

OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

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Item Number: S-400

Item: Fire-Rescue Department SAFER Grant

OVERVIEW

The Fire-Rescue Department has submitted a request to apply for grant funding to staff emergency response units.

FISCAL/POLICY DISCUSSION

The grant in question represents only partial funding for 6.00 firefighter positions for four years. The City's General Fund must provide the balance of the funding for these 6.00 firefighters in Fiscal Years 2006 through 2009 and the entire funding thereafter. The cost to the General Fund is not identified in the report.

Based on an estimated fully-loaded cost of \$99,551 for 1.00 Firefighter II for one year, and four months of employment, the Fiscal Year 2006 cost to the General Fund, unfunded by the grant, is estimated at \$125,000. In the year with the highest funding (year two), the grant will cover \$192,000 of the estimated \$600,000 required to fund these positions.

It should be noted that this grant funding is provided on a reimbursement basis, so the City will front the costs and, based on billing constraints or delays, reimbursements from the Department of Homeland Security could be provided as late as the fiscal year following that in which the expenses were incurred. This is an additional burden on the City's cash flows.

Given the issues noted above, Council Members should consider the following: would the City hire these firefighters at this time if no grant funding existed? Based on the possible emergency response units that need to be staffed, current vacancies, and the broader financial picture of the City of San Diego, is it appropriate to authorize this funding and expense at this time?

Grant funding coordination and policy is an important issue within the City of San Diego that needs to be adequately addressed. The Office of the IBA will work with the Budget and Finance Committee and the Chief Financial Officer to take up this item.

QUESTIONS/COMMENTS

What is the cost that the General Fund must absorb in each year?

If the anticipated expense of the 6.00 firefighters is greater than the grant in Fiscal Year 2006, should the department request approval to increase the appropriations for the total amount of the expense, as opposed to the amount of the grant?

If not, will the department absorb the additional cost?

When will the department know if the anticipated savings in the EMS Program will be realized?

When will the operational plan for the six additional firefighters be developed?

Will the operational plan be submitted to the City Council for approval?

CONCLUSION

The Office of the IBA recommends that the City Council request additional information on the expenses the General Fund will have to absorb in each fiscal year in order to enable a more informed decision.

[SIGNED]

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