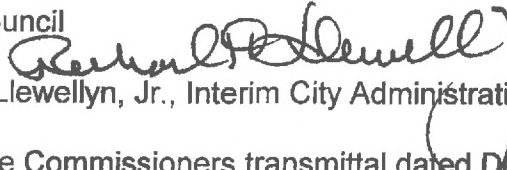


Date: 01/10/2018
Submitted in Public Safety Committee
Council File No: 17-1434
Item No. 8
Deputy: Report from CAO

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: January 9, 2018
CAO File No. 0130-02079-0000
Council File No. 17-1434
Council District: --

To: The City Council
From:  Richard H. Llewellyn, Jr., Interim City Administrative Officer
Reference: Board of Fire Commissioners transmittal dated December 19, 2017
Subject: **FISCAL YEAR 2016 STAFFING FOR ADEQUATE FIRE EMERGENCY RESPONSE (SAFER) GRANT AWARD ACCEPTANCE**

SUMMARY

The Los Angeles Fire Department (LAFD) requests authority to accept a grant award of up to \$15,468,782 from the Federal Emergency Management Agency (FEMA) for the Fiscal Year 2016 Staffing for Adequate Fire Emergency Response (SAFER) Grant program for a three-year term beginning January 22, 2018 through January 21, 2021. The grant will provide federal financial assistance to create and fill 48 new firefighter position authorities and add four engine companies to the LAFD's deployment plan in an effort to enhance the Department's capabilities in responding to and safely performing at fire and fire-related incidents. The approved grant program includes an approximately 40 percent cost sharing match requirement from the City of \$9,615,730 for a total program amount of \$25,084,512. Due to the additional requirements of the grant program, the Department is requesting position authority for 72 sworn personnel, and it is estimated that the City's total contribution over the three-year performance period will be more than \$26.6 million.

Background

The objective of the SAFER Grant program is to provide funding directly to fire departments to assist them in increasing the number of firefighters to help communities meet industry minimum standards and provide adequate protection from fire and fire-related hazards. The LAFD was awarded the FY16 SAFER Grant in the "Hiring of Firefighters Activity" which specifically focuses on the hiring of new firefighters. The LAFD applied for the grant in February 2017 and was notified of its award in August 2017. The grant was awarded to the City based on the LAFD's proposal to create and fill 48 new firefighter position authorities in order to staff four additional engine companies.

The LAFD proposes to restore engine companies at four fire stations (FS) across the City – FS 1 in Lincoln Heights, FS 20 in Echo Park/Silver Lake, FS 73 in Reseda and FS 75 in Mission Hills. In FY 2011-12, 11 engine companies were closed to address the City's fiscal challenges. Four engine companies have since been restored. These four additional locations were selected out of the seven remaining based on call load. The selected stations respond to approximately 16,600 incidents each year and have experienced increased call loads of up to 10.6 percent over a two-year period from 2014 through 2016.

Grant Requirements and Additional Costs

The FY16 SAFER Grant award provides approximately 60 percent of funding for the hiring and staffing of 48 Firefighter positions over a three-year period, up to a maximum of \$15,468,782. The formula used is 75 percent of salary and benefit costs for the first two years, and 35 percent in the third year. This translates to approximately \$8.8 million in salary funding and \$6.6 million in benefit costs available on a reimbursement basis over the three-year program term. The remaining 40 percent, totaling \$9,615,730, is the City's required match contribution.

Grant program funds may only be used to hire new, additional firefighters to expand the staffing of the Department. Backfilling vacancies to maintain staffing levels is not acceptable. In order to ensure the LAFD meets these requirements, the Department was required to submit a "Pre-SAFER Roster" comprised of the active sworn fire suppression operational staff at the time of award. The Department is required to maintain this "Staffing Maintenance Number", calculated at 2,711 positions, in addition to keeping the 48 SAFER-funded positions filled for the duration of the three-year performance period, for a total of 2,759 sworn operational positions. It is unknown at this point whether the LAFD's current hiring plan is sufficient to sustain this Staffing Maintenance Number or whether additional hiring will be required. Additionally, due to this requirement, the salary percentage formula limiting SAFER reimbursements to approximately 40 percent of a position, and the time it takes for a Firefighter to promote to the Firefighter III level funded by the grant program, it is projected that the reimbursements will qualify disproportionately towards the lower levels of Firefighter I and II (an average of \$62,299 per position, including related costs) and not at the full reimbursement amount offered (\$107,422 per position, including related costs).

