



Watertown City Council
Monday, September 24, 2018
7:00 p.m.

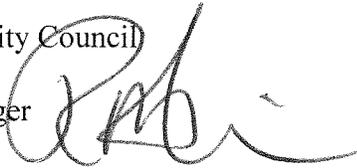
SPECIAL WORK SESSION AGENDA

Discussion Items:

1. Status of the SAFER Grant
2. Update on Dog Control Program

September 21, 2018

To: The Honorable Mayor and City Council
 From: Richard M. Finn, City Manager
 Subject: Status of the SAFER Grant



On September 7, 2018, the City was notified by the Federal government that the City has been awarded \$561,202 to hire four additional firefighters for a period of three years. The Federal grant would provide for the funding of wages and fringe benefits for the four firefighters at 75% City cost during the first two years and 35% for the third year of the grant. However, the approved grant award amount of \$561,202 is based on the current hourly rate of \$21.54, which is the amount used in the grant submittal. As a result, the actual reimbursement that would be provided would be slightly less than the actual cost of wages given the anticipated increase in wages when the pending Fire Union contract is approved. The chart below prepared by the City Comptroller illustrates the projected fiscal impact that the grant would have on the Fire Department budget for the next thirty-six-month period (term of the grant).

<u>APPROVED GRANT AWARD - HIRE FOUR FIREFIGHTERS</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Total</u>	<u>Year 4</u>
Base Salary (assumes 2% retroactive annual salary increases starting in FY 2019/20 and forward)	\$ 179,196	\$ 210,636	\$ 224,312	\$ 614,144	\$ 238,936
Holiday Pay	7,580	8,912	9,492	25,984	10,108
	\$ 186,776	\$ 219,548	\$ 233,804	\$ 640,128	\$ 249,044
FICA (7.65%)	14,288	16,796	17,888	48,972	19,052
Retirement (Held constant at 2/1/2018 Tier 6 contribution rate of 14.80%)	27,644	32,492	34,604	94,740	36,860
Health Insurance (Family coverage - assumes annual 5% increases from FY 2017/18 rates)	74,644	78,376	82,296	235,316	86,412
Total Cost	\$ 303,352	\$ 347,212	\$ 368,592	\$ 1,019,156	\$ 391,368
Federal Grant (75% / 75% / 35%)	(227,516)	(227,516)	(106,172)	(561,204)	-
Net Cost / (Savings) to City excluding affect to overtime	\$ 75,836	\$ 119,696	\$ 262,420	\$ 457,952	\$ 391,368

** Full Size chart attached for your convenience.

As illustrated, the projected total cost of the three-year grant program would be \$1,019,156. Subtracting out the Federal grant funding results in a projected net cost to the City of \$457,952. However, based on estimates provided by the Fire Chief, it is anticipated that the annual overtime per year can be reduced by 7,400 hours, which would result in a three-year cost reduction of \$1,397,267. Taking this cost reduction and applying it against the projected cost to the City [identified in the above chart (\$457,952)], the City would save a total of \$939,315 during the three-year grant period. As illustrated, the projected cost savings each year would be as follows:

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Total</u>
Net Cost/Savings	\$344,984	\$363,694	\$230,637	\$939,315

Based on the above projected numbers, the acceptance of the Federal grant funding would have a significant positive financial impact on the City of \$939,315. However, the projected three-year cost reduction is based on the estimated savings in overtime of 7,400 hours per year created by the hiring of the four new firefighters. If the reduction of overtime per year is greater than the estimated 7,400 hours, the City cost reduction would be higher. Likewise, if the reduction in overtime per year is lower than the 7,400 hours, the cost reduction (savings) would be less.

The above cost projections are based on the continuation of the Fire Department's minimum manning requirement of 15 operational firefighters on duty 24 hours per day. As you are aware, the City has challenged the minimum manning requirement, which is presently defined in the Fire Union Collective Bargaining Agreement. The City has taken the position that the minimum manning required in the Fire Department is a service level determination. Therefore, the City Council which establishes the annual City Budget should determine the level of service provided, including the establishment of the Department's minimum manning.

