Recruitment and Retention" there is no cost share or sustainment requirement. Please reply with N/A to the question.)

N/A

4. If applying under the Rehiring Laid-off Firefighters Activity, have you discussed this application with your governing body and is your governing body willing to accept this commitment to rehire these personnel? (If you are applying under "Hiring New Firefighters" or "Recruitment and Retention" please reply with N/A to this question.)

Yes. On September 14, 2010, the City Council authorized the City Manager to apply for the SAFER to rehire the 49 laid-off firefighters.

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5. Whether awarded under the Hiring New Firefighters Activity or the Rehiring Laid-off Firefighters Activity, the 2010 SAFER Program Guidance prohibits firefighter layoffs during the two-year Period of Performance. Will your department be able to meet this requirement? (If you are applying under "Recruitment and Retention" please reply with N/A to this question.)

On June 29, 2010, the City of San Jose City Council approved the 2010-2011 Adopted Budget closing an unprecedented General Fund shortfall of \$118.5 million resulting in over 600 position reductions including the elimination of 79 sworn fire positions. As a result of these actions, on August 1, 2010, 49 firefighters were laid off from City service.

Currently, as with many jurisdictions across the country, the City of San Jose anticipates budget shortfalls in the coming budget year (July 2011-June 2012). As of December 2, 2010, based on information available at that time, the City of San Jose faces a 2011-2012 Preliminary General Fund Shortfall of at least \$90 million. The 2011-2012 fiscal year starts on July 1, 2011, and the City Charter requires that the City Council adopt a balanced budget by the end of June. As part of the 2011-2012 budget process, the City Manager will issue a Forecast which reflects the latest review of all General Fund revenues and expenditures in late February 2011. This forecast will project the 2011-2012 General Fund shortfall, which will be updated as part of the release of the 2011-2012 Proposed Operating Budget scheduled for May 2.

In order to address the at least \$90 million shortfall, on November 18, 2010, the City Council directed the City Manager to continue previous City Council direction of achieving a 10% total compensation reduction from the City's employee units with various modifications such as making the 10% total compensation reduction ongoing. Negotiations with the City's bargaining units will commence this month.

While the outcome of addressing the significant 2011-2012 General Fund Shortfall is still unknown, the City will attempt to mitigate the shortfall using alternative options, including reductions in work force through normal attrition. In addition, the City and the International Association of Fire Fighters, Local 230, will be proceeding to binding interest arbitration and the results of that process will be unknown until the Arbitration Board renders a decision on each issue that is included in the arbitration. and negotiations with the International Association of Fire Fighters, Local 230 in accordance with the November 18 Council Direction. As a result, and if SJFD is awarded the 2010 SAFER Grant, the sworn staffing levels disclosed at the time of application may need adjustment, and SJFD may require a FEMA Waiver as outlined in Part 1C of the 2010 SAFER Program Guidance ("DHS Implementation of Waiver Authority"). We anticipate those discussions taking place at the time of notification of grant award.

6. If your department is requesting funding for Hiring New or Rehiring Laid-off Firefighters, when do you anticipate you will be able to hire new staff? Remember, per the 2010 SAFER Program Guidance, only firefighters hired after the award date may be funded by a SAFER Grant; firefighters hired prior to the award date are not eligible for SAFER funding. (If you are applying under "Recruitment and Retention", please reply with N/A to the question.)

San Jose Fire Department will comply with all hiring parameters and timelines as outlined in the SAFER Guidance Document. The process to rehire will begin following acceptance of award.

7. Is your department fully compliant with the National Incident Management System (NIMS) directives issued by your State and your local jurisdiction?

Yes. The Department is fully compliant.

8. Do you have any changes to your points of contact phone numbers or email addresses listed in your application?

* If you have a new email address, please follow the instructions below:

Using the same user name and id when you applied for the grant, log into <https://portal.fema.gov>. Once you are into the Status screen, you will select Edit Profile located in the top of the screen. Your next screen will reveal your personal information where you will see your current email address listed. Once you have edited the email address you will click on the Save button. You will then receive a confirmation screen that your profile has been updated but you are not finished. Then you will click near the top left Authorized Applications. You will then click on Firefighters Grant link near the top left to ensure that all updated profile information is transferred through the system.

No Changes to point of contact phone numbers or email addresses.

9. Do you have any changes to your DUNS number, or your banking information listed in your application?

No Changes to DUNS number or banking information.

10. Have you verified that the EIN # () submitted is correct?

The EIN # submitted is correct.

11. Are you sharing an EIN# with your city and/or county? If so, please name the parent entity.

No.

12. Do you have authorization to use this EIN#?

Yes.

13. Have you previously received a FEMA/DHS Assistance to Firefighters Grant?

If you responded yes, please indicate what year(s) you were awarded, a brief summary of what items were purchased, and a current status on the awarded grant(s).

Yes. SJFD has received AFG awards from grant years 2002, 2004, and 2009. The 2002 AFG award funded Personal Protective Equipment and Urban Search and Rescue equipment. SJFD fulfilled its obligations under this grant and the performance period ended on December 31, 2003. The 2004 AFG

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award funded a "Grab and Go" Emergency Survival Starter Kit program for vulnerable residents, primarily senior citizens, youths and non-English speaking residents. The performance period for the 2004 AFG was from January 21, 2005 to March 20, 2006. Both the 2002 and 2004 AFG were effective and efficiently managed, resulting in critical life saving programs being initiated within the Fire Department and the Community. SJFD was awarded the 2009 AFG for 344 SCBA and additional equipment including face pieces, voice amplifiers, RIC Paks and locator devices. This grant is currently in the middle of its performance period, July 23, 2010 to July 22, 2011. The competitive bid process recently closed and the Department is in the process of finalizing an agreement with the selected vendor.

14. Have you received any other federal funding this fiscal year?

If you responded yes, please indicate the name of the agency that awarded you federal funding and a brief summary of the items that were awarded.

Yes. The City of San Jose is the recipient of federal funds in the excess of \$500,000 annually; these funds allow the City to operate multiple programs in various disciplines. Specifically related to the San Jose Fire Department (SJFD), the Department was awarded the 2009 Assistance to Firefighters Grant (AFG) in July in the amount of \$1.7 million towards the purchase of 344 CBRNE-compliant SCBA's and related equipment. In addition, SJFD receives funding from the Department of Homeland Security through the Urban Area Security Initiative Grants and the State Homeland Security Grant Program.

Again, this is not a notification of award; it is only a preliminary discussion of your application. Once I complete my review, and receive your favorable reply to this message, I will forward your application on to the next phase. If your department is selected for award you will be notified by e-mail through our on-line grants system. In that e-mail, you will be directed to a website to print the award forms and other pertinent information.

Sincerely,

Ray Bush
Department of Homeland Security/FEMA
Grants Management Specialist

Ray Bush
Grants Management Specialist
U.S. Department of Homeland Security
Grants Programs Directorate
Tech-World Bldg. - Room 410
500 C St. SW
Washington, D.C. 20472
202.786.9738
202.786.9736 (Fax)

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ramon.bush@dhs.gov