The FY16 SAFER Grant program term period begins 180 days after award notice or the day the new firefighters are hired, whichever comes first. The LAFD proposes to hire the 48 SAFER Grant-funded firefighters in one academy recruit class held at the Harbor Recruit Training Academy Drill Tower 40 (DT 40) starting January 22, 2018. The training academy is a 20-week program ending June 7, 2018, with graduates deploying to the field on June 10, 2018. This additional class will modify the Council-approved training academy schedule, pushing back the second recruit class originally planned for January by one month to February 2018, and the third recruit class originally planned for June to July 2018 (FY 2018-19). Since the SAFER-funded academy class will be held at DT 40, resources will be called from the field to operate the academy and will need to have their positions backfilled on an overtime basis at cost of approximately \$1.6 million for the duration of the class.

The Department proposes to restore four engine companies. Each engine is staffed with four positions – two Firefighters, one Engineer, and one Captain, with three shifts for a total of 12 positions per engine and 48 positions to staff the four engine companies. However, since the SAFER Grant only provides funding for new Firefighters, the 12 Engineer and 12 Captain positions needed to staff the engines will be a General Fund obligation of the City. Additionally, these positions have associated bonus costs and require overtime funding to keep the positions filled 24 hours a day, 365 days per year – costs which will also be an obligation of the General Fund. This restoration utilizes 24 of the 48 approved Firefighter authorities.

For the remaining 24 Firefighter authorities, the Department originally proposed to supplement hiring at the Recruit Academy. Firefighters who go on to fill existing operational vacancies once they

graduate from the academy are no longer eligible for SAFER funding. Therefore, SAFER reimbursements for these additional 24 Firefighter positions would only fund new recruits at the Firefighter I level for the duration of the three-year period. In order to maximize the grant funding, the Department is working with FEMA to consider additional apparatus or resources to supplement the existing deployment and staff those with the 24 remaining SAFER-funded authorities. The Department may report back at a later date with a proposal, which would require grantor and Council approval. It is unknown at this time whether General Fund costs would also increase with a potential grant program modification.

The factors described above increase the cost commitment required of the City, and limit the amount of reimbursements available to the City through the grant program. The cost to the City to accept the FY16 SAFER Grant funding and restore four engine companies is estimated at more than \$26.6 million over the three-year term of the program, as detailed below:

| Grant Requirement/ Cost Factor | SAFER Funding | City Cost (General Fund) | Total Cost |
|---|--------------------|-----------------------------|--------------|
| Add 48 new Firefighter positions | \$15,468,782 | \$9,615,730 | \$25,084,512 |
| Reduced reimbursement/cost due to filling positions at FF I and II levels | (\$5,489,740) | (\$3,020,259) | \$16,574,513 |
| Cost to operate DT 40 | -- | \$1,638,795 | |
| Add 12 Engineer and 12 Captain positions | -- | \$12,210,256 | |
| Constant Staffing and Bonus costs | -- | \$6,236,840 | |
| Additional hiring needed to maintain Staffing Maintenance Number | -- | Unknown | |
| Adding resources to activate remaining 24 FFs | Unknown | Unknown | |
| Total 3-Year Cost | \$9,979,042 | \$26,681,362+ | |

The annual cost of the program is estimated as follows:

| | FY 17-18 | FY 18-19 | FY 19-20 | FY 20-21* | Total |
|------------------------|---------------------|----------------------|----------------------|---------------------|----------------------|
| SAFER Salaries | \$ 1,068,164 | \$ 2,614,338 | \$ 2,485,188 | \$ 856,353 | \$ 7,024,043 |
| GF Direct Costs | 2,346,894 | 6,121,670 | 7,512,556 | 4,836,090 | 20,817,210 |
| Subtotal Direct Costs | \$ 3,415,058 | \$ 8,736,008 | \$ 9,997,744 | \$ 5,692,443 | \$ 27,841,253 |
| SAFER Benefits | \$ 669,238 | \$ 959,099 | \$ 945,713 | \$ 380,948 | \$ 2,954,998 |
| GF Related Costs | 223,079 | 2,060,082 | 2,084,407 | 1,496,584 | 5,864,152 |
| Subtotal Related Costs | \$ 892,317 | \$ 3,019,181 | \$ 3,030,120 | \$ 1,877,532 | \$ 8,819,150 |
| Total SAFER Funding | \$ 1,737,402 | \$ 3,573,437 | \$ 3,430,901 | \$ 1,237,301 | \$ 9,979,041 |
| Total GF Cost | \$ 2,569,973 | \$ 8,181,752 | \$ 9,596,963 | \$ 6,332,674 | \$ 26,681,362 |
| Total Cost | \$ 4,307,375 | \$ 11,755,189 | \$ 13,027,864 | \$ 7,569,975 | \$ 36,660,403 |

