



DATE: July 20, 2021

TO: Mayor and City Council

FROM: Fire Chief

SUBJECT: Adopt a Resolution Authorizing the City Manager to Transfer and Appropriate \$351,500 in Mutual Aid Funds (Project 05002) to Fire Department's Fiscal Year 2022 Operating Budget

RECOMMENDATION

That Council adopts a resolution (Attachment II) authorizing the City Manager to transfer and appropriate \$351,500 of surplus mutual aid reimbursement funds (Project 05002) to the Fire Department's Fiscal Year 2022 operating budget.

SUMMARY

The Hayward Fire Department entered into a mutual aid agreement with the California Governor's Office of Emergency Services (Cal OES). As part of the California Master Mutual Aid Agreement, the City receives reimbursement for direct and indirect costs associated with response efforts as outlined in the California Fire Assistance Agreement. Through the Mutual Aid Agreement, Cal OES strategically maintains 160 in-service fire engines in various departments to guarantee fulfilled mutual aid response and pre-positioning practices. Hayward Fire Department is the recipient of one Type III fire engine and is contractually obligated to respond with four personnel when dispatched.

Cal OES and other local agencies reimburse Hayward Fire Department for mutual aid deployments, including apparatus usage, support, equipment, and an additional 16 percent for administrative costs. The majority of mutual aid reimbursement replenishes the General Fund for overtime costs and a portion is allocated to Fleet Management for ongoing apparatus maintenance. Staff is requesting to appropriate a portion of the remaining surplus reimbursement funds—intended for equipment replacement—to the Department's FY22 operating budget. These funds will be used to replenish and maintain the minimum standard supplies, implement unfunded mandates, and scope of practice changes imposed by Alameda County and the State of California, and cover changes in existing contracts as outlined in the staff report.

BACKGROUND

The Hayward Fire Department responds to mutual aid requests made by Cal OES and other participating local jurisdictions. The California Fire and Rescue Mutual Aid System was designed to ensure support from local departments to provide equipment and personnel surge capacity for wildfires and other disasters.

Since 2015, HFD has responded to 125 incidents that called for mutual aid. Hayward deployed both equipment and workforce to support response to 84 fires in California and three out of state. HFD also responded to three requests for Urban Search and Rescue (USAR) deployments, provided 122 strike teams, and 667 sworn staff. In approximately five years, Hayward personnel contributed 12,700 hours (528 days) responding to disasters out of county. In addition to direct response, the Department pre-positioned 17 strike teams when red flag warnings were issued.

As part of the California Master Mutual Aid Agreement, the City receives funding for these efforts to reimburse direct and indirect costs as outlined in the California Fire Assistance Agreement.

DISCUSSION

Approximately 80 percent of the reimbursement amount is allocated to the General Fund to reimburse personnel costs. Another portion of the reimbursement is for fleet repair and maintenance. Depending on the response needs and the apparatus type used, the City will be reimbursed for apparatus hours used. Each apparatus type has an hourly cost breakdown for usage; the Department allocates that portion of the reimbursement to the Fleet Division for ongoing maintenance. The remaining supports Fund 405 equipment replacement and Capital Improvement Projects for the Department.

Since FY 2015, the Department has collected \$8.5 million in reimbursements. Of this amount, \$6.4 million has been allocated to the General Fund to cover overtime costs related to mutual aid requests. Approximately \$700,000 in reimbursements were allocated to the Fleet Management Capital fund to offset the cost of wear and tear on Department vehicles and equipment. This has left a total of \$1.4 million in mutual aid revenue available for covering other capital needs. Since FY 2015, the Department has contributed \$1.4 million in mutual aid revenue to Fund 405. Of this amount, a total of \$350,000 (\$50,000 per year) has been designated to cover capital maintenance overhead for mutual aid operations. Of the remaining \$1.1 million, \$343,155 has been designated for Department capital projects.

Fund 405 projects revenue of approximately \$50,000 each fiscal year for ongoing CIP projects. Mutual aid reimbursements contributed \$227,000 to Fire Equipment CIP 07487, the total cost of the project. Staff estimates that approximately \$717,000 of the mutual aid revenue received has been added to the balance of Fund 405. Staff recommends that the Council authorize an appropriation of \$355,100 in FY 2022 from Fund 405 to enable the Department to make operational purchases to meet industry best practices.