Additional information that pertains to the potential acceptance of the SAFER grant:

1. The City must officially accept the Federal grant no later than Monday, October 8, 2018.
2. Acceptance of the Federal grant funds will require the City to maintain its existing number of operational firefighters (63) in addition to the four new firefighters paid through the grant funds. This would therefore require the City to maintain 67 operational firefighters during the three-year term of the grant. The non-operational Fire Department positions (Fire Chief, Deputy Fire Chief, two Code Department Fire Officials and the Training Officer) would not be affected by the acceptance of the grant.
3. If the City is successful in its pursuit of having the City Council (based on professional/expertise/advice) determine the minimum manning requirements, it could do so during the term of the grant cycle (3 years). However, during the three-year period as established above, the City would be required to maintain the 67 operational firefighters (which includes the four grant funded positions).
4. If the SAFER grant is approved, it is the intention of the Fire Chief to begin the in-house training of the four new firefighters on October 15, 2018. This program would run for twelve weeks and the new firefighters would be certified and assigned to a shift by the end of January 2019. It is at this time that the estimated overtime cost reductions would begin. An alternative would be to send the new fire recruits to the Academy schedule to start in late February 2019. This would delay the assignment of the four new firefighters by approximately eleven weeks (mid-May).

Recommendation:

Based on the significant positive fiscal impact on the City through the reduction of overtime, it is recommended that the City accept the SAFER grant funds. As pointed out, the City will be required, for the duration of the grant period (3 years) to maintain 67 operational firefighters which would represent four additional firefighters than is currently authorized in the approved FY 2018-2019 Budget. The Fire Chief, City Comptroller and I will be available during the upcoming Monday evening Work Session to review this information and respond to any questions.

APPROVED GRANT AWARD - HIRE FOUR FIREFIGHTERS

Base Salary (assumes 2% retroactive annual salary increases starting in FY 2019/20 and forward)

Holiday Pay

FICA (7.65%)

Retirement (HelJ constant at 2/1/2018 Tier 6 contribution rate of 14.80%)

Health Insurance (Family coverage - assumes annual 5% increases from FY 2017/18 rates)

Total Cost

Federal Grant (75% / 75% / 35%)

Net Cost / (Savings) to City excluding affect to overtime

Overtime Decrease Assumption:

Overtime Wages Decrease by 7,400 Overtime Hours

Fringe Benefits (FICA 7.65% + Tier 2 Retirement 24.6% = 32.25%)

Net Cost / (Savings) to City

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Total</u>	<u>Year 4</u>
Base Salary (assumes 2% retroactive annual salary increases starting in FY 2019/20 and forward)	\$ 179,196	\$ 210,636	\$ 224,312	\$ 614,144	\$ 238,936
Holiday Pay	7,580	8,912	9,492	25,984	10,108
	\$ 186,776	\$ 219,548	\$ 233,804	\$ 640,128	\$ 249,044
FICA (7.65%)	14,288	16,796	17,888	48,972	19,052
Retirement (HelJ constant at 2/1/2018 Tier 6 contribution rate of 14.80%)	27,644	32,492	34,604	94,740	36,860
Health Insurance (Family coverage - assumes annual 5% increases from FY 2017/18 rates)	74,644	78,376	82,296	235,316	86,412
Total Cost	\$ 303,352	\$ 347,212	\$ 368,592	\$ 1,019,156	\$ 391,368
Federal Grant (75% / 75% / 35%)	(227,516)	(227,516)	(106,172)	(561,204)	-
Net Cost / (Savings) to City excluding affect to overtime	\$ 75,836	\$ 119,696	\$ 262,420	\$ 457,952	\$ 391,368
<u>Overtime Decrease Assumption:</u>					
Overtime Wages Decrease by 7,400 Overtime Hours	\$ (318,200)	\$ (365,512)	\$ (372,822)	\$ (1,056,534)	\$ (380,278)
Fringe Benefits (FICA 7.65% + Tier 2 Retirement 24.6% = 32.25%)	(102,620)	(117,878)	(120,235)	(340,733)	(122,640)
	\$ (420,820)	\$ (483,390)	\$ (493,057)	\$ (1,397,267)	\$ (502,918)
Net Cost / (Savings) to City	\$ (344,984)	\$ (363,694)	\$ (230,637)	\$ (939,315)	\$ (111,550)