* Cost does not include retaining funding or positions past the grant completion of 1/21/21. The grant does not require retention of the additional positions at the completion of the program term; however, the Department has indicated it will request funding to do so.

2017-18 Costs and Funding Availability

The cost to the City in 2017-18 for acceptance of the FY16 SAFER Grant is estimated at \$2,569,973 (\$2,346,894 in direct costs and \$223,079 in related costs). Included in this estimate is a reduction of \$417,000 in costs achieved by filling the 12 Engineer and 12 Captain positions through overtime, with a plan to fill the positions full-time in FY 2018-19. Also assumed in the estimate is a full reimbursement from FEMA of the grant-funded, eligible costs for 2017-18, totaling \$1,737,402. The Department plans to submit requests on a monthly basis, but does not yet know the grant reimbursement timeline. As of November 30, 2017, the date of the City Administrative Officer's Second Financial Status Report (FSR), the LAFD was projected to have a year-end General Fund deficit of \$5.8 million. This deficit has potentially grown due to the increased overtime and contractual services costs incurred by the Department to fight wildfires within the City and outlying areas. Given this scenario, it may be difficult for the Department to absorb the additional \$2.57 million cost to implement the FY16 SAFER Grant program in 2017-18. However, this Office will work with the Department to further reduce current costs and will address any projected shortfalls through the FSR process. Funding requirements beyond FY 2017-18 will be subject to the annual budget process.

The 2017-18 Adopted Budget includes an appropriation of \$1.05 million set aside in the Unappropriated Balance (UB) for the restoration of two engine companies pending receipt of the SAFER Grant ("Fire Field Staffing"). Inasmuch as it is recommended that FY16 SAFER Grant receipts be deposited into the LAFD Grants Fund and appropriated directly to the Department's budget for grant tracking purposes, the grant receipts will not be realized in the General Fund. Therefore, the Fire Field Staffing appropriation in the UB will no longer have backing revenue and should be eliminated. This adjustment will be addressed as part of the FSR process.

Conclusion

The charts above project that the Department will receive \$9.98 million in funding from the FY16 SAFER Grant, at a cost of more than \$26.6 million to the City over the three-year grant term, which is a significant commitment for the City, given the current fiscal outlook. However, if the City eventually intends to increase firefighting services throughout the City, which may include the restoration of engine companies that had previously been in operation, then the acceptance of the grant award can be considered at least a \$9.98 million step towards reaching those goals.

RECOMMENDATIONS

That the Council, subject to the approval of the Mayor,

1. Authorize the Fire Chief, or his designee, to:
 - a. Accept the Fiscal Year 2016 Staffing for Adequate Fire and Emergency Response (SAFER) Grant from the Federal Emergency Management Agency (FEMA) in the amount of \$15,468,782 for the performance period of January 22, 2018 through January 21, 2021 to add and fill 48 Firefighter positions and restore four engine companies to Fire Stations 1, 20, 73 and 75; and,

b. From June 10, 2018 through June 30, 2018:

| <u>No.</u> | <u>Class Code</u> | <u>Class Title</u> |
|------------|-------------------|---------------------------------|
| 12 | 2142-1 | Fire Captain I |
| 12 | 2131 | Engineer of the Fire Department |

5. Instruct the LAFD to report back to the Council for approval of any plans to modify the FY16 SAFER Grant program to add resources or change the deployment of SAFER-funded position authorities;
6. Authorize the LAFD and Controller, based on LAFD submissions to the City Administrative Officer of grant budget modifications approved by FEMA, to transfer funds, as needed, between Fund 335/38 and Fund 100/38 for implementation of the FY16 SAFER Grant; and,
7. Authorize the LAFD to prepare Controller instructions for any technical adjustments, subject to the approval of the City Administrative Officer, and authorize the Controller to implement the instructions.