Based on these uses, the fund balance for the Capital Projects Fund (Fund 405) includes approximately \$717,000 in unallocated mutual aid revenue. A breakdown of Mutual Aid reimbursement allocations and uses are in Table 1.

Table 1. Mutual Aid Reimbursement Allocations and Uses

Year	Total Reimb.	OT Reimb (Fund 100)	Fleet Reimb. (Fund 736)	Mutual Aid Revenue	Overhead Alloc.	Appropriated	Avail.
FY15	177,329	119,116	-	58,213	50,000	-	8,213
FY16	1,406,473	1,064,334	123,201	218,938	50,000	-	168,938
FY17	450,632	323,759	45,632	81,242	50,000	60,000	(28,758)
FY18	2,293,149	1,707,529	190,385	395,235	50,000	-	345,235
FY19	1,842,780	1,422,552	129,938	290,289	50,000	-	240,289
FY20	157,865	125,193	8,055	24,617	50,000	-	(25,383)
FY21	2,176,921	1,633,026	201,794	342,101	50,000	283,155	8,946
TOTAL	8,505,148	6,395,508	699,005	1,410,635	350,000	343,155	717,480

The Department continues to experience budget reductions to comply with City requests to cut supplies and services at 5% in 2021, and 10% in 2022 as costs for industry-specific supplies continue to increase. The Department also notes an increase in price for specific EMS supplies, including narcotics and personal protective equipment.

The following is a list of items the Department is unable to purchase but are essential for maintaining industry standards and meeting the needs of Council and City Staff's identified goals for keeping the Department safe and healthy:

Table 2. Purchase Requests

Category	Budget Item	Budgeted in Previous Years	Actual Cost	Needed for FY22
Fire Equipment Testing	SCBA, O2 Bottles	\$ 4,000	\$ 4,000	\$ 4,000
	Hose Testing	\$ 15,000	\$ 15,000	\$ 15,000
Health & Safety	Turnouts	\$ 32,000	\$ 132,700	\$ 132,700
	Station Boots	\$ 2,000	\$ 16,000	\$ 14,000
	Cancer screening	\$ -	\$ 103,000	\$ 103,000
Supplies	Supplies	\$ 49,000	\$ 55,000	\$ 6,000
	EMS Supplies	\$ 69,000	\$ 76,000	\$ 7,000
Equipment & Technology	Fire RMS	\$ -	\$ 20,000	\$ 20,000
	Firstnet	\$ 8,000	\$ 16,000	\$ 16,000
Policy Mandates	LHMP	\$ -	\$ 16,600	\$ 16,600
	Foam Removal and Replacement	\$ 6,800	\$ 24,000	\$ 17,200
Total		\$ 179,000	\$ 441,600	\$ 351,500

STRATEGIC ROADMAP

This agenda item is a routine operational item and does not relate to any of the six priorities outlined in the Council's Strategic Roadmap.

FISCAL IMPACT

Since 2015, the Department has collected \$8.5 million in mutual aid revenue and contributed \$1.4 million to Capital Projects Fund 405. As discussed above, additional purchases are needed to maintain Department operating standards and cover new unfunded mandates. These actions require a transfer of \$351,500 of the available \$717,000 in Project 05002 with a remaining \$365,500. The Department will continue to provide equipment and personnel surge capacity and is eligible to receive reimbursement for COVID-related activities totaling \$3.5 million.

Fire Equipment Testing	\$19,000
Health & Safety	\$249,700
Supplies	\$13,000
Equipment & Technology	\$36,000
Policy Mandates	\$33,800
Total	\$351,500

SUSTAINABILITY FEATURES

In 2020, lawmakers voted to ban the sale and use of fire-retardant foam that contains perfluoroalkyl and polyfluoroalkyl substances, a class of chemicals commonly known as PFAS. These chemicals are known to cause kidney and testicular cancer, thyroid disease, and other serious health problems. The passing of Senate Bill 1044¹ requires HFD to dispose of the total supply on hand and replace it with new foam.

NEXT STEPS

If Council adopts the attached resolution, staff will transfer and appropriate \$351,500 from the mutual aid revenue Project 05002 into Fire Department's operating budget to make the purchases outlined in Attachment III.

Prepared by: Shanalee Gallagher, Management Analyst

Recommended by: Garrett Contreras, Fire Chief

Approved by:



Kelly McAdoo, City Manager

¹ https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB1044