FEMA

Mr. Dale Herman
City of Watertown Fire-Rescue
245 Washington St. Ste. 203
Watertown, New York 13601-3392

Re: Award No. EMW-2017-FH-00193

Dear Mr. Herman:

Congratulations, on behalf of the Department of Homeland Security, your application for financial assistance submitted under the Fiscal Year (FY) 2017 Staffing for Adequate Fire and Emergency Response (SAFER) Grant has been approved in the amount of \$910,056.00. As a condition of this award, you are required to contribute a cost match in the amount of \$348,854.00 of non-Federal funds. The Federal share is \$561,202.00 of the approved total project cost of \$910,056.00.

Before you request and receive any of the Federal funds awarded to you, you must establish acceptance of the award through the Assistance to Firefighters Grant Programs' e-grant system. By accepting this award, you acknowledge that the terms of the following documents are incorporated into the terms of your award:

- Summary Award Memo
- Agreement Articles (attached to this Award Letter)
- Obligating Document (attached to this Award Letter)
- FY 2017 Staffing for Adequate Fire and Emergency Response (SAFER) Grant Notice of Funding Opportunity

Please make sure you read, understand, and maintain a copy of these documents in your official file for this award.

Prior to requesting Federal funds, all recipients are required to register in the System for Award Management (SAM.gov). As the recipient, you must register and maintain current information in SAM.gov until you submit the final financial report required under this award or receive the final payment, whichever is later. This requires that the recipient review and update the information annually after the initial registration, and more frequently for changes in your information. There is no charge to register in SAM.gov. Your registration must be completed on-line at <https://www.sam.gov/portal/public/SAM/>. It is your entity's responsibility to have a valid DUNS number at the time of registration.

In order to establish acceptance of the award and its terms, please follow these instructions:

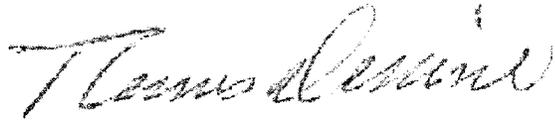
Step 1: Please go to <https://portal.fema.gov> to accept or decline your award. This will take you to the Assistance to Firefighters eGrants system. Enter your User Name and Password as requested on the login screen. Your User Name and Password are the same as those used to complete the application on-line.

Once you are in the system, the Status page will be the first screen you see. On the right side of the Status screen, you will see a column entitled Action. In this column, please select the View Award Package from the drop down menu. Click Go to view your award package and indicate your acceptance or declination of award. PLEASE NOTE: your recruitment period has begun. If you wish to accept your grant, you should do so immediately. When you have finished, we recommend printing your award package for your records.

Step 2: If you accept your award, you will see a link on the left side of the screen that says "Update 1199A" in the Action column. Click this link. This link will take you to the SF-1199A, Direct Deposit Sign-up Form. Please

complete the SF-1199A on-line if you have not done so already. When you have finished, you must submit the form electronically. Then, using the Print 1199A Button, print a copy and keep the original form in your grant files. Once approved you will be able to request payments online. If you have any questions or concerns regarding your 1199A, or the process to request your funds, please call (866) 274-0960.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas DiNanno". The signature is written in a cursive style with a large initial "T" and a prominent "D".

Thomas George DiNanno
GPD Assistant Administrator