FISCAL IMPACT STATEMENT

Approval of the recommendations within this report will authorize the Los Angeles Fire Department (LAFD) to accept a grant award of up to \$15,468,782 for the Fiscal Year 2016 Staffing for Adequate Fire and Emergency Response (SAFER) Grant from the Federal Emergency Management Agency (FEMA) over a three-year term from January 22, 2018 through January 21, 2021. Per the grant program terms, the LAFD will add and keep filled 48 Firefighter positions and will add an additional 12 Engineer and 12 Captain positions to restore four engine companies at a total estimated cost of \$36,660,403 over the three-year grant period. The 48 Firefighter position salaries and benefits are eligible for funding of approximately 60 percent from the grant award, with FY16 SAFER reimbursements estimated at \$9,979,042. The remaining \$26,681,362 will be an obligation of the General Fund. The estimated cost of the program in 2017-18 is \$4,307,375. The General Fund impact in 2017-18 is \$2,569,973 (\$2,346,894 in direct costs and \$223,079 in related costs); with an anticipated grant contribution of \$1,737,402 provided on a reimbursement basis. No additional appropriations are needed at this time. Funding requirements beyond FY 2017-18 will be subject to the annual budget process. These actions are in compliance with the City's Financial Policies in that funding is identified for the approved programmatic activities.

RHL:JCY:04180065

Attachment

Summary Award Memo

**SUMMARY OF ASSISTANCE ACTION
STAFFING FOR ADEQUATE FIRE AND EMERGENCY RESPONSE GRANTS
Application**

INSTRUMENT: GRANT
AGREEMENT NUMBER: EMW-2016-FH-00301
GRANTEE: Los Angeles Fire Department
DUNS NUMBER: 172405821
AMOUNT: \$25,084,512.00, Hiring

Project Description

The purpose of the Staffing for Adequate Fire and Emergency Response Program is to protect the health and safety of the public and firefighting personnel against fire and fire-related hazards.

After careful consideration, FEMA has determined that the recipient's project or projects submitted as part of the recipient's application, and detailed in the project narrative as well as the request details section of the application - including budget information - was consistent with the Staffing for Adequate Fire and Emergency Response Grant program's purpose and worthy of award. The projects approved for funding are indicated by the budget or negotiation comments below. The recipient shall perform the work described in the grant application for the recipient's approved project or projects as itemized in the request details section of the application and further described in the grant application narrative. The content of the approved portions of the application - along with any documents submitted with the recipient's application - are incorporated by reference into the terms of the recipient's award. The recipient may not change or make any material deviations from the approved scope of work outlined in the above referenced sections of the application without prior written approval, via amendment request, from FEMA.

Period of Performance

28-JAN-18 to 27-JAN-21

Amount Awarded

The amount of the award is detailed in the attached Obligating Document for Award. The following are the budgeted estimates for object classes for this grant (including Federal share plus recipient match):

| | |
|------------------|-----------------|
| Personnel: | \$15,883,920.00 |
| Fringe Benefits | \$11,798,640.00 |
| Travel | \$0.00 |
| Equipment | \$0.00 |
| Supplies | \$0.00 |
| Contractual | \$0.00 |
| Construction | \$0.00 |
| Other | \$0.00 |
| Indirect Charges | \$0.00 |
| Total | \$25,084,512.00 |

NEGOTIATION COMMENTS IF APPLICABLE (max 8000 characters)

The Program Office has made the following reductions to your grant: The approved cost for the

Award Package

annual salary is \$99,366, not \$110,305. The approved cost per position is \$174,198, not \$192,240. Therefore, they have recommended the award at this level: Total budget \$25,084,512 Federal share \$15,468,782 Applicant share \$9,615,730 Any questions pertaining to your award package, please contact your GPD Grants Management Specialist Edith Myerly at Edith.Myerly@fema.dhs.gov.

FEMA Officials

Program Officer: The Program Specialist is responsible for the technical monitoring of the stages of work and technical performance of the activities described in the approved grant application. If you have any programmatic questions regarding your grant, please call the AFG Help Desk at 866-274-0960 to be directed to a program specialist.

Grants Assistance Officer: The Assistance Officer is the Federal official responsible for negotiating, administering, and executing all grant business matters. The Officer conducts the final business review of all grant awards and permits the obligation of federal funds. If you have any questions regarding your grant please call ASK-GMD at 866-927-5646 to be directed to a Grants Management Specialist.

Grants Operations POC: The Grants Management Specialist shall be contacted to address all financial and administrative grant business matters for this grant award. If you have any questions regarding your grant please call ASK-GMD at 866-927-5646 to be directed to a specialist.

ADDITIONAL REQUIREMENTS (IF APPLICABLE) (max 8000 characters)

National Environmental Policy Act

All recipients must comply with the requirements of the National Environmental Policy Act (NEPA) and the Council on Environmental Quality (CEQ) Regulations for Implementing the Procedural Provisions of NEPA, which requires recipients to use all practicable means within their authority, and consistent with other essential considerations of national policy, to create and maintain conditions under which people and nature can exist in productive harmony and fulfill the social, economic, and other needs of present and future generations of Americans.

Nondiscrimination in Matters Pertaining to Faith-Based Organizations

It is DHS policy to ensure the equal treatment of faith-based organizations in social service programs administered or supported by DHS or its component agencies, enabling those organizations to participate in providing important social services to beneficiaries. All recipients must comply with the equal treatment policies and requirements contained in 6 C.F.R. Part 19 and other applicable statutes, regulations, and guidance governing the participations of faith-based organizations in individual DHS programs.

Award Package

**FEDERAL EMERGENCY MANAGEMENT AGENCY
OBLIGATING DOCUMENT FOR AWARD/AMENDMENT**

1. AGREEMENT NO. EMW-2016-FH-00301
 2. AMENDMENT NO. 0
 3. RECIPIENT NO. 95-6000735
 4. TYPE OF ACTION AWARD
 5. CONTROL NO. WX02696N2017T

6. RECIPIENT NAME AND ADDRESS
 Los Angeles Fire Department
 200 North Main Street
 Los Angeles California, 90012-4110
 7. ISSUING OFFICE AND ADDRESS
 Grant Programs Directorate
 500 C Street, S.W.
 Washington DC, 20472
 POC: Walter Pickett 202-786-9524
 8. PAYMENT OFFICE AND ADDRESS
 FEMA, Financial Services Branch
 500 C Street, S.W., Room 723
 Washington DC, 20472

9. NAME OF RECIPIENT PROJECT OFFICER Drew Steinberg
 PHONE NO. 2139783833
 10. NAME OF PROJECT COORDINATOR Catherine Patterson
 PHONE NO. 1-866-274-0960

11. EFFECTIVE DATE OF THIS ACTION 28-JAN-18
 12. METHOD OF PAYMENT SF-270
 13. ASSISTANCE ARRANGEMENT Cost Sharing
 14. PERFORMANCE PERIOD From:28-JAN-18 To:27-JAN-21

Budget Period
 From:02-MAY-17 To:30-SEP-17

15. DESCRIPTION OF ACTION
 a. (Indicate funding data for awards or financial changes)

| PROGRAM NAME ACRONYM | CFDA NO. | ACCOUNTING DATA (ACCS CODE) XXXX-XXX-XXXXX-XXXXX-XXXX-XXXX-X | PRIOR TOTAL AWARD | AMOUNT AWARDED THIS ACTION + OR (-) | CURRENT TOTAL AWARD | CUMULATIVE NON-FEDERAL COMMITMENT |
|----------------------|----------|---|-------------------|--|---------------------|-----------------------------------|
| SAFER | 97.083 | 2017-F6-C211-P4310000-4101-D | \$0.00 | \$15,468,782.00 | \$15,468,782.00 | \$9,615,730.00 |
| TOTALS | | | \$0.00 | \$15,468,782.00 | \$15,468,782.00 | \$9,615,730.00 |

b. To describe changes other than funding data or financial changes, attach schedule and check here.
 N/A

16a. FOR NON-DISASTER PROGRAMS: RECIPIENT IS REQUIRED TO SIGN AND RETURN THREE (3) COPIES OF THIS DOCUMENT TO FEMA (See Block 7 for address)

SAFER recipients are not required to sign and return copies of this document. However, recipients should print and keep a copy of this document for their records.

16b. FOR DISASTER PROGRAMS: RECIPIENT IS NOT REQUIRED TO SIGN

This assistance is subject to terms and conditions attached to this award notice or by incorporated reference in program legislation cited above.

17. RECIPIENT SIGNATORY OFFICIAL (Name and Title)
 N/A

DATE
 N/A

18. FEMA SIGNATORY OFFICIAL (Name and Title)
 Marie Rosalie Isabel Vega

DATE
 05-JUL